

Everledger & Diamonds

When you go to buy a diamond or a gemstone from a jeweler, what questions do you ask? The jeweler is likely able to tell you the “4 Cs” of the stone: color, cut, carats, and clarity. But what about how that diamond made its way to the jeweler in the first place? How many hands did it pass through to get exactly to where it is today?



“Do you know where your diamonds come from?”
<https://www.everledger.io/industry-solutions/diamonds/>

Everledger is an independent technology company that is helping manufacturers, retailers, and also consumers answer questions just like these. They use a combination of blockchain technology, AI, and IoT to help businesses track their products from source to consumer. This tracking system ensures a level of transparency along the supply chain unprecedented in the world of diamonds and gemstones, and it’s beneficial to all parties involved. Improving the transparency of the diamond and gemstone supply chain can ensure ethical sourcing of these products. The majority of miners who extract these luxury stones do so in poor conditions and receive limited compensation for their work. You have probably heard of “blood diamonds”, which have

been extracted by slave labor, sometimes by children as young as 11, in war zones. They are often used to fund the militia group in power of these slaves.¹ In addition to diamonds, 80-90% of all coloured gemstones are mined by small companies or other individuals using limited technology.² Despite media coverage of these terrible conditions, and consumers wishing to avoid them, tracing gemstones all the way back to where they started and who has handled them is extremely challenging, because they cross multiple international borders before finally being sold to the consumer (see below diagram). However, Everledger’s technology is designed to trace the diamonds and gemstones from their source, where miners extract them, across its complex supply chain journey, into the hands of the consumer. This not only helps the consumer to rest assured of the ethical journey of their diamond, it also benefits companies by providing them a record of their business. This record both makes retailers and manufacturers trustworthy in the eyes of their clients and ensures they have easy-to-access documentation if subject to restrictions and rules surrounding their business.

An example of how Everledger’s work has been successful can be found in the Moyo Gemstones Pilot Project, which Everledger offered their services to pro bono.³ This mine-to-market program is a collaboration between the NGO Pact, gemstone sellers Anza Gems and Nineteen48, the Tanzania Women’s Miners association (TAWOMA), and various others. Everledger’s technology has helped track the journey of these gemstones, starting with the vulnerable female miners who extract them. By using blockchain technology to verify the source of these diamonds, the parties involved in this project are also able to help set up a chain that pays these women more fairly and improves their lives.

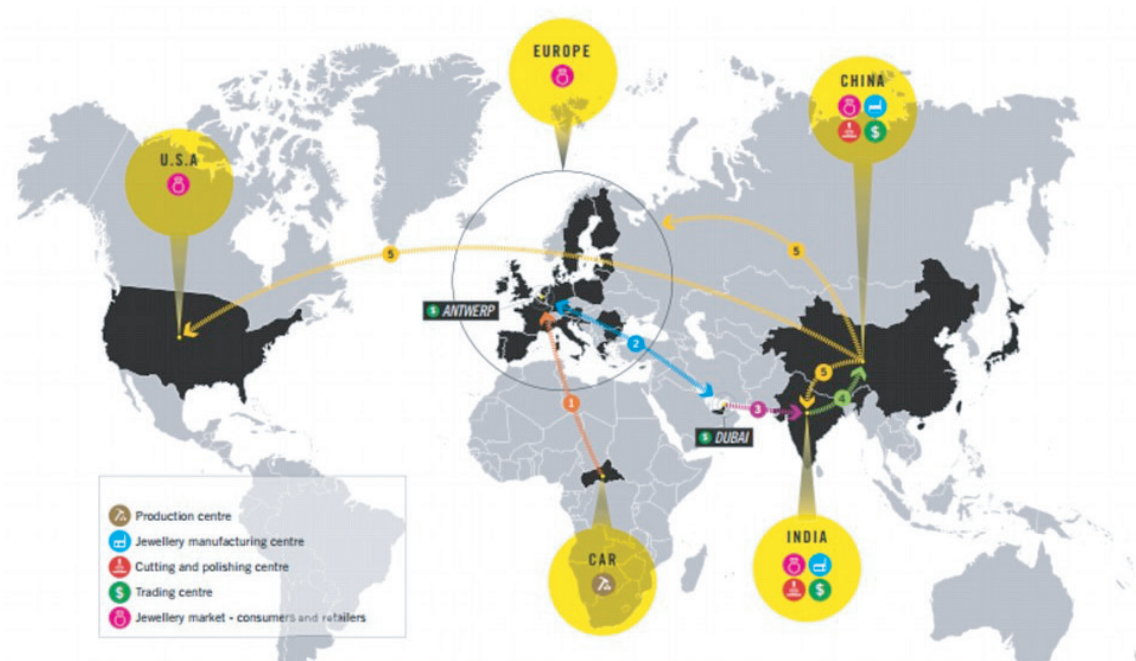
¹ <https://www.dailymail.co.uk/news/article-3256249/Blood-diamonds-dug-African-mines-children-young-11-gold-taken-25m-underwater-kids-aged-9-slave-labour-scandal-jewellery-hanging-neck.html>

² <https://www.everledger.io/moyo-gemstones-putting-responsibility-on-the-record/>

³ <https://www.nationaljeweler.com/blog/7668-sustainability-stories-mine-to-market-with-moyo-gemstones>

The tracking system Everledger has created is a step in the direction of a Full Material Responsibility (FMR) economy. In a FMR economy, the entity extracting a nonrenewable resource from the earth remains responsible for this resource throughout its entire lifetime. Everledger incorporates certain aspects of this concept into its work. By using technology, the company helps track non-renewable resources

such as diamonds through the hands of many. This increased transparency is a way of requiring companies to take responsibility for their products. With each step of the process being tracked through Everledger's platform, fair and equitable hand-offs are ensured along the way. Since founding in 2015, they have provided provenance for over 2 million diamonds (900,000 carats).



"A potential path of a diamond from source to its final buyer"

<https://www.dailymail.co.uk/news/article-3256249/Blood-diamonds-dug-African-mines-children-young-11-gold-taken-25m-underwater-kids-aged-9-slave-labour-scandal-jewellery-hanging-neck.html>

Full Material Responsibility

Full Material Responsibility is a principle that can guide the transformation to a circular, smart service economy with zero waste.

Find out more about FMR here:

<https://www.leave-it-in-the-ground.org/full-material-responsibility/>

More information on this case study:

<https://www.everledger.io/industry-solutions/diamonds/>