De Beers' response to the undisclosed synthetics risk

Jamie Clark



ACCURACY • KNOWLEDGE • EXPERTISE

Undisclosed Synthetics our greatest risk

Increased concern in the diamond trade about undisclosed sale of synthetic diamond material:-

- Greater availability of synthetics provides increased opportunity for cheating
- Lower production cost has increase the incentive for such undisclosed sale of synthetics
- Production of HPHT and CVD synthetics, sale and use of detection technology has increased dramatically in recent years
- Brands taking action to reduce the risk of synthetic melee being discovered in their jewellery creations

The De Beers Group is taking action to meet this challenge in maintaining both trade and consumer confidence.....

Our response: De Beers' IIDGR

De Beers has launched the International Institute of Diamond Grading & Research

Laboratories located in major diamond trading centres:-

- Antwerp, Belgium major laboratory
- Surat, India major laboratory
- Maidenhead, UK research & development; laboratory

IIDGR aims to:-

- meet various consumer confidence challenges head on
- support the diamond industry with products and services
- educate the trade and consumers





Retailer Kit





Trade Advertorial



Utilising 120 years of De Beers marketing excellence to create a full trade/consumer awareness proposition

Consumer Website



Consumer focused

Grading report

DIAMOND GRADING REPORT

Consumer Brochure

IIDGR Products & Services





1. Melee Testing Service

- Offered from all laboratories, full testing on loose diamonds from 0.20cts to 0.003cts
- Provides the client with tested diamonds in tamperevident sealed parcels with tamper-proof descriptors
- Current capacity in the tens of millions and increasing
- Uses revolutionary proprietary instrumentation
- TAT depend on stone size, quantity and parcel results

2. Diamond Referrals Services

• Focus on stones sent to us where previous testing was inconclusive

3. Detection Instruments

• Produce and sell to the trade world leading diamond verification and synthetic detection instruments

Detection Instruments Current Generation

DiamondSure & DS Mount

absorption refers all synthetics refers type II and type IaB diamonds



DiamondView surface fluorescence identification of synthetics



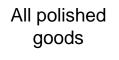
DiamondPLus

photoluminescence screening of type IIa diamonds for HPHT treatment

AMS Automated Melee Screening refers all synthetics refers type II diamonds



Detection Instruments Process flow





*Fancy colour type I passes will need additional testing for HPHT treatment

AMS

~95% Pass (dependant on stone size)
No further testing required*

All synthetics/ simulants + ~2% of natural diamonds

DiamondView

All synthetics identified



Natural type II

DiamondPLus



HPHT treatments test

Further Research and Development

- IIDGR is strongly supported by De Beers Technologies, based in Maidenhead, UK
- Working closely together, IIDGR and De Beers Technologies continue to innovate and bring new product and service to the diamond industry
- These include:-
 - Continuous research and development in to new and improved grading technology
 - Melee Testing Services throughput techniques
 - New Detection Instruments to meet new challenges at various contamination points in the supply chain

PhosView



- Just launched 2 weeks ago and already very popular
- For rapid screening of loose melee as small as +/-0.003cts
- Identifies HPHT synthetics
- Simple set jewellery capability
- \$4,500

De Beers Research Resources

- De Beers Group
 - Over 65 years of fundamental diamond research
- De Beers Technologies UK
 - Diamond characterisation and equipment development expertise
 - More than 25 years of Consumer Confidence Technical Research
 - Benchmark studies of natural diamonds
 - Proactive synthesis and HPHT treatment research with Element Six





- De Beers Technologies supports
 - Diamond research at UK universities
 - Centre for Doctoral Training in Diamond Science & Technology

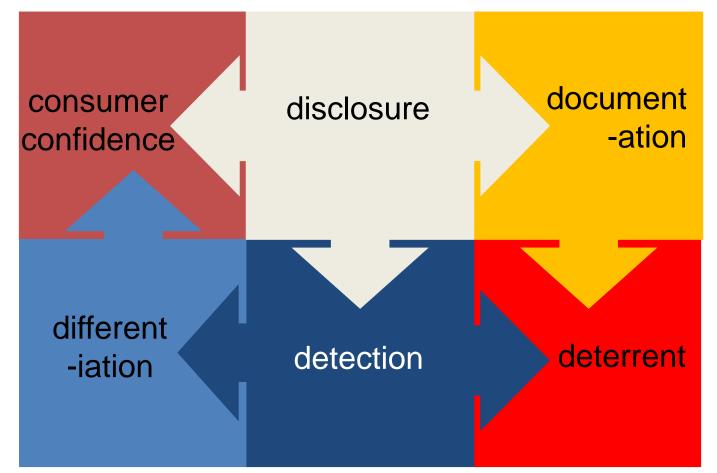






De Beers Consumer Confidence Programme

maintaining & enhancing consumer confidence in the mystique & integrity of diamonds



ISO STANDARD

Jewellery – consumer confidence in the diamond industry



"Diamond"

- Grows under natural geological processes
- "Diamond" without further specification always implies "natural diamond"

"Synthetic diamond"

- Laboratory-grown diamond
- Laboratory-created diamond (or acceptable local direct translation)
- Brand or manufacturer's name plus diamond not sufficient for disclosure

The FTC also permits the following terms to be used: laboratory-grown diamond, laboratory-created diamond and synthetic diamond