

# BERNINA SUSTAINABILITY REPORT 2024



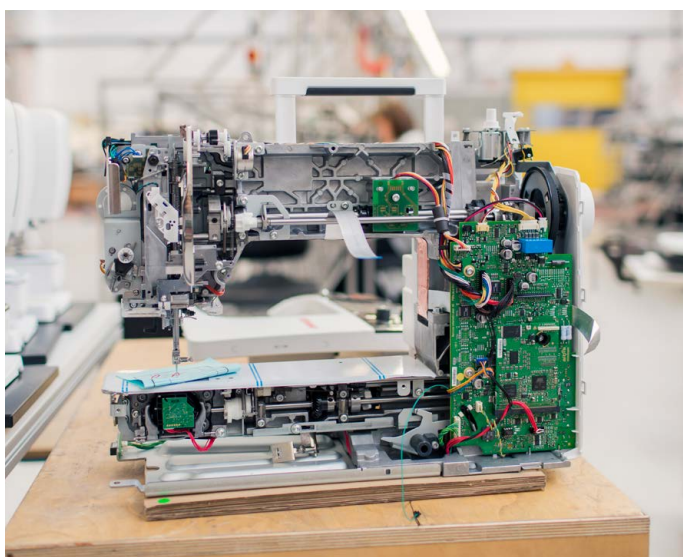
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# 1. CEO Introduction

Dear Ladies and Gentlemen,

BERNINA has been founded more than 130 years ago. As a traditional Swiss company, taking measures to preserve the environment, manufacturing products for a sustainable lifestyle and being committed to offering our staff a safe and rewarding work place, has been a vital part of our reason of existence.

For decades, we have seen a sustaining operation and sustaining ways of working not only as a key responsibility for our organization to add to society's wellbeing and to preserve natural resources, but also to work effectively and efficiently.

It is this Win-Win, preserving and sustaining behavior ethics adding to a healthy organizational development, which makes it more than logical for us to become better day by day, year by year.

Some examples of our operation show our clear commitment to a sustaining future: Recycling of valuable resources and energy saving measures in our production process have been implemented since the early existence of our company. As a result, we have been ISO 9001 certified since 2004. And we do not stop, we are not happy to remain at a status quo. With our founders' words "BERNINA is always at the beginning, never at the end" we continue to improve our footprint. As an example, in 2023 we have installed a roof top solar system with 817 kWp-capacity, contributing a significant share of the electricity in our factory in Thailand. And as every year in our operation in Steckborn, we have targets to reduce our energy consumption versus the previous year. The progress is tracked on a monthly basis and is being presented and discussed in the management.

In all our efforts to become more and more sustainable, we are very much proud of what we have achieved and what we further will be able to improve and achieve. But even more rewarding is, that our customers buy our products to be living a sustaining lifestyle. This is indeed the highest contribution we can make to society.

Kai Hillebrandt

CEO BERNINA Textile Group



# 2. Sustainability Strategy

BERNINA is adhering to the SDG goals and has prioritized the 17 different goals in accordance with the core values and principles.



While we try to contribute to all goals, the top 4 ranked goals enjoy specific focus and are part of the company's general business strategy.



**SDG 8 – DECENT WORK AND ECONOMIC GROWTH**

BERNINA has continued to grow and create jobs with attractive working conditions. It is our continues aim to provide a safe and healthy work environment.



**SDG 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE**

BERNINA invests in long lasting and efficient products, modern, efficient production infrastructure as well as in fair, transparent and ethic industrialization and processes.



**SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION**

BERNINA is keen to reduce waste throughout the entire supply chain. Production processes are built to ensure efficient consumption of resources.



**SDG 13 – CLIMATE ACTION**

BERNINA continuously implements small and large measures to reduce energy and water consumption.

# 3. Environmental Sustainability

BERNINA considers care for the environment an important and vital aspect of its corporate responsibility. The company has the determination to continuously improve its environmental performance and focuses on efficient use of raw and auxiliary materials, energy, and water. Another aim is to avoid air and water pollution as well as to minimize the use and disposal of toxic and hazardous chemicals.

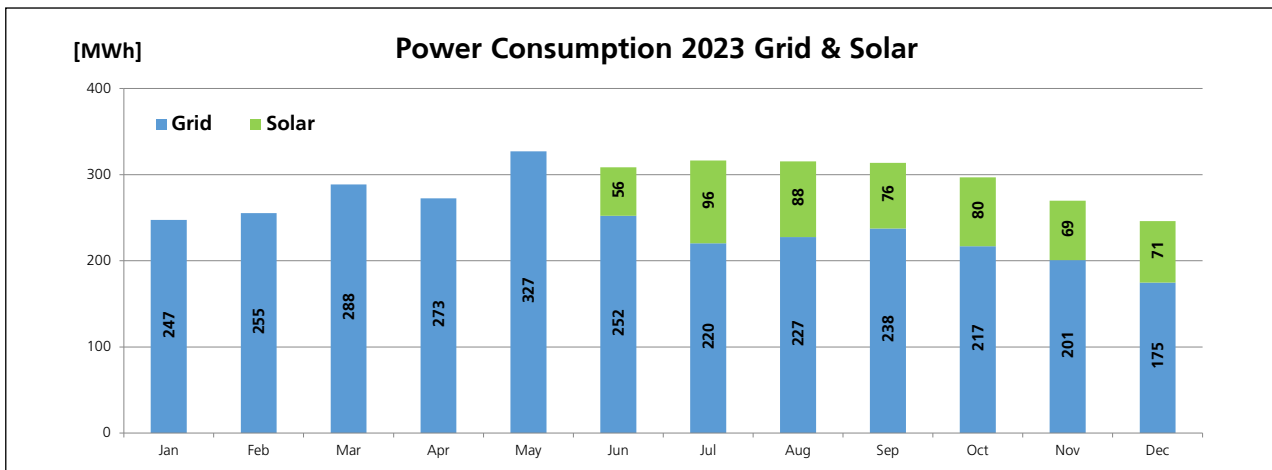
## 3.1 ELECTRICITY FROM RENEWABLE RESOURCES

### PLANT THAILAND

BERNINA Thailand has invested in an 817kWp solar roof top system in 2023. In total 1422 panels with 575 W each have been installed.

The system is expected to contribute about 30% of our electric power consumption in our BERNINA Thailand production plant (status 2023).

The system installation was performed in the first half of 2023 and the grid connection was mid of June 2023. The resulting energy balance since the grid connection of the roof top solar system is as follows: Total power consumption BT was 1900 MWh; power supply from renewable resources was 543 MWh (29%). Below chart shows the Electrical Power consumption over the entire 2023.



### PLANT SWITZERLAND

BERNINA International and the local regulators agreed to cooperate in the regional project “Seewärme” with the temperature of the Lake Konstanz being used as heating system. The size of the plant and its proximity to the lake provides the opportunity to use BERNINA as anchor point allowing BERNINA the usage but also act as provider for other stakeholders in the area. At present a pre-study is conducted to determine the general feasibility.

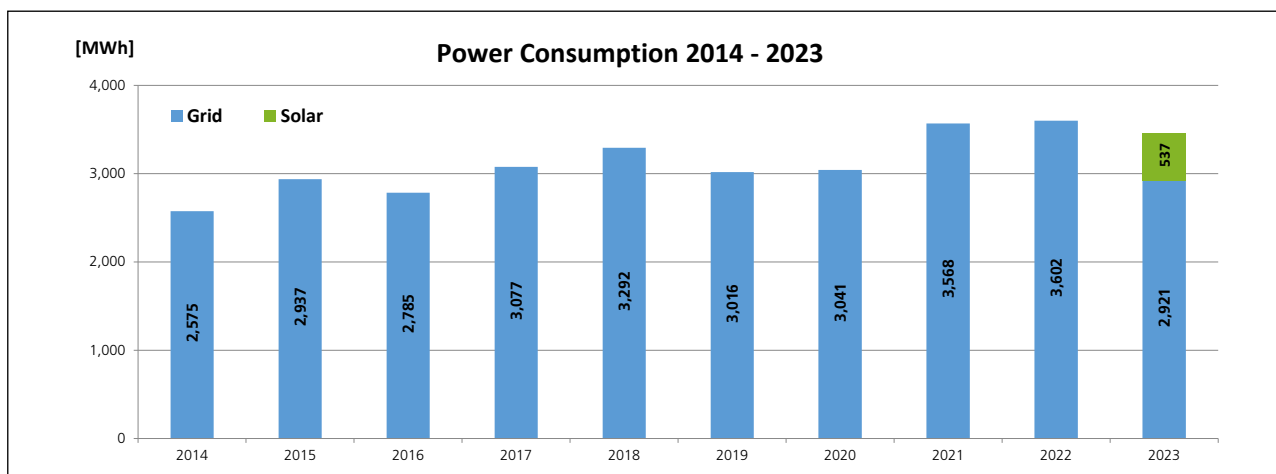
## 3.2 ENERGY AND WATER CONSUMPTION SAVING MEASURES

### PLANT THAILAND

Over the recent years, BERNINA Thailand has continuously implemented measures to reduce the usage of energy in our plant. Driving factors are the application of improved technologies (use of LED light, variable speed pumps, inverter air conditions, substitution of machinery) and advanced building construction measures.

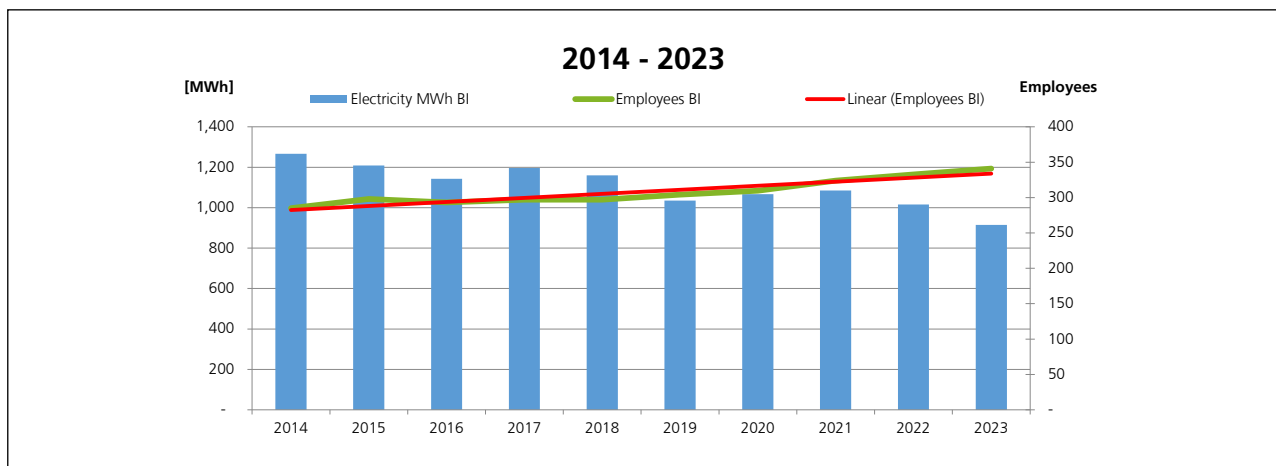
BERNINA Thailand is participating at the initiative of the government with the goal to continuously improve power management in the plant. Such improvement measures are summarized in a yearly report that is submitted to the government.

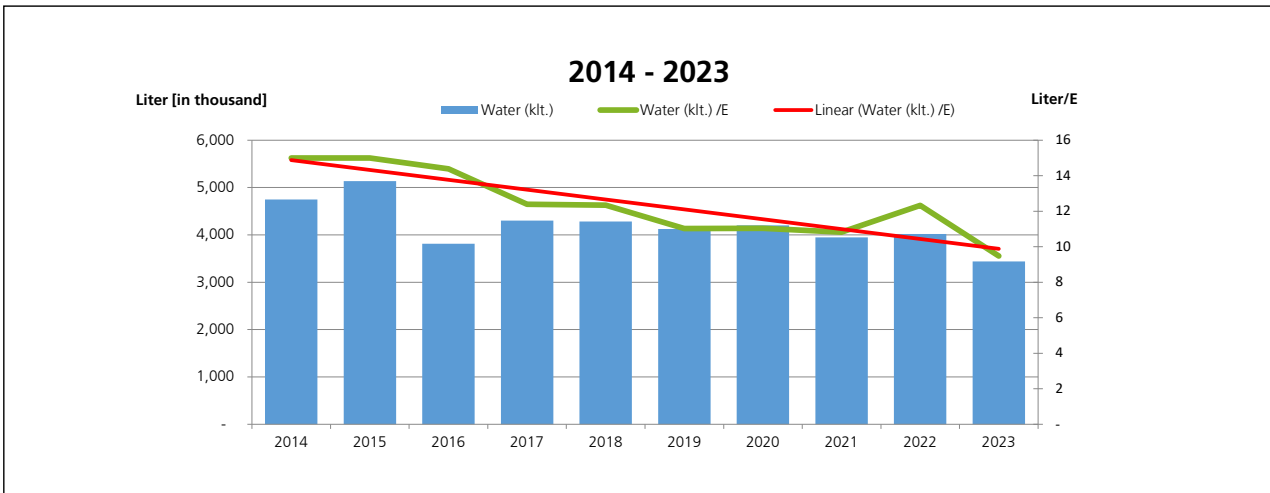
Energy saving measures are also part of our year-on-year KAIZEN and small group activities with the goal of continuously improving our processes and energy behavior.



### PLANT SWITZERLAND

BERNINA International in Steckborn has invested into improved technologies. Until 2024 LED light is installed in all areas of the plant. In 2022 and 2023 investments into 5 new machines to replace old ones have taken place. The clear-out of the remaining old machinery types from the late 70ties will be terminated by end of 2025. BERNINA International is also continuously renovating the facility and spends up to CHF 1 Mio per year for dedicated projects. Our continues efforts are tracked in the following charts:

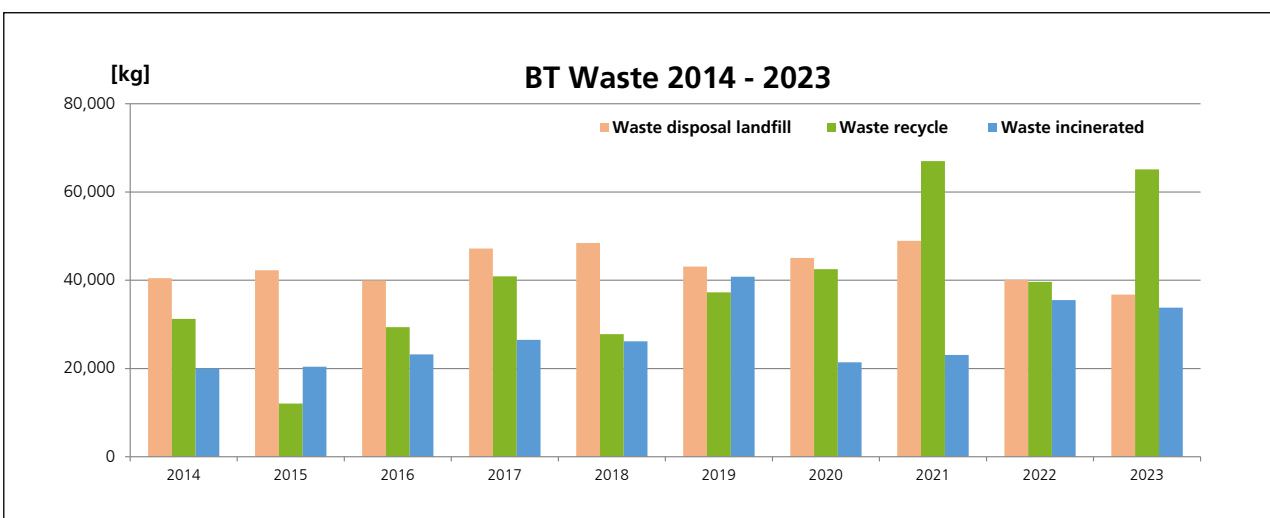




### 3.3 WASTE MANAGEMENT

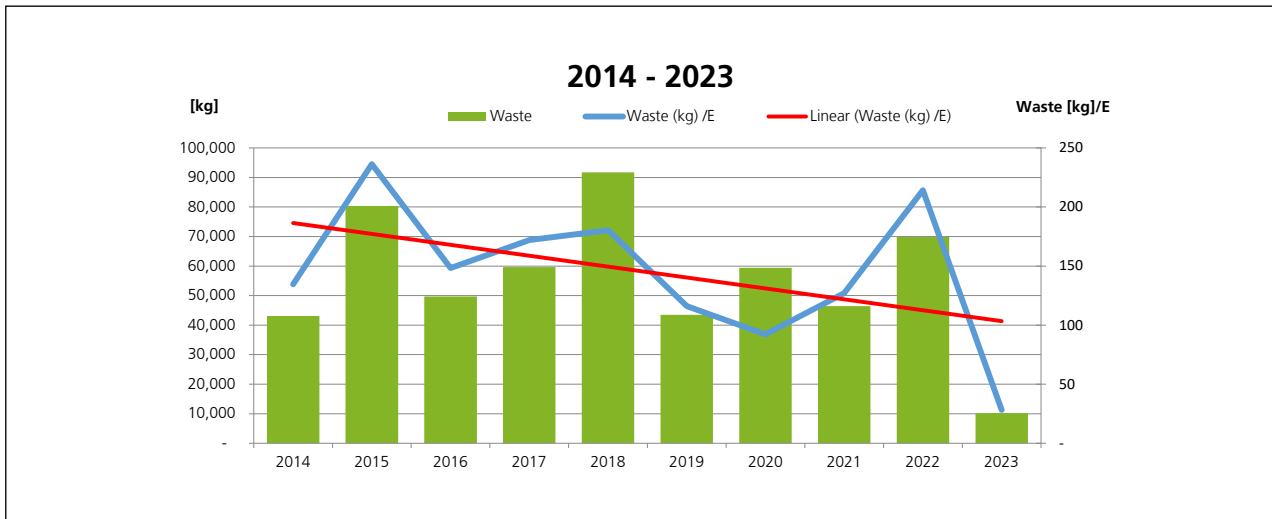
BERNINA tries to conserve resources and avoid waste wherever possible, not least for economic reasons. The avoidance of waste starts with the design of a product and ends with the segregation of garbage. One of our main drivers is the management of obsolescent parts. As a premium brand manufacturer, it is our aim and duty to serve our customers and consumers with outstanding service, and one part of it is a spare parts warranty up to 20 years for mechanical parts after the last production of a machine. The consumption of spare parts is difficult to predict and can lead to high excess stock to be scrapped after the termination of the warranty period. BERNINA is using statistical forecast methods and a variety of data to determine the number of parts held aside. The spare parts management is supported by a platform strategy enabling the usage of common parts for various products, extending their lifetime and reducing the risk of obsolescence due to uniqueness.

#### PLANT THAILAND





## PLANT SWITZERLAND



The fluctuations in the waste statistics are due to the above mentioned spare parts warranty system. At the end of the warranty period, components will be disposed of.

## 3.4 CHEMICALS AND HAZARDOUS SUBSTANCES

### PLANT SWITZERLAND

In 2023 BERNINA International has finished a project to improve the handling of hazardous material:

- A large ratio of critical products has been substituted by less critical
- Acquisition of new specific lockers for material located in different areas of use (Production, Warehouse, Laboratory, R+D, Facility Management)
- Building a central warehouse for hazardous material supervised by local regulators (Amt für Umwelt Kanton Thurgau, SUVA and GVTG)
- Training of users
- New process to procure hazardous materials

# 4. SOCIAL RESPONSIBILITY

BERNINA understands the social sustainability as an essential part of its business process. Our longterm HR strategy includes all economical, ethical, social, gender and other topics.

BERNINA strives for cooperative and positive relations with its employees. These relations promote the capability of all participants to combine economic and social values within potential areas of conflict between employer and employee.

## 4.1 CHILD LABOR

BERNINA respects the UN Convention on the Rights of the Child and employs children under the age of 16 exclusively for training purposes such as dual apprenticeship, etc. At all times, particular attention is paid to the health risks, safety and morals of young people.

## 4.2 FAIR COMPENSATION / LIVING WAGE

BERNINA pays its employees in accordance with local standards, exceeding the minimum legal requirements. Remuneration is reviewed annually and is checked for market and internal fairness.

## 4.3 GENDER EQUALITY

All job openings are advertised in a non-limiting way (m/f/d). Hirings are done in the grandfathering model.

## 4.4 INCLUSION

BERNINA takes the needs of people with disabilities into account when designing workplaces, thereby enabling people to be a valuable part of society. BERNINA cooperates with local regulators providing workspace and job opportunities to reintegrate people after recovering from long-term mental or other illnesses.

## 4.5 OCCUPATIONAL SAFETY AND HEALTH

By constantly reviewing occupational safety measures in accordance with local, official requirements as well as ongoing training of our employees in the areas of occupational safety and health protection, we create a sustainable footprint in social sustainability.

We use standard measurement approaches to track our efforts.

## 4.6 EMPLOYEE SATISFACTION

BERNINA evaluates the mood and needs of employees through cross-location, repetitive surveys, derives measures and thus increases employee satisfaction and loyalty.



## 4.7 INDIVIDUAL DEVELOPMENT

The individual development of all employees is of a high standard within BERNINA. With different actions we assure a broad knowledge base for future success.

# 5. Supply Chain Sustainability

BERNINA understands sustainability within its supply chain as an essential part of its business process. Our longterm supplier strategy includes all economical, ethical, social, and ecological topics.

BERNINA strives for cooperative and positive relations with its suppliers. These relations promote the capability of all participants, to combine economic and social values within the area of conflict between price, quality, reliability, innovation, and sustainability, while taking social and ecological aspects such as human rights, working conditions, corruption, physical and psychological health, and furthermore into account.

## 5.1 ONBOARDING OF NEW SUPPLIERS

BERNINA has established a supplier onboarding procedure which ensures that only suppliers are onboarded into BERNINA's supplier portfolio which comply with the high principles of BERNINA regarding their sustainable supply chain.

The onboarding process consists of two main milestones:

- Supplier self-assessment incl. core principles of BERNINA and Certifications
- Supplier Audit (see chapter auditing)

## 5.2 CODE OF CONDUCT

BERNINA expects the commitment of its suppliers to BERNINA's Code of Conduct, which consists of its principles:

- Human Rights
- ILO Core Standards
- Employee Safety and Promotion
- Environmental Safety
- Child Labor
- Observation of regional legal regulations
- Business Integrity
- Disuse of minerals originating in conflict regions according to the RAND list

Every supplier of BERNINA is obliged to commit to BERNINA's principles by signing the BERNINA Code of Conduct.

## 5.3 SUPPLIER VISITS

The category management creates an annual supplier visit plan as part of their annual category strategy paper. The team ensures that every A or B supplier or special rated supplier is visited every 3 years by undertaking one of the two potential visit types:

- Qualified supplier visit
- Audit

### 5.3.1 QUALIFIED SUPPLIER VISIT

The visitor inspects in accordance with the standard audit document. The reduced audit report contains business-related as well as sustainability topics summarized in a visit report which includes the sustainability rating of the supplier.

### 5.3.2 SUPPLIER AUDIT

The supplier audit is executed by an interdisciplinary team from BERNINA's supply chain management and quality management. Within the audit at supplier side, the audit chapters "quality management", "process", "safety", "sustainability" and "environmental safety" are audited and reported.

## 5.4 SUPPLIER ASSESSMENT

Every A and B supplier is assessed once a year against performance and risk. In the annual supplier assessment, sustainability and compliance with BERNINA's Code of Conduct are an integral part. If any of the sustainability questions cannot be assessed, a supplier visit must be made within the next 24 months.

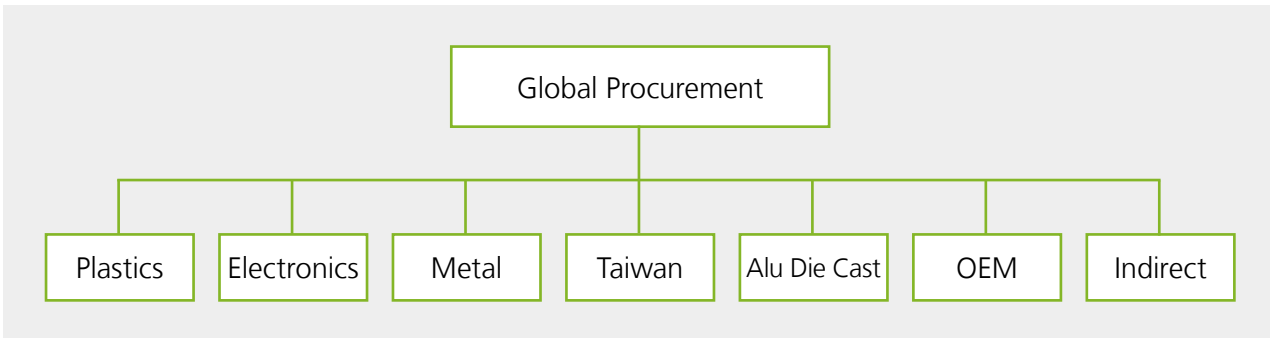
## 5.5 INCOMPLIANCE WITH SUSTAINABILITY CORE STANDARDS

If any non-compliance with the core standards of BERNINA is observed at the supplier, the supplier is obliged to achieve re-compliance to BERNINA's core standards within a 6-month period, followed and underlined by a re-audit of the supplier. If the supplier does not achieve re-compliance, the phase-out procedure will be initiated immediately.



## 5.6 SUPPLY CHAIN OVERVIEW

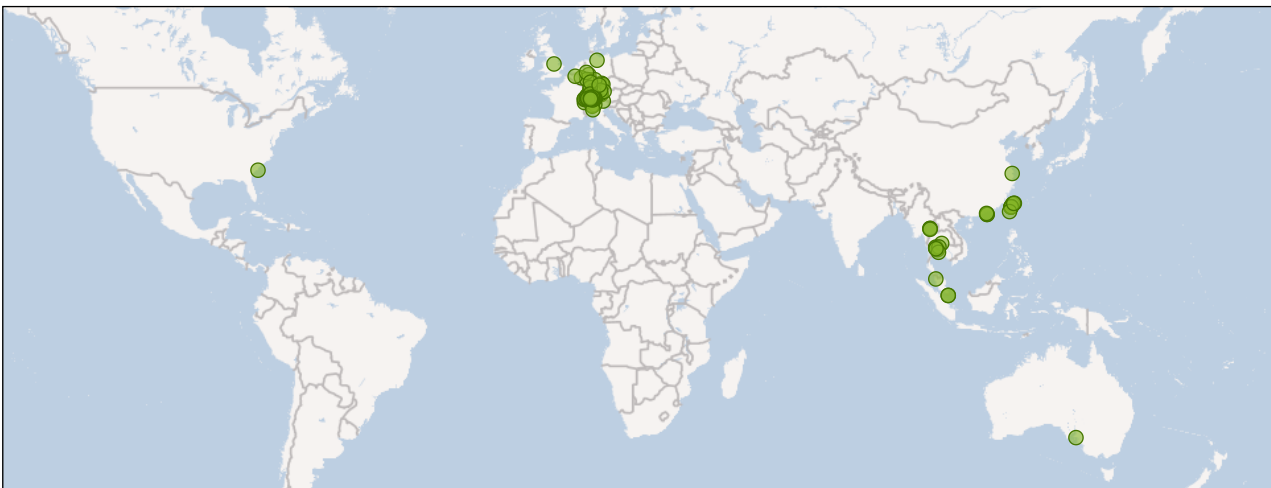
### 5.6.1 ORGANIZATIONS



### 5.6.2 SUPPLIER PORTFOLIO

Site	Headcount	Number of Suppliers	Regions
Steckborn, Switzerland	9	327	EU, SEA, US
Lamphun, Thailand	8	468	SEA
Taichung, Taiwan	4	38	TW

### 5.6.3 GLOBAL FOOTPRINT



## 5.7 ROHS II / REACH

The suppliers of BERNINA are obliged to comply with the international regulations regarding RoHSII and REACH conformity. The conformity is confirmed and signed annually by each supplier.

# #A BIG DAY

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