

# "TRADITION IS THE PASSING ON OF FIRE AND NOT THE WORSHIP OF ASHES."

lean laurè

# **CONTENTS**

#### **FOREWORD**

Foreword CEO

#### **REVIEW 2022**

#### SUSTAINABILITY CONCEPT

Sustainability strategy
Timeline – Milestones
Presentation Sustainability Group

#### **SUPPLY CHAIN AND PRODUCTS**

Design Quality Materials Status Goals and Initiatives 2022 Goals and Initiatives 2023

#### ENVIRONMENT

Initiatives 2022 Emissions and resources Environment and species protection Goals 2023

#### PEOPLE

Employees at Niessing
Occupational Health and Safety
Compensation and Benefits
Training and Further Education
Diversity and Equal Opportunity
Community Development – Together into the Future

#### COMPLIANCE

Compliance Corruption/Bribery

#### **CLOSING WORDS**

Note: Niessing hereinafter stands for Niessing Manufaktur GmbH & Co. KG

# **FOREWORD**

#### 150 YEARS OF NIESSING - 150 YEARS FOR YOU!

Dear Niessing fans,

150 years of clear visions, emotional stories, minimalist designs, sensual jewelry icons and burning passion have shaped Niessing. When Hermann Niessing opened his small goldsmith's workshop in the tranquil town of Vreden/Germany in 1873, the radiance of his ideas and inventive spirit could not yet be foreseen. Niessing's long tradition is an obligation for us to play a pioneering role in sustainability.

In 2022, we took a further step with CO<sub>2</sub> neutrality and anchored the idea of sustainability more deeply in our corporate culture. The completed RJC Mid-Term Review has encouraged us on this path.

In our anniversary year, we want to make our brand and the manufactory accessible at all levels. The reconstruction and upgrading of

the manufactory and the associated transparency is the next level of lived sustainability. As part of the virtual or physical Niessing Experience Days, we want to enable you to gain an in-depth insight into the Niessing world.

Experiencing it firsthand means more than a thousand words. Feeling the spirit of Niessing, experiencing the team's passion for Niessing and seeing our tradition of sustainability in connection with our new projects will touch your heart.

Join us in continuing to write the Niessing story. We look forward to seeing you.

Best regards



CEO



# **REVIEW 2022**

#### **CLIMATE-NEUTRAL COMPANY**

In cooperation with ClimatePartner GmbH, we have succeeded in making Niessing Manufaktur a climate-neutral company as of June 1, 2022. Through a comprehensive detection of CO<sub>2</sub> emissions with a clear division into three different scopes, we were able to achieve a targeted reduction with the help of increased efficiency and innovative technology. In addition, Niessing supports national and international climate protection projects to compensate for the remaining CO<sub>2</sub> emissions. Our common goal for the future is to reduce our CO, footprint to gradually reduce the compensation share and to produce independently in a climate-neutral manner. (ClimatePartner-ID: 18363-2206-1001)

## MID-TERM REVIEW RJC COP CERTIFICATION

During certification according to the COP standard of the Responsible Jewellery Council (RJC), we underwent an additional mid-term review in November 2022. This was carried out by the KPMG Cert GmbH environmental auditing organization from Cologne. Once again, we were able to demonstrate our compliance with the COP standard and underline our certification status. For the year 2023 we are preparing for the next au-

dit for the regular recertification according to the COP standard. Again, KPMG Cert GmbH will accompany us to ensure all-embracing conformity in all requirement areas of the RJC and to maintain our certification status. (Certification number: 0000 2097)

## RENOVATION OF THE MANUFACTORY BUILDING

In view of the upcoming anniversary year 2023 and the associated 150th anniversary of the Niessing Manufaktur, the focus in the second half of 2022 was on the conversion and refurbishment of the manufactory building in Vreden. The optimized arrangement of the production departments and the architectural return to the Bauhaus style ensure an upgrading of the production site and a strengthening of the brand identity. At the same time, this upheaval is an opportunity to incorporate impulses from the RJC certification and the desired independent climate neutrality to be able to continue to operate in a future-oriented manner in the coming years.





# SUSTAINABILITY STRATEGY

The starting point of our sustainability strategy is based on the guidelines of the Code of Practices of the Responsible Jewellery Council. We have expanded this code of practice with our own guidelines. Our economic and ecological development form a symbiosis.

beginning of the year. From this, initiatives are derived for the coming year. These are then processed and implemented by our sustainability team. The team consists of employees from various departments to cover as many aspects and areas as possible.

To achieve our goals, we prepare a risk assessment and a sustainability matrix at the

Last year, we decided to focus on the following six goals from the seventeen goals of the Sustainable Development Goals (source: United Nations 2015):



To ensure implementation, we have recorded the organization and structural instruments in the following matrix. These pillars form the foundation of our sustainability concept:

NIESSING CULTURE AND LEADERSHIP					
NIESSING CODE OF CONDUCT AND OPERATING RULES					
COMPLIANCE TEAM  Compliance Officer  DSGVO: External data- prot. officer.  Legal Register: Ahorn (from 2021)  Association VMM/IGM  Tax Advisor	FINANCIAL ACCOUNTS TEAM • Tax Advisor	SUPPLY CHAIN/ HUMAN RIGHTS TEAM  Purchasing/Sales Manager (KYC)  Compliance Officer  Marketing Team (Provenance)	LABOUR RIGHTS/ WORKING COND.  TEAM  Works Council  IG Metall  Association VMM  Safety: Inomed  Contract: General-/Inhouse collective agreement	HEALTH, SAFETY & ENVIRONMENT TEAM  Health Coordinator Safety: Inomed External Consulting (BG) Sustainability Manager	COMPANY  Premium- Manufactory  Design brand  Made in Germany  WE ARE  Appreciative  Self responsible  Conscientious
• Internal Audit • Audit • Annual Report	• Internal Controll. System • Internal Audit • Audit Reviscon	• Process Owner • Internal Audit • Insurance broker	Process Owner     Works Council     Tax Advisor     MCM Consult.  LITY REPORT	• Process Owner • Professional association	Ambitious

The initiatives derived from this are manifold. Only through specific measures progress can be made and a credible concept can be communicated. The following

overview shows important elements of our sustainability strategy that have already been implemented:

# **MILESTONES**

1873

 Mindful manufacturing – Made in Vreden/Germany

## 2020

- Spring Self-assessment according to RJC COP
- Spring bee meadow on company premises
  - September –

Changeover to brochure format = material savings

- November Substitution of individual hazardous substances
  - November Audit RJC

2022

- May City cycling campaign
- June Climate-neutral company
  - September Start of building renovation
- November Hazardous material containers in accordance with the highest safety standards
  - December Mid Term Review RJC COP



•

2019



• Precious metals from the secondary cycle (gold 100%)

• Introduction of Job-Bike offers



2021

- January Changeover to 100% green electricity
- January RJC certification
- January Switch to sustainable sales packaging
- June Climate neutral shipping DHL
- September Switch from batteries to rechargeable batteries
- November Switch to recycled paper (internal)



Recertification RJC COP

**2023 – OUTLOOK** 

- Introduction of hybrid heating/intelligent cooling system → Purchase of heat pump
- Completion of building renovation and restructuring of production processes
- Anniversary 150 years of Niessing

# PRESENTATION OF SUSTAINABILITY GROUP

In order to discuss the topic of sustainability on a regular basis, an environmental management working group was established in the summer of 2020. The team includes employees from various departments to address as many aspects as possible from different areas.

The working group meets every two months. Each member is responsible for a specific project. At the meetings, the respective projects and their state are discussed and recorded, and further steps are discussed.

#### TEAM

Anika Wensing (Marketing assistant/ Environmental Manager)

Eike Sibbing (Quality manager)

Lena Haase (Designer)

Alexandra Frohloff (Diamond setter)

Thomas Laurich (Facility Manager)





### **DESIGN**

At Niessing, sustainability begins with timeless design and the creation of design classics. The combination of high-quality materials, sensual minimalist design and meticulous workmanship creates pieces of jewelry that can be worn for generations.

### **QUALITY**

Our jewelry can be refurbished even years after purchase. By means of a uniquely assigned identification number for each piece of jewelry, we can trace the design in the product history and thus use the original configuration as a basis for restoration.

We make sure that the jewelry pieces are very durable and can be repaired by high-quality service work if necessary already in the design phase.

### **MATERIALS**

Gold from the secondary cycle, diamonds from controlled sources and an alloying know-how that is unique in the world enable us to maintain the highest ethical and environmental standards. Niessing is known for its range of self-developed gold colors, which are tested for fineness in our own laboratory using X-ray spectrometers. Any residual precious metals produced in the manufacturing process are immediately recycled. Each diamond is tested by means of analysis equipment to ensure that it is a natural diamond.

### **SUPPLY CHAINS**

We source precious metals from selected German and Swiss refiners with whom we have long-standing and trusting business relationships. These are certified members of the Responsible Jewellery Council.

We also buy diamonds from renowned companies. Most of our partners in the gemstone sector are certified members of the Responsible Jewellery Council.

Based on the available certifications and evaluations of the surveys on the part of our raw material suppliers, the risk of non-compliance with the Code of Practice is minimized.

# STATUS GOALS AND INITIATIVES 2022

#### **GOALS 2022**

#### **INSOURCING OF SEMI-FINISHED PRODUCTS**

Result: Almost all Niessing jewelry, from alloying to final inspection, is already manufactured entirely in the Vreden factory. A few semi-finished products, such as metal sheets or chains, are purchased from certified suppliers. In the course of further integration, we have been able to convert chain production completely to in-house production by acquiring a chain machine.

#### **FURTHER INCREASE IN TRANSPARENCY**

Result: The Midterm Review 2022 also included a review of the RJC certificates of our precious metal and diamond suppliers.

Similarly, for supply chain policy compliance,

a review was conducted using a financial sanctions list. All suppliers for diamonds and precious metals were convincing and passed the reviews. The traceability of jewelry is guaranteed by data through our ERP system, but the percentage of jewelry engraved with the ID-number needs to be increased.

#### REINTERPRETATION OF ICONIC DESIGNS

The designs for the anniversary collection were completed in the fall of 2022 and a comprehensive exhibition was also created to mark Niessing's 150th anniversary.

#### **INITIATIVES 2022**

14001:2015.

## CHECKING THE ORIGIN OF SEMI-PRECIOUS ALLOY MATERIALS

Result: Niessing has two suppliers only for its semi-precious alloy materials, each of whom has a long-standing business relationship with the company. Both companies are based in Germany, attach great importance to sustainability, and operate a circular economy system. They offensively offer the return of residual materials and recycle them.

One of the companies has been on the market for over 130 years, with an environmental management system that is certified to DIN

The second company is committed to complying with national and international guidelines on dealing with conflict minerals, in particular the implementation of the OECD Guidelines on Regulation (EU) 2017/821.

## SALES PROMOTION OF CANADIAN DIAMOND

Result: The existing range of Canadian Diamonds was not expanded.

## EXCURSUS: DIAMONDS FROM RUSSIAN MINES

Due to the war in Ukraine, we were busy to check and adjust our diamond supply chain. Together with our diamond partners we have worked out a transparent, honest, and long-term solution to exclude the processing of diamonds of Russian origin (except for stock diamonds and diamonds from the recycling process - but these were obtained before the conflict started.) The following assurances can be made by Niessing:

#### DIAMOND SIZES 0.003 CT - 0.29 CT:

We can assure that all diamonds we purchase are not from rough diamonds exported from Russia after April 1, 2022.

## DIAMOND SIZES GREATER THAN/EQUAL TO 0.30 CT:

Diamonds certified before April 1, 2022 may be from Russian mines, but the rough diamonds are guaranteed to have been mined before the war began. Diamonds certified after April 1, 2022 originate from non-Russian mines.

# GOALS AND INITIATIVES 2023

# INCREASE QUOTA FOR IN-HOUSE RECYCLING

Precious metal waste is to be collected more meticulously, increasing the proportion of separately collected precious metal. The effort and environmental impact will be significantly reduced as a result.

# INCREASE THE PROPORTION OF JEWELRY WITH ENGRAVED ID NUMBERS

Although each piece of jewelry is assigned an ID number, so far only about 25% of all jewelry is engraved with the ID number. In 2023, the proportion is to be increased to over 40%.



### **SELF-IMAGE**

The issues of climate change and species conservation are more present than ever. Our ecosystem is in a delicate balance. We support positive influences on nature with suitable initiatives.

## EXCURSUS: ENVIRONMENTAL MANAGER'S THOUGHTS

The consequences of global warming and climate change no longer leave us untouched, even in Germany. We all still have the images from summer 2021 in our minds when we think of the flooding and the resulting devastation of cities in North Rhine-Westphalia and Rhineland. Summers that are getting hotter and hotter and the lack of rain is also causing fatal consequences: the groundwater level is falling; dry soils and dried-up lakes are depriving nature and animals of habitats and sources of drinking water.

As a company, we want to do our best to minimize our impact on our world and create added value for nature, animals and people where we can.

Anika Wensing Environmental Manager

### **INITIATIVES 2022**

Our main goal was to achieve climate neutrality for Niessing from 2022 on, and we were able to achieve this goal. All defined initiatives were successfully implemented.

# EMISSIONS AND RESOURCES

In spring 2022, with the help of Climate Partner, we determined the emissions incurred in 2021. For this purpose, various data and figures for the three different scopes were collected and analyzed. The total result for 2021 is 405.94t CO<sub>2</sub>, which corresponds to the CO<sub>2</sub> footprint of 47 Europeans. One European generates an average of 8.7t CO<sub>2</sub> per year.

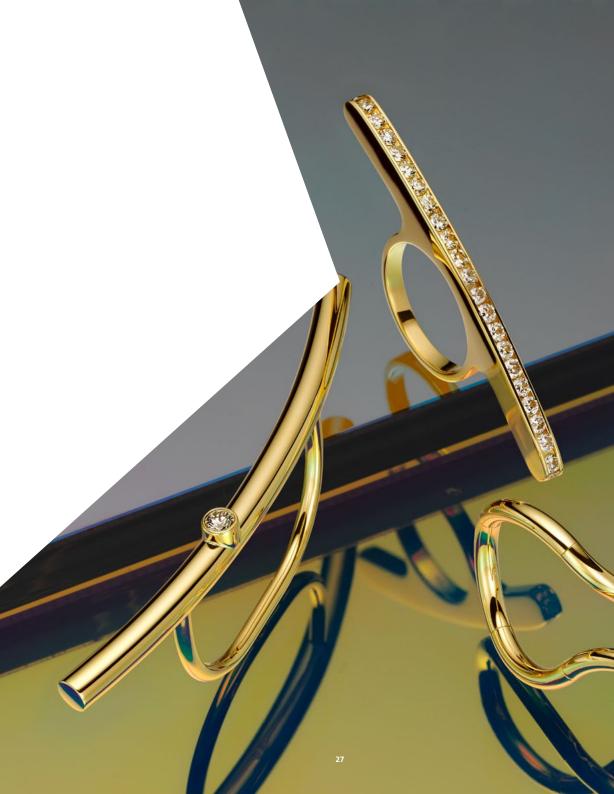
The analysis showed that one of the largest sources of  $CO_2$  emissions is the heating of the manufacturing building. To reduce the associated emissions, we are switching to a hybrid heating system with heat pump in 2023, which is powered by 100% green electricity.

Thanks to the continuous conversion to LED lighting and further refurbishments, electricity consumption remained at the 2021 level despite an increase in manufacturing output (+5.7%). We were able to increase the proportion of LED lighting to approximately 55%, thus exceeding the target of 50%.

## DEVELOPMENT OF ELECTRICITY CONSUMPTION

Electricity consumption: 2021: 352.465 kWh 2022: 353.655 kWh Share of LED lighting:

2021: approx. 27% 2022: approx. 55%



# **ENVIRONMENT AND SPECIES PROTECTION**

We compensate for the CO<sub>2</sub> emissions generated at Niessing that were previously unavoidable with certified climate protection projects. Among other things, we support the largest REDD+ project in Colombia. This initiative protects 1,150,200 hectares of tropical rainforest and preserves its biodiversity. It provides education, healthcare, sanitation, food security and other social services for 16,000 indigenous people. The project works together with communities to improve their living conditions and promote sustainable economic growth. The goal of the project is a comprehensive approach to lasting change to towards sustainable business and conservation. The project promotes the protection of indigenous territories by fostering community autonomy, better monitoring of territories and stronger communication and transportation systems. It will also help improve the food supply of six different ethnic groups. In addition, we support the reforestation and establishment of resilient mixed forests by planting one tree per ton of CO, by a certified organization in Germany.

We continue to support the Westmünsterland Nature and Landscape Foundation, which is committed to preserving the natural habitats of the flamingos in Zwillbrock/ Vreden, among other things. Last year, we launched our Niessing Now Edition Flamingo Rose pendant to raise awareness regarding the flamingos.

### **TARGETS 2023**

 Reduction of CO<sub>2</sub> emissions by 5% in 2023

### **INITIATIVES 2023**

- Successfully install hybrid heating system with heat pump + reduce emissions Scope 1
- Complete refurbishment/renovation of manufacturing building
- Increase share of LED lighting to 75%





# **PEOPLE**

### **EMPLOYEES AT NIESSING**

Niessing owes its competitiveness and international reputation to its many qualified and motivated employees. The company's goal is therefore to inspire its employees anew every day, to motivate them with challenging and varied tasks, and thus to retain them. Niessing takes responsibility for the wellbeing of each individual and promotes a corporate culture of mutual appreciation and respect. The company is committed to equal opportunities and diversity, helps people balance their private and professional lives, offers very good development opportunities, and ensures safe, healthy workplaces throughout the work environment. In this way, Niessing aims to consolidate its reputation as an attractive employer. The company is clearly committed to respecting human rights, contributing to Sustainable Development Goals (SDGs) 5, 8, and 10 at its site through fair, performance-based compensation, protection against discrimination, and respect for employee rights.







# TARGET ACHIEVEMENT AND INITIATIVES 2022

We have laid the foundation for improving the climatic conditions in the manufactory building by beginning the remodeling process. Height-adjustable desks have been ordered and will be introduced in 2023.

## **EMPLOYEES IN FIGURES**

The following key figures provide an overview of the employee structure at Niessing. At December 31, 2022, Niessing had a total of 175 employees; of these, 69% work in production, another 6% in creative departments; 25% work in customer-related areas.

Women accounted for 65% of the company's workforce in the fiscal year. 45% of the management are female executives.

In fiscal year 2022, we were able to hire a total of 29 new employees\*. 89% of the employees have permanent employment contracts; 11% have fixed-term contracts (2/3 of which are training contracts). Temporary workers (mini-jobbers and short-term employees) are only used at Niessing for short-term personnel requirements, lack of capacity, or as replacements for employees who have been ill for a longer period. Temporary workers are not employed.

# OCCUPATIONAL HEALTH AND SAFETY

It is thanks to the strong team spirit, mutual consideration and solidarity as well as the

employees' high willingness to change that Niessing has emerged stronger from the pandemic.

An important driving force was the digitization of work processes and business activities which experienced an immense boost during the pandemic. For example, the systematic expansion of online channels enabled the company to meet the demand of jewelers and consumers even during the lockdown and to intensify customer communication.

The Corona pandemic has had a lasting impact on the world of work - especially in the administrative areas. Mobile working is now the norm and the requirements for the working environments of the future have evolved once again.

In cooperation with the Works Council, opportunities for mobile working have been created. Where possible, Niessing is thus geared even more closely to the wishes of its employees for a better work-life balance. Today, we use digital communication platforms to network with colleagues and business partners worldwide.

For the future, Niessing is relying on a healthy mix of presence and mobile work. New workspaces are being created on site based on an increasingly networked working world. In 2022, Niessing began extensive and comprehensive remodeling measures in production and administration to meet this demand.

In 2022, we continued to successfully implement our protective measures for the Corona

pandemic; among other things, we held most of our meetings as online meetings. FFP2 masks and free Corona self-tests were available to all employees\*.

To promote the physical and mental fitness of our employees, different classes were again offered at Niessing. Whether English language, yoga, spinning or endurance classes: every employee could find the right course for him or her.

Some of our employees have been trained as first aiders and take a refresher course every two years.

# COMPENSATION AND BENEFITS

Dealing with employees in a respectful manner includes appropriate remuneration in line with the market. For us, it is self-evident and important to pay equal wages for equal work or work of equal value and to prevent any unjustified salary differences.

The compensation systems are in line with market conditions and collective agreements, such as collective wage agreements. In addition to traditional salary components, our compensation systems also include fringe benefits for social security, thus complementing state security systems.

Based on EBT (earnings before taxes), Niessing was able to pay out the maximum bonus in the past fiscal year 2022. In this way, the company honors the special commitment of the workforce in a demanding year.

Commuter and energy allowances in the form of fuel cards were issued to all employees in 2022, graded according to the number of hours worked per week and the distance to the workplace. 50% of the maximum possible inflation compensation bonus was already paid out in 2022.

# EDUCATION AND TRAINING

Despite the difficult conditions during the Covid 19 pandemic, four apprentices started their careers at Niessing in August 2022. In total, 13 apprentices were in training as of December 31, 2022. They are learning the professions of goldsmith, gemstone setter, CNC machine operator, IT specialist, and industrial clerk. As in previous years, we were able to take on all trainees as permanent employees. In 2022, Niessing again received the special award for outstanding training performance in the goldsmith trade.

Today, further training increasingly takes place while working as training on the job. This is particularly important in view of advancing digitization because it radically shortens the half-life of knowledge and skills. Niessing focuses on lifelong learning and actively dealing with change. This offers employees the unique opportunity to learn new things and to further develop.

# DIVERSITY AND EQUAL OPPORTUNITIES

At Niessing, people of very different ages, genders, national origins, and sexual orientations work together. We reject any form of discrimination and are committed to equal treatment of all employees - regardless of nationality, ethnic origin, gender, sexual identity, marital status, age, physical constitution, appearance, religion or ideology.

## COMMUNITY DEVELOP-MENT – TOGETHER INTO THE FUTURE

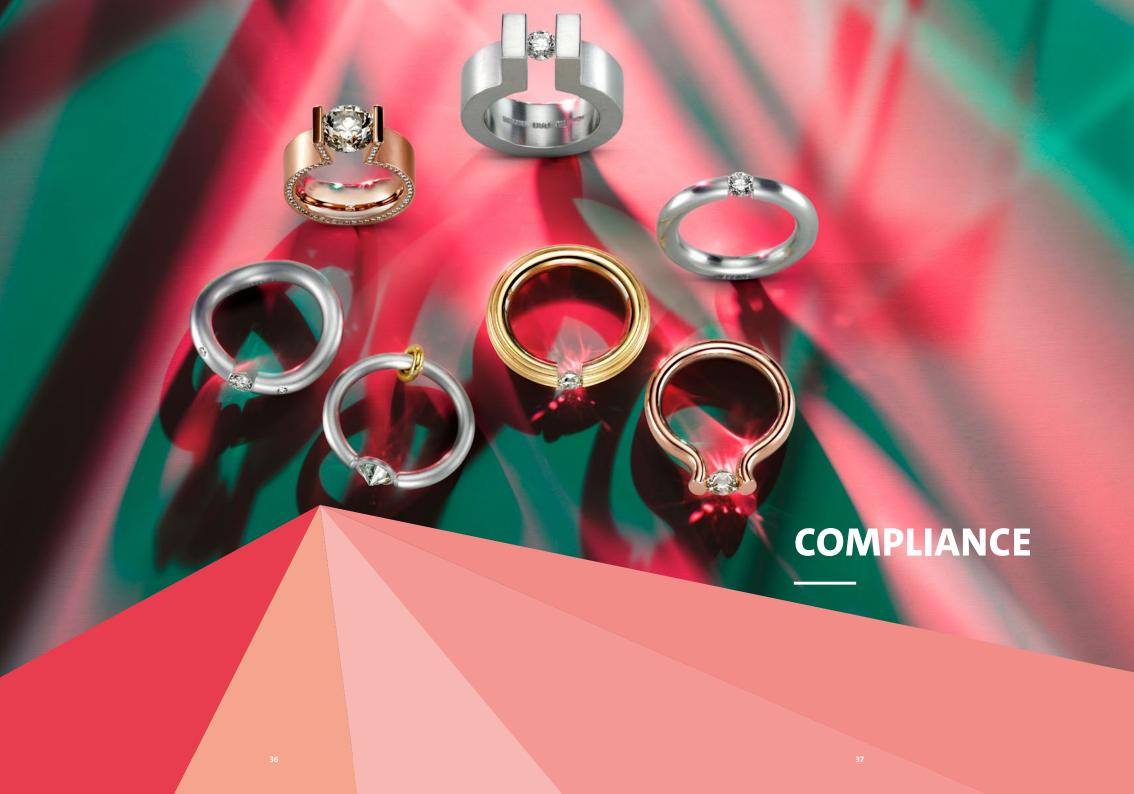
We want to expand our programs and increase our civic engagement. In addition to helping with unforeseen events, Niessing follows a set plan in its community involvement. We currently support the areas of sports, environment/nature and social issues with sponsorship measures. In total, Niessing donated to six individual projects in 2022. In addition, Niessing supports volunteer work.

### **GOALS 2023**

The focus is on completing the conversion to a high-end manufactory with the associated optimization of all workplaces.

### **INITIATIVES 2023**

- Ergonomic workplaces for all employees
- Training for the surface finishing team
- Anniversary event for the families of all employees



### **COMPLIANCE**

Compliance, i.e. strict adherence to applicable law, responsible conduct and ethical behavior, is an essential part of our corporate culture. We know our legal obligations to be complied with and fulfill them through our conduct. In some areas, we are supported by external partners.

Niessing's success has always been based on trusting and fair dealings with our stakeholders such as employees, customers, suppliers and business partners. We have laid down our corresponding values in our Code of Conduct, and Niessing lives by them. Each employee receives this Code of Conduct in written form and undertakes to comply with it. All participants in the supply chain are obligated to respect human and children's rights, to ensure safe and healthy workplaces, to protect and not harm the environment, to prohibit corruption and money laundering, and to comply with antitrust law. This is verified and documented by us.

## **CORRUPTION/BRIBERY**

Key points such as the prohibition of accepting and paying bribes, requirements for accepting gifts and the prohibition of bribes are regulated in our Code of Conduct, as well as the guidelines on anti-corruption and gifts.

In particular, we focus on preventing money laundering, terrorist financing and bribery. Employees who are at increased risk due to their activities and powers, as well as all managers, receive regular training on this topic.

In 2022 there were no indications of a breach of rules in this regard.

### **TARGETS 2023**

Adherence to compliance requirements

### **INITIATIVES 2023**

- Regular, detailed auditing and evaluation of suppliers and customers
- Training on corruption/bribery for employees at increased risk





