We are a global corporate group.

Over the past 20 years, we have developed from a medium-sized, regionally focused company into an international group. Today, the focus of our activities is on our home market of Switzerland, its European neighbours and North America.

- Production sites outside Switzerland (consolidated companies)

- Switzerland: 51%
- Americas: 28%
- Europe: 17%
- Global Trade: 4%
1.6 billion of the CHF 3.3 billion in total sales are generated abroad.

30% of sales abroad are generated through exports from Switzerland.

60 countries worldwide to which Emmi exports its products from Switzerland.

3,200 of the 6,150 Emmi Group employees in total are employed outside of Switzerland.

14 countries outside of Switzerland with subsidiaries or holdings.

820 million kilograms of milk are processed at Emmi sites abroad.
Our strategy is based on three pillars.

We strive to achieve success as an independent company in open markets. We intend to achieve this by means of a strategy based on three pillars.

**Strong domestic market**

*Today and in the future:*
- A solid foundation
- The largest sales market
- The most important production country

**Growth abroad**

*Today:*
- Subsidiaries or participations holdings in 14 countries
- The US, Spain and Germany are the most important foreign markets
- Strong growth through acquisitions

*In the future:*
- Expanding our presence to between 15 and 18 markets
- Greater importance assigned to growth markets outside Europe
- A stronger focus on organic growth

**Cost management**

*Emmi Operational Excellence (EOE)*
- Continuous and dynamic optimisation of all processes and systems throughout the value chain
- Productivity increase
- Annual cost savings of several million Swiss francs
- Knowledge transfer from Switzerland to production sites abroad
Our organisation shows what we do.

The increasing internationalisation of our business is reflected in our organisation. This is centred around the four geographic business divisions Switzerland, Americas, Europe and Global Trade (particularly export business from Switzerland to countries in which we do not have any subsidiaries or significant holdings).

Members of the extended Group Management:
- Othmar Dubach: Dairy Products & Cheese Switzerland
- Max Peter: Trade & SCM Switzerland
- Markus Willmann: Industry Switzerland
Customers who choose Emmi are also choosing Swiss farmers and cheesemakers

Hof Lindenfeldweid, Lucerne
Adrian and Ruth Unternährer manage the Lindenfeldweid organic farm on the outskirts of Lucerne. Emmi processes their organic milk primarily in nearby Emmen.

Dorfkäserei Dürrenroth (BE)
Urs Kämpfer produces various cheeses, yogurt, butter and milk at his Dürrenroth village cheese dairy in the Emmental. His best seller product is traditional Emmentaler AOP, with between 10 and 12 100-kilogram wheels produced each day.

Hof Habsburg (AG)
Marina Boller and Gerry Reutimann run the Hof Habsburg farm near Habsburg in the canton of Aargau. Most of their milk is supplied to the Emmi site in Suhr, where it is processed and turned into milk, butter and cream. The couple set great store by assuring animal welfare and a high level of transparency.
Badhof, Wilihof (LU)
Ruedi Stofer combines arable farming, fodder crops, pig fattening and dairy production on the Badhof farm. Emmi processes most of the milk in Dagmersellen and Emmen, for example into mozzarella and Luzerner Rahmkäse.

Fromagerie de Mézières (FR)
The family-run dairy produces a range of specialities including Vacherin Fribourgeois AOP and raclette cheese. Its strongest product, however, is Le Gruyère AOP. Nicolas Schmoutz is one of seven village cheesemakers who supplies his cheeses to Kaltbach where they are refined in the cave.

Eichhof, Grasswil (BE)
Everything revolves around dairy farming at the Eichhof farm. The milk from Remo Weber’s 65 dairy cows is supplied to Emmi in Ostermundigen, where it is processed into various products including Emmi Caffè Latte.
We have our roots in Switzerland.
1907
62 cooperatives founded the Central Switzerland Milk Association in Lucerne (MLV) – the predecessor organisation of what is now Emmi.

53%
Of Emmi shares are owned by dairy farmers from Central Switzerland.

40%
The amount by which waste at the Emmi sites in Switzerland has been reduced over the past five years.

90
People are completing their basic vocational training at Emmi.

25
Emmi production sites across Switzerland. From Bever in Graubünden to Saignelégier in Jura.

1,000,000,000
Kilograms of Swiss milk are processed by Emmi.
We have a solid economic foundation.

In spite of our constantly growing presence abroad, our business performance is very dependent on the situation in Switzerland. Switzerland is not only our strongest market in terms of sales, but also the country in which we have by far the highest number of employees and manufacture the most products.

Having our roots in an economically stable, wealthy country like Switzerland brings many benefits for a business such as Emmi. The strong Swiss franc, which is itself a result of this stability and security, presents a significant challenge for us, however. Our costs and therefore also the costs of our products are significantly higher than those of our competition abroad. We therefore need very good arguments to motivate our customers and consumers – both in Switzerland and abroad – to buy Swiss dairy products. We rely on quality and innovation here.

The fact that we are increasingly also carrying out production abroad for our foreign customers and consumers has reduced our dependency on Switzerland and stabilised our economic foundation even further.

As a result, we are not only able to look back on a good sales performance and profit development over the past few years, but are also well-equipped for the future, despite the persistently challenging conditions.
Development of earnings before interest and taxes (EBIT) and net profit

in CHF million

as % of net sales

Adjusted EBIT: 160.0, 170.7, 188.9, 202.7, 205.8
Adjusted EBIT as % of net sales: 4.9, 5.0, 5.9, 6.2, 6.1
Adjusted net profit: 97.6, 109.4, 120.2, 140.3, 161.7
Adjusted net profit as % of net sales: 3.0, 3.2, 3.7, 4.3, 4.8

2013 2014 2015 2016 2017
We are the largest milk processor in Switzerland.

Every year, around 3.4 million tonnes of cow’s milk are produced in Switzerland. A third of this milk is processed in around 600 commercial cheese dairies – primarily into cheeses such as Emmentaler AOP or Le Gruyère AOP. Almost 1 million tonnes of milk are delivered to our sites in Switzerland, as well as milk that we buy, refine, package and then distribute in the form of Swiss cheese around the world.

We are aware that this important role in the Swiss dairy industry comes with a certain responsibility – particularly in relation to the dairy farmers.

Milk volumes in Switzerland

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume (kg)</th>
<th>Sales (CHF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large dairies</td>
<td>1,980,000,000</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>Commercial cheese dairies</td>
<td>1,130,000,000</td>
<td>3,000,000,000</td>
</tr>
<tr>
<td>Small and medium-sized dairies</td>
<td>240,000,000</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>3,350,000,000</td>
<td>5,000,000,000</td>
</tr>
</tbody>
</table>
We offer dairy products of all kinds.

The majority of our products are made from cow’s milk. In recent years, the demand for products made from goat’s or sheep’s milk has been constantly on the rise, and so we have improved our offering in this area too. As a result, alongside cow’s milk, we also process an increasing amount of goat’s milk (particularly into fresh cheese, but also cheese, yogurt and drinking milk) and to some extent also sheep’s milk (into cheese, yogurt, butter and drinking milk) in Switzerland. Outside of Switzerland too (the Netherlands, Spain and the US), we have a number of sites that have specialised in processing goat’s milk for decades already.
We are committed to the principle of sustainability.

Every consumer has different reasons for deciding on one product or another when they go shopping. In addition to quality and enjoyment, we would like to put forward a further argument to support our products: sustainability.

For this reason, we have really pushed ahead with increasing our commitment to sustainability over the past few years, most recently by defining concrete objectives.

In doing so, we are focusing on four key areas leading up to 2020 – areas that have the greatest relevance and over which we can have the most influence.

Above all, we are committed to acting openly and transparently. An important factor in this regard is our dialogue with various stakeholders, including the WWF, which supports our commitment to sustainability as a critical partner.

### 25% lower CO₂ emissions
In order to reduce our CO₂ emissions, we are primarily focusing on the power consumption of our production sites. First, we no longer invest in technologies that require fossil fuels. Second, we take care to ensure that the electricity we procure is generated sustainably.

### 20% less waste
To achieve this goal, we have already begun making efforts to reduce the packaging and raw materials waste in production. By-products such as whey from cheese production should be recycled to as high a degree as possible. We are also making a contribution to reducing the food waste of our customers and consumers.
100% sustainable Swiss milk
The sustainability of dairy products hinges on the production of milk. Not only does agriculture have the greatest impact on the environment, it also influences other key aspects of sustainability, such as the farmers’ economic situation and animal welfare. That’s why we want to work with the most sustainable milk suppliers.

100% supported employees
Our employees and the skills that they possess are some of our most important resources. That’s why we are committed to continuously developing these further in view of future requirements. By 2020, all of our employees are to be assigned development targets to help them define their vision of how their professional future should look in concrete terms.
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