

Driving sustainability beyond our business

THE BEST
**DAIRY
MOMENTS**

FOR GENERATIONS
TO COME

Emmi Investor Update on Sustainability
25 November 2021

Welcome

1 Driving sustainability beyond Emmi – 20'

Why it matters | Our approach

Urs Riedener, CEO Emmi Group

2 Acting today for tomorrow – 30'

Our plan for the future | Progress to date

Gerold Schatt, CSO Emmi Group

3 Summary – 5'

Urs Riedener, CEO

4 Q&A – 30'

Urs Riedener, CEO | Ricarda Demarmels, CFO | Gerold Schatt, CSO

A woman with long brown hair is seen from the back, holding a young child in her arms. They are standing in a field of tall purple lupine flowers. The woman is wearing a blue textured top, and the child is wearing a light blue shirt. The scene is bright and natural, with sunlight filtering through the foliage.

INVESTOR UPDATE ON SUSTAINABILITY

Driving sustainability beyond Emmi

Urs Riedener, CEO

Part of our heritage

Our long-term success is tied to a responsible business model

Our roots in dairy date back to 1907.

Cooperatively organised dairy farmers from the heart of Switzerland still hold a majority stake in Emmi and we maintain close ties with local farmers and regional milk suppliers.

Our heritage to craft dairy treats with respect to people, animals and nature continues to shape the way we develop our business to create...

the best dairy moments – now and for generations to come.

**THE BEST
DAIRY MOMENTS
— ARE EMMI —
MOMENTS**



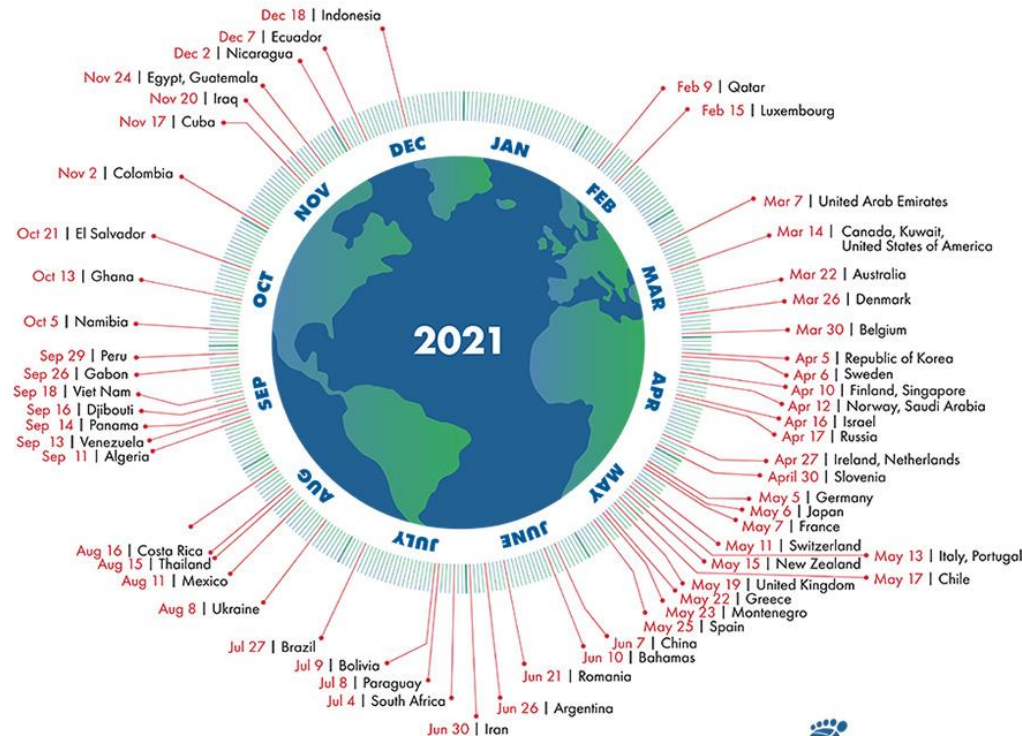
Our understanding of sustainability



We live at the expense of future generations

Country Overshoot Days 2021

When would Earth Overshoot Day land if the world's population lived like...



Source: National Footprint and Biocapacity Accounts, 2021 Edition
data.footprintnetwork.org



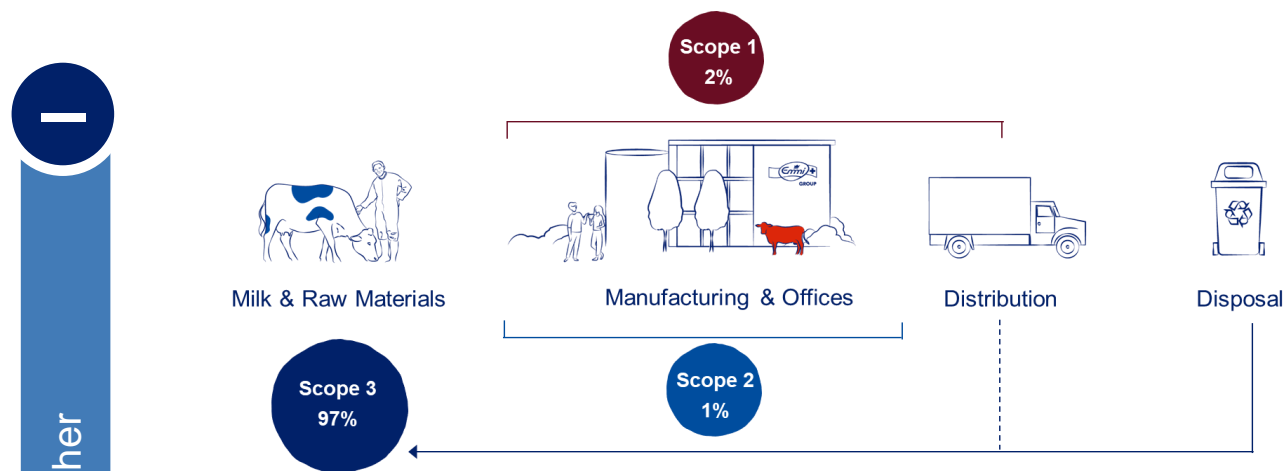
Climate change as key challenge of our times

Humanity's demand on nature exceeds the natural capacity as expressed by the 'Earth Overshoot Day'.

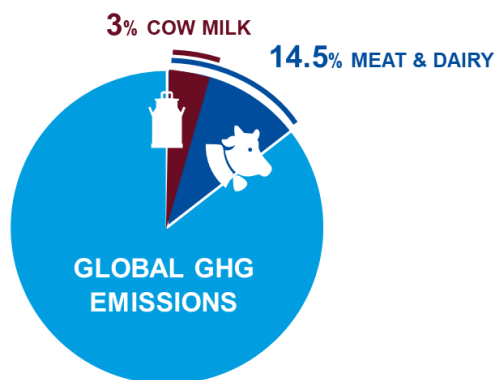
In 2021, this marker when the amount equivalent to what the planet can regenerate over one entire year fell on July 29th.

Globally, we use 1.6 planets worth of natural resources every year – for Switzerland this records with 3 planets.

Driving solutions for collective challenges



Decrease further



Sources

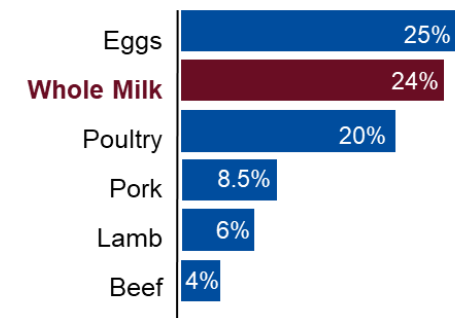
- Carbon footprint of Emmi (SBTi)
- UN Food and Agricultural Organization (FAO)



Increase further

PROTEIN CONVERSION EFFICIENCY

percentage of protein inputs as feed effectively converted to animal product



Source: USDA, World Resources Institute, 2016

It affects all our stakeholders

Employees

Want to **work for a company that cares** for people, communities and the planet.

Consumers

Want to **buy from companies they trust** to operate sustainably.

Key Opinion Formers & Authorities

Expect **companies are aligned with & lead on** sectorial and regulatory standards.

Suppliers

Want to be **treated fairly** and have support to meet evolving regulations and standards.

Customers

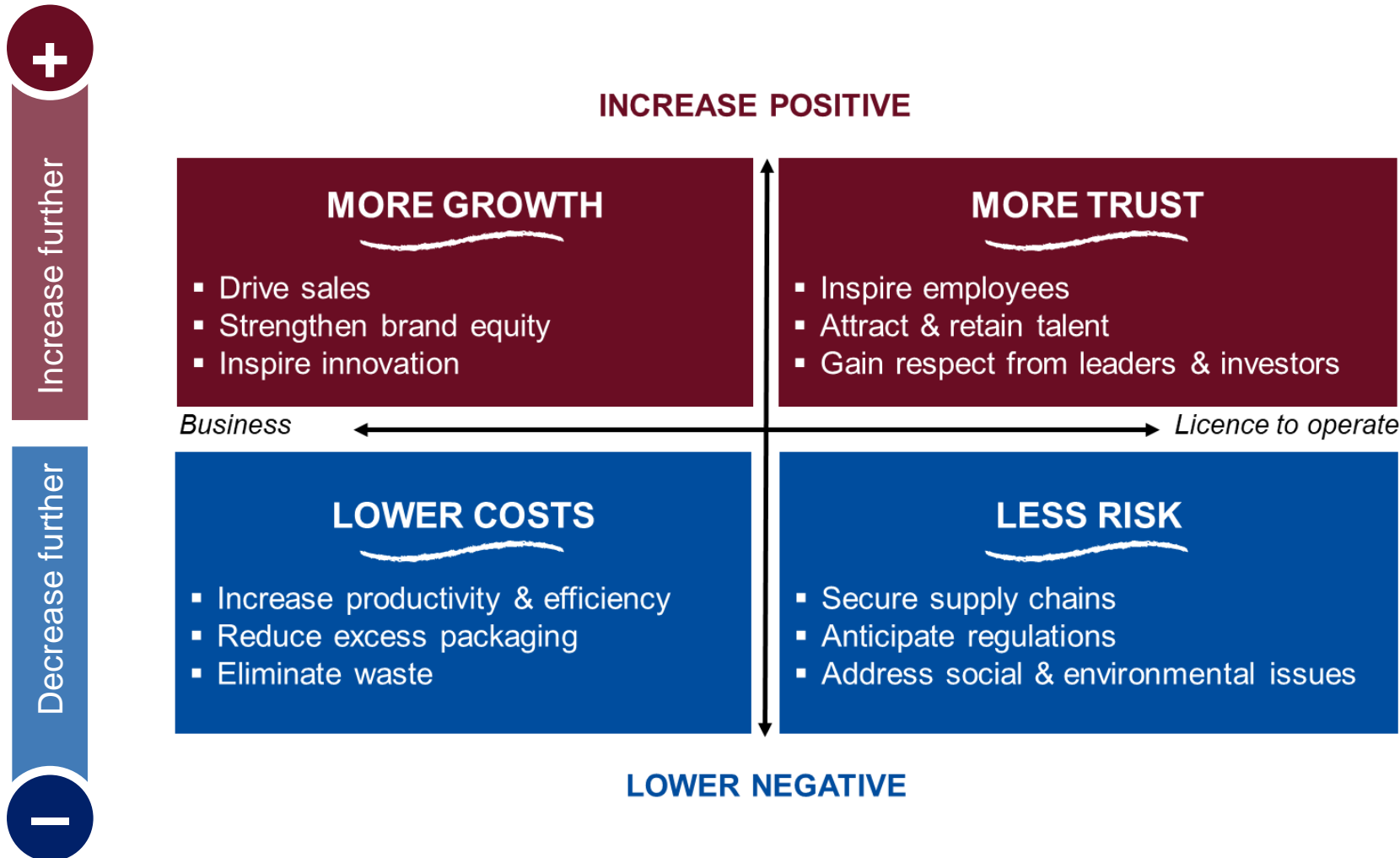
Expect **innovative and sustainable solutions** to their most pressing problems.

Shareholders & investors

Increasingly apply a **long-term & ESG focus**, allocating funds toward companies that plan for equitable growth.



Sustainability makes business sense



A surplus of metrics



Quelle Darstellung: BrownFlynn/ERM, Greenbiz 2020

ESG – sources of truth

ESG ratings are important but not the single truth

ESG: 45 ratings, 150 plus rankings, 450 indices and counting

More harmonization, standardization and industry focus is needed

«Reporting Exchange» platform of the World Business Council for Sustainable Development (WBCSD)

A smiling couple is shown in an urban setting. The woman, on the left, has long brown hair and is wearing a light-colored, short-sleeved button-down shirt with a tie belt. She is holding a blue coffee cup with a white lid. The man, on the right, has short brown hair and a beard, and is wearing a dark t-shirt. He is holding a white coffee cup with a black lid. In the background, there is a graffiti-covered wall and some greenery.

INVESTOR UPDATE ON SUSTAINABILITY

Our approach to sustainability

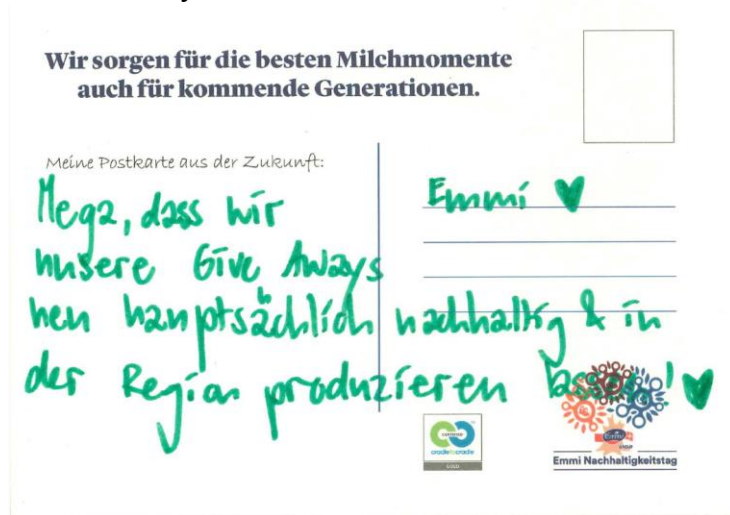
Urs Riedener, CEO

Engaging our teams



Nurturing pioneers of a sustainable future!

To take the next level on our sustainability journey, we involved our teams across Emmi to co-create our future and help framing our sustainability ambition.



Driving coalitions for change

'KlimaStaR'

Private-public partnership to develop a blueprint for sustainable, climate-fit and regenerative dairy in Switzerland.

WWF Partnership

Based on the shared vision of a food system that respects the Earth's ecological limits we have extended our partnership initiated in 2016.

Supporting SDG's

and humanity's ambitious plans to mitigate global challenges such as climate change, malnutrition or equitable growth.



Collaboration and a multi-stakeholder focus remain key to drive transformational change across and beyond dairy.

Emmi sustainability model



↑ POSITIVE CONTRIBUTION



We provide a place where everyone feels welcome, valued and inspired and offer growth opportunities for all our employees.



We create positive social impact and shared value while making sustainable dairy the norm.

↓ NEGATIVE IMPACTS



We aim to achieve netZERO by 2050 while driving circularity across our operations.



Tracking progress with rigour



100 % of Emmi employees have a development plan in place

59 %

50 % of all vacancies filled by internal candidates

initiated



100 % of Emmi's milk suppliers worldwide produce to an above-average local standard

83 %*

Further development of Swiss industry standard (* Switzerland)

initiated

international



60 % reduction in own emissions (Scope 1 & 2 vs. 2014)

24 %

25 % reduction in emissions along the value chain (Scope 3 vs. 2019)

initiated



50 % reduction in waste and food waste (vs. 2017)

10 %

ZERO waste to landfill

24 %

100 % recyclable packaging

initiated



50 % reduction in water use in risk areas (vs. 2019)

10%

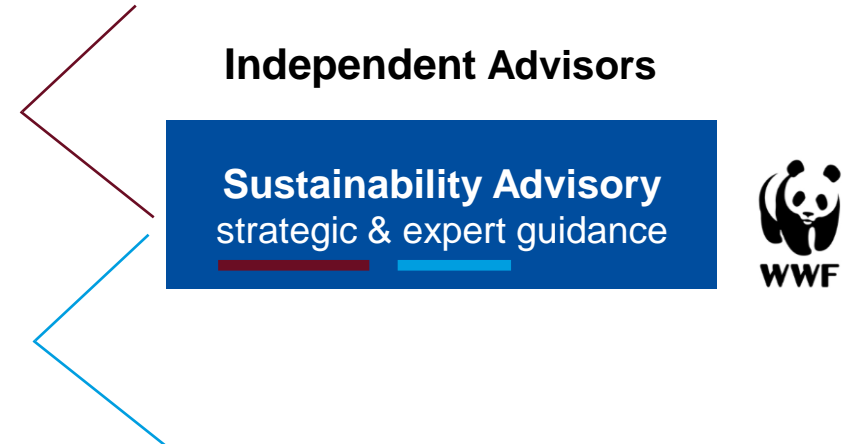
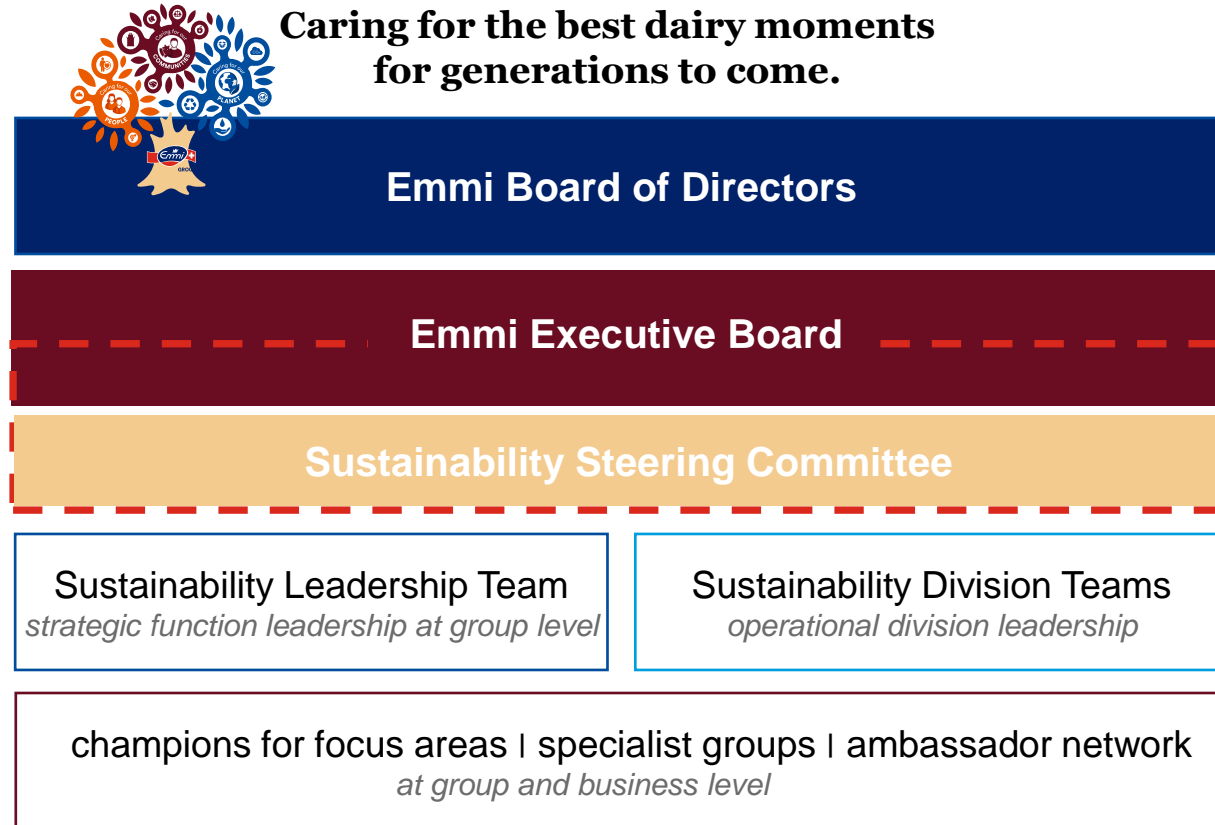
15 % reduction in own water consumption in non-risk areas (vs. 2019)

2%

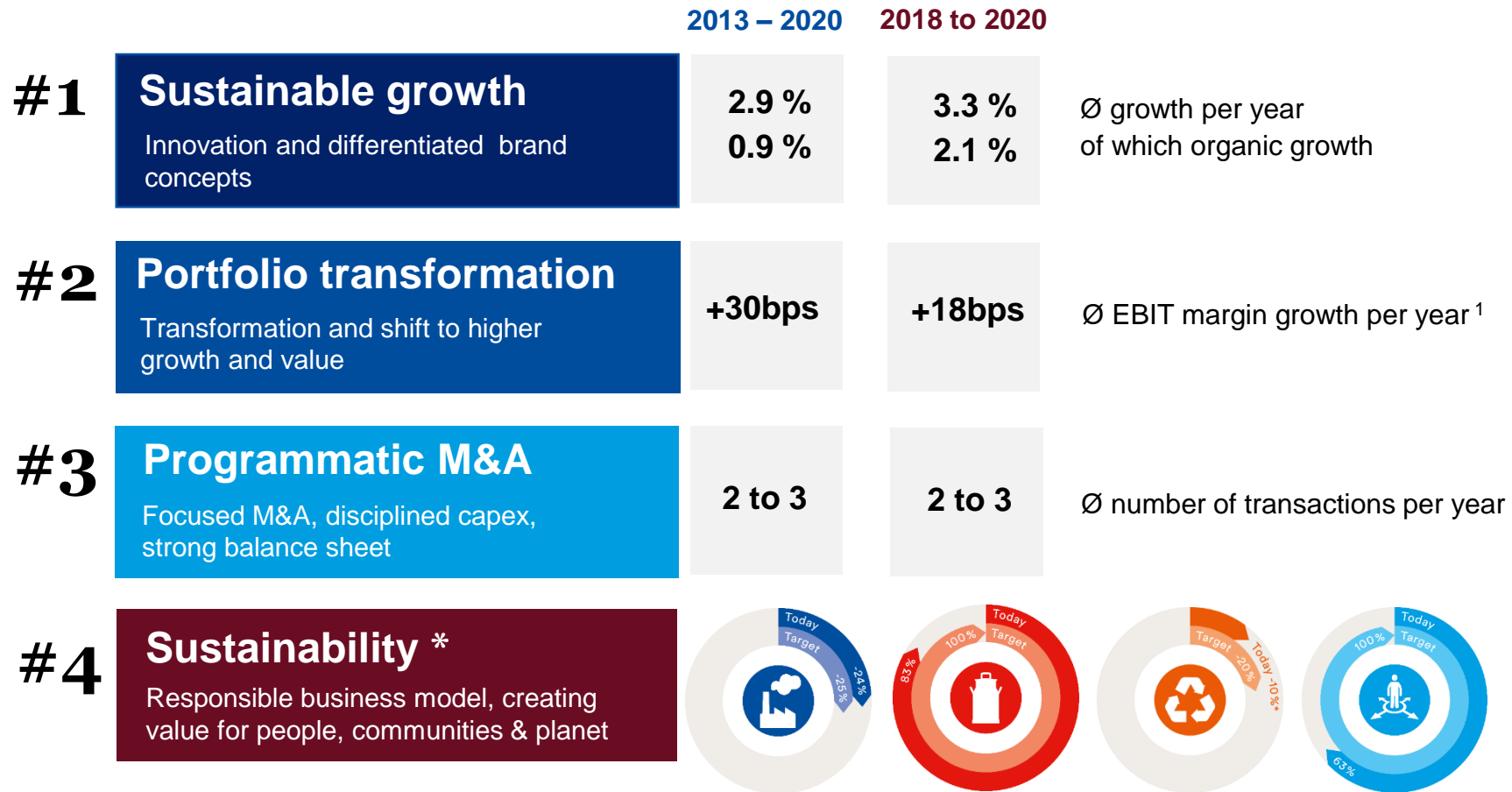
Reduction in water use along the value chain

¹⁾ Progress against 2027 target as of 31 December 2020

Foresight & execution based on clear governance




Delivering superior long-term value



¹ EBIT restated (based on the changes to the consolidation and valuation principles with respect to goodwill in 2020) and adjusted (for non-recurring effects) in 2020

* progress on 2020 targets



A woman with grey hair tied back, wearing a blue puffer jacket and a large purple backpack, is walking away from the camera on a dirt path in a forest. She is holding the hand of a young child who is also wearing a blue puffer jacket. The forest is lush with green foliage and tall trees. In the background, other people can be seen walking on the path.

INVESTOR UPDATE ON SUSTAINABILITY

**Acting today.
With a focus on future generations!**
Gerold Schatt, CSO

It's time to step-up

We care for the best dairy moments for generations to come.

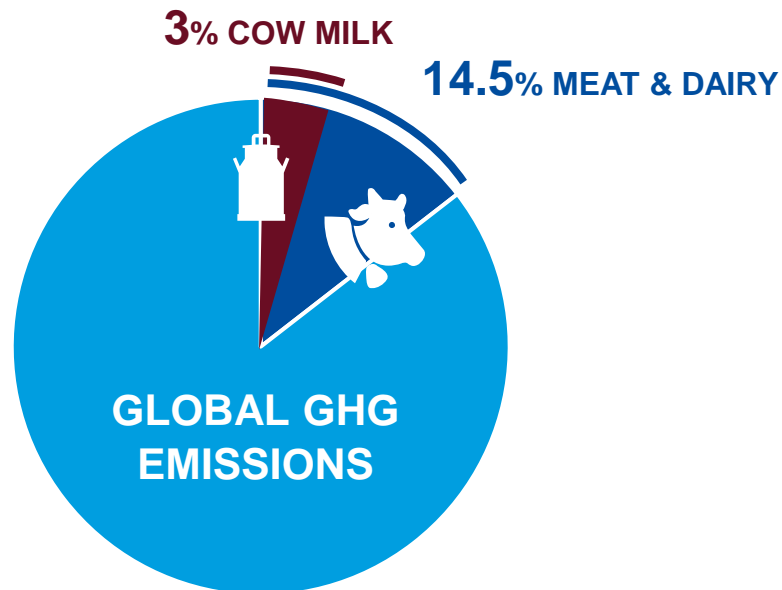
To create impact and drive collective change while delivering sustainable growth, we will focus on the areas that are most essential for us and our stakeholders: the health of our **people**, the **communities** where we operate and our **planet**.



Addressing challenges

3%

The meat and dairy industry contributes roughly 14.5% to global emissions of greenhouse gas of which an estimated 20% attributed to cow milk production.

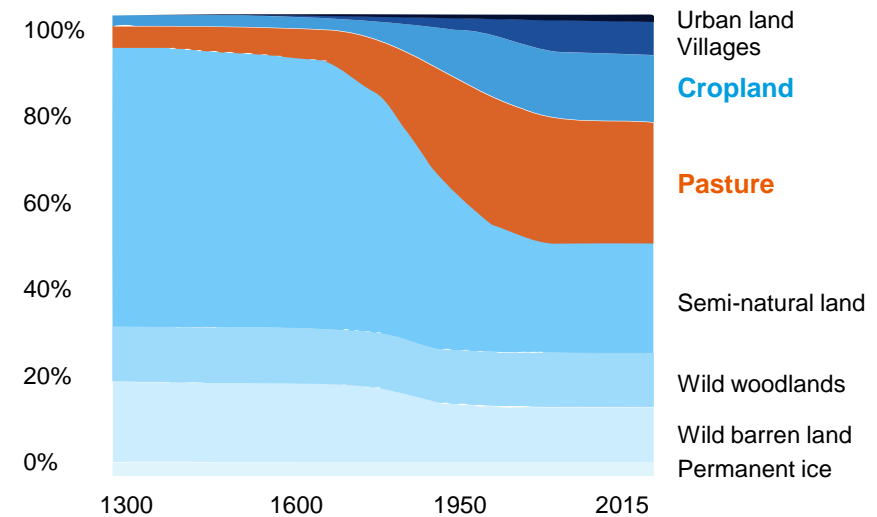


Sources:

- UN Food and Agricultural Organization (FAO)
- Greenhouse Gas Emissions from Agriculture, Forestry and Other Land Use 2014



In the last 100 years, global land used for pasture and cropland has more than doubled, reducing natural land.



Source: Our World In Data, Global Land Use, 2015

Increasing goodness of dairy

Dairy products have a
**unique texture,
taste and heritage.**

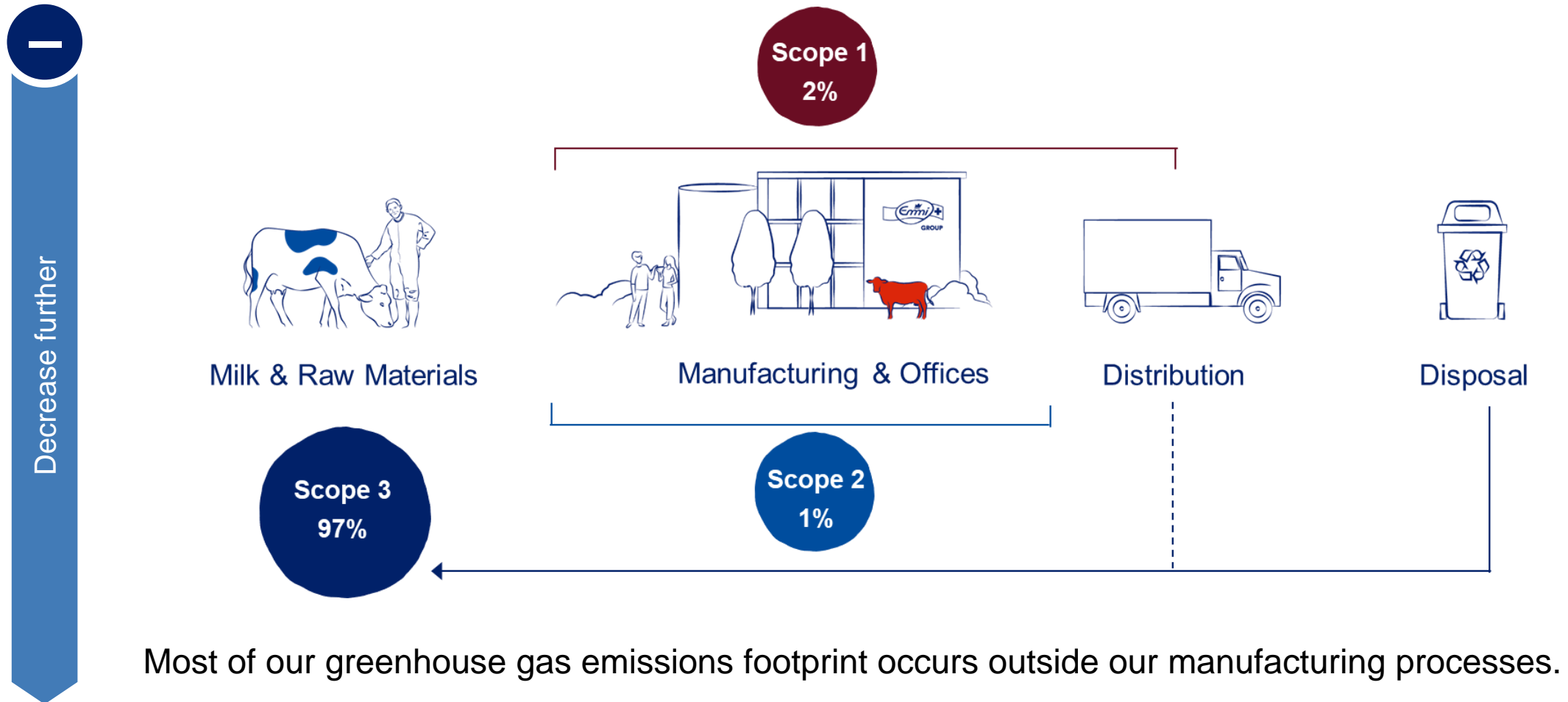
In many parts of the world they belong to the cultural heritage, and crafting milk into delicious treats is a highly respected mastery.

Dairy products like milk, yogurt and cheese are
**rich sources of
protein & calcium,**
and part of many nutrition guidelines for children and adults.

Smaller, regional dairy farms can have lower emissions as
**rearing cattle on
grasslands can
stimulate soil to
uptake more carbon**
as part of a biological cycle.



The levers of our eco-footprint



The benefits of sustainable dairy

Environmental benefits of grassland-based sustainable dairy

Increase further



Land for food

Cattle grazing on grasslands where crops for human consumption cannot grow, maximise land usage for feeding the population.



Carbon sequestration & storage

Pastured grassland stores more carbon than non-pastured grassland thanks to its healthier soil.



Biodiversity

Pastured animals can stimulate biodiversity in grasslands: manure attracts insects and birds, trampling promotes seed germination.



Soil health & grass production

Cow manure contributes to growing healthier grass & crops by providing organic matter to nourish the soil. Manure and trampling stimulate grass production.



Preserving for the next generation



Farm-to-fork – We take responsibility along the entire value chain.



Reduction of Scope 3 emissions, together with suppliers



Water reduction in cultivation of relevant raw materials, together with suppliers



More sustainable milk production worldwide, together with suppliers



Vision netZERO 2050 – Validation of our emission reduction targets by the Science Based Targets initiative.



Reduce our energy consumption even further
Increase share of renewable energy to **100 %**



Our approach to sustainability



OUR PLAN FOR THE FUTURE



We provide a place where everyone feels welcome, valued and inspired and offer growth opportunities for all our employees.



OUR 2027 TARGETS



100%

of employees have
a development plan in place

50%

of all vacancies filled
by internal candidates

SUPPORTING THE
UN SUSTAINABLE
DEVELOPMENT GOALS





We create positive social impact and shared value while making sustainable dairy the norm.



OUR 2027 TARGETS



100%

of Emmi's milk suppliers worldwide produce according to an above-average local standard
Further development of the Swiss industry standard

SUPPORTING THE
UN SUSTAINABLE
DEVELOPMENT GOALS



OUR PLAN FOR THE FUTURE

We aim to achieve netZERO by 2050 while driving circularity across our operations.

OUR 2027 TARGETS



60%

reduction in own emissions

Scope 1 & 2 vs. 2014

25%

reduction in emissions along the value chain

Scope 3 vs. 2019

Vision netZERO 2050



50%

reduction in water use in risk areas

vs. 2019

Reduction in water use along the value chain

15%

reduction in non-risk areas

vs. 2019



50%

reduction in waste and food waste (vs. 2017)

ZERO waste to landfill

100%

recyclable packaging



Our roadmap to achieve

Beyond further reducing our environmental impacts, Emmi aims to drive sustainable production and positive change in the global dairy eco-system.



Our pathway to
netZERO 2050
in-line with the 2015 UN Paris
Agreement goal to limit global warming.



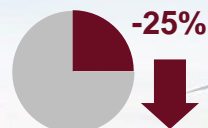
Emmi Operations

Scope 1 & 2

Emmi sets 2020 emissions reduction absolute target of -25%

SITES Increasing energy efficiency and purchasing green electricity certificates

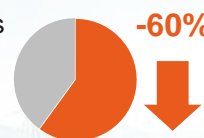
FLEET Promoting best practices to reduce fleet emissions



Emmi sets Science Based Targets to further reduce site emissions up to 60% by 2027 (absolute target)

SITES Switching to 100% renewable electricity and further switch of thermal demand to renewable sources

FLEET Reducing fleet emissions with best practices and hydrogen-powered trucks



2014 baseline:
140'000 T CO₂e

2014 KICK-STARTING OUR JOURNEY

2020 EXPANDING OUR WORK ALONG OUR VALUE CHAIN

2027 SCALING SYSTEMIC CHANGE ACROSS AND BEYOND DAIRY

2050

Value Chain from farm to fork

Scope 3

Emmi sets targets for sourcing “Sustainable Milk” which has lower emissions, among other criteria

Emmi sets Science Based Targets to reduce emissions all along the value chain by 25% by 2027 (per kg of processed milk)

SUPPLY CHAIN Working with farmers on projects such as:

- using feed additives
- Creating biogas from manure
- regenerative agriculture



Emmi sets a vision to reach net zero emissions all along the value chain by 2050

Continue reducing emissions along a set emission reduction pathway while investing in removal technologies and partnering with pioneers and research institutions to access more forward-looking technologies.



Dairy reduction path scope 3



Consumption

- Foodwaste reduction
- Portfolio mix with plant based choices

Farm stage

5-30%

Feed additives / concentrates

e.g. Mootral, Agolin, Alge, Bovaer
Less concentrates & DC-free

5%

Higher Life-time performance

Optimum not maximum, more lactation periods
Animal health & welfare

3%

Biogas/ Manure handling

Reduce manure emissions – renewable energy

?

Other measures

Breeds (robust; milk & meat production combined)
Renewable energy on farm level: PV, Solar, Wind
More research

«Offset»

«ZERO» is not possible
it's an animal, a biological system

Measures are needed to bind and re-establish, strengthen or even use the biological cycle of milk production as a broader solution to global warming.

?

Carbon sinks

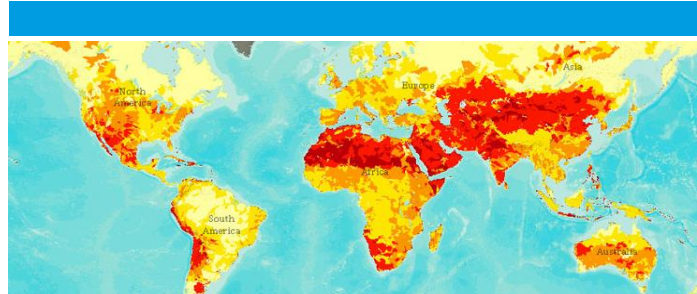
e.g. regenerative agriculture, biochar, humus build-up, afforestation.
(measurement still to be improved)

Acting on «water»



All factories → -15 %

- Monitor consumption
- Sensitise employees
- CIP optimisation
- Site-specific:
→ Reduce → Reuse → Recycle



In Risk areas → -50%

Analysis with WWF Water Risk Filter
Factories: **Vitalait** (Tunisia), Meyenberg and Cowgirl (California).

- Water Audits & Monitoring
- Site-specific:
→ Reduce → Reuse → Recycle



Value chain → learn & first steps

- Analysis of almond, coffee, cocoa
- Almond pilot project for 2021
- Integration of water as a criterion for sustainable milk
- Raise awareness internally and externally

Reducing waste, landfill & foodwaste



WASTE → 50%

- Own waste
- Optimization in the factories
run-in/ run-out, disruptions
- Material reduction
- Material change (reusable, recyclable)
- Collecting additional fractions



LANDFILL → 0%

- Waste reduction
- Change of material
reusable, recyclable
- Establish new customers/channels



FOODWASTE → 50%

- Increase utilisation of whey
- Reduction of losses
- Reduction of rejects
- Other utilization channels
- Cooperation with trade/industry
- Consumers: raising awareness

Acting on packaging



100% Recyclable

- Design for recycling
- Monomaterials
- Create framework conditions (CH)



30% Recyclat use

- Ensure demand
- Closing loops
- Ensure material health



0% single use plastic

- remove
- Change to other materials

REDUCE

REUSE

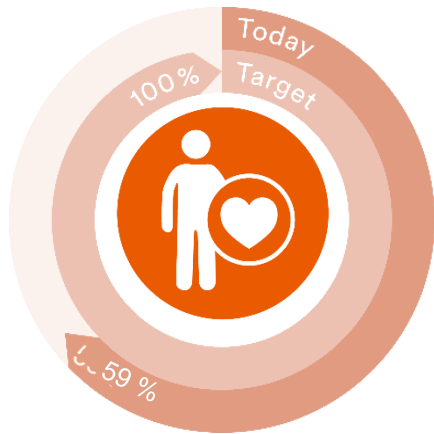
INVESTOR UPDATE ON SUSTAINABILITY

Our progress to date

Gerold Schatt, CSO

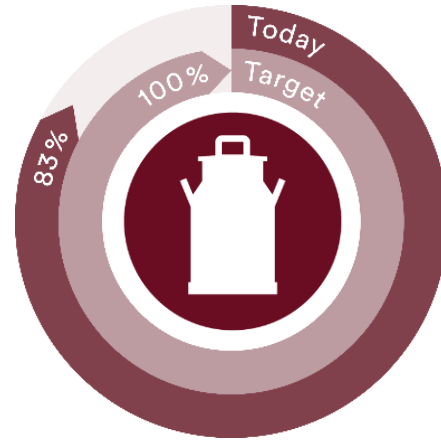


Progress on our 2020 goals *



Developing Employees

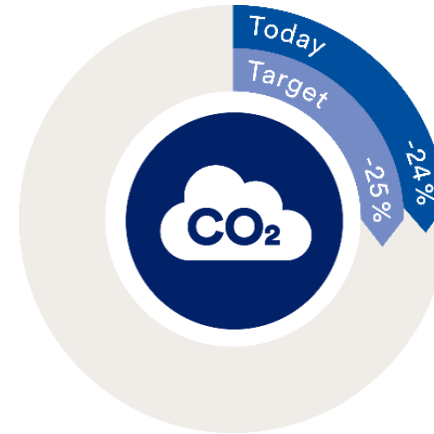
Over **59 %** of Emmi's employees have a development plan in place.



Sustainable Dairy

Over **93 %¹** of the milk Emmi is processing in **Switzerland** is produced according to the swissmilk green standard.

¹ In relation to the volume of milk
Target: 100 % of Emmi's milk suppliers produce according to locally above-average standards. Today, 83 % already meet this requirement.



Reducing Emissions

We have cut greenhouse gas emissions by **24 %**.
(vs baseline 2014)



Reducing Waste

We have cut food and production waste by **10 %**.
(vs baseline 2017)

Inclusive & strong culture



Developing employees



Apprenticeships & Trainees

Emmi Switzerland

- **135+ apprentices & trainees** are currently being formed
- In 2020 a total of 44 apprentice-ships were filled, exceeding the annual target of 30.
- In the last two years **all trainees have been offered a job** after completion of the program.



Competence Model

Mexideli, Mexico

- **Emmi competence model** has been introduced.
- Enables a harmonized classification of job requirements and assessment of competences as well as an aligned planning of **development measures**.



Future Leaders Program

Emmi Dessert Italia

- Launch of an **international Talent Program** and **3-year experience** to young graduates.
- Offers growth opportunities and **career paths** within Emmi Group.
- Fosters the development of **Future Leaders**, enhancing technical and cross-cutting competences through a unique job experience.

Making sustainable dairy the norm



Sustainable goat milk program

Bettinehoeve, Netherlands

- Pioneering an **industry-wide sustainable program** for goat milk
- Focus on animal welfare and animal health, energy reduction and positive climate impact.
- Bettinehoeve **ranked #3** out of 12 participating goat milk organizations with all its 49 goat milk suppliers participating.



Vitalait Foundation

Vitalait, Tunisia

- Program to foster & accelerate regional milk production, **improving working conditions and income** of small-scale dairy farmers
- **Expert advisory and funding** for sustainable practices.
- More than **1 800 farmers trained**, many of them women.

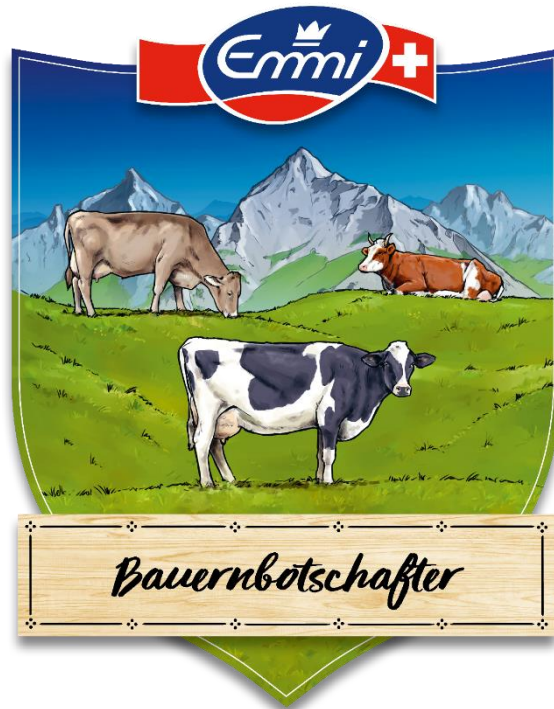


Standard for sustainable dairy

Emmi Switzerland

- **93 %** of our milk processed in Switzerland complies with the **swissmilk green standard** for sustainable dairy.
- **5 basic requirements** on **animal welfare** and 2 on **feeding**
- Promotion of biodiversity and reduction of antibiotics
- Transition period extended to 2023 for 100 % compliance

Strengthening the dairy eco-system



Emmi Farmers: true to the origin Emmi Switzerland

- More than **6'000 Emmi Dairy Farmers** carefully look after their cows and directly supply their milk to us so that we can craft our range of delicious and high quality treats.
- Roughly **300 act as 'Emmi Farmer Ambassadors'**. They actively help to ensure that the contribution of farmers for people, planet and the wider society are being recognized.
- The **broad range of activities** spans from visits for school classes, open farm activities for families to seasonal & gardening courses and playgroups for children.

Swiss Dairy – natural, sustainable & high quality

Its small-scale and mainly family run structures make the Swiss dairy industry unique. It is an ideal environment for high quality milk and sustainable practices.

By the end of 2020, **93 %** of the milk Emmi processes in Switzerland are produced according to the swissmilk green sustainability standard.

* Beat Brönnimann is an Emmi Farmer Ambassador since 2020.



Reducing CO₂ emissions



Reduction of energy usage

Emmi Dessert Italia

- **Energy audits** at all sites resulting in specific improvement measures (*e.g. insulation, optimization of water pumps*).
- **6% increase in energy efficiency**
- Around **1'900 MWh energy saved** or 495 t CO₂ avoided



Photovoltaic system

Emmi Roth, USA

- Installation of **photovoltaic plant** with 1'600 panels
- Capacity of around **680 MWh** annually
- **15%** of electricity consumption are now produced in-house saving equivalent of annual **550 t CO₂**



Connect to district heating

Emmi Suhr, Switzerland

- **District heating** connection to local incinerator
- Saving **5,500 t CO₂**, equaling **80%** of the site's overall CO₂ emissions

Reducing Waste



Save on packaging

Kaiku, Spain

- **Removal of outer packaging** for the lactose-free range
- No more enclosed plastic spoons
- Use of cardboard instead of plastic packaging
- **Switch to bio-based plastics** for plant-based drink range



Save on plastic covers

Gläserne Molkerei, Germany

- **Switch to reusable lids** instead of snap-on lids for yoghurt and buttermilk range
- Saving **30 tons of plastic per year**



Save on Foodwaste

Emmi Switzerland

- Emmi has been nominated a **Waste Warrior Brand**, actively fighting foodwaste as part of a coalition of companies
- Until 2022 at least 25 products will be labeled "**Often good after**"

Reducing waste & driving circularity



Less is better Emmi Caffè Latte



- Optimizing and 'slimming' our cups allowed us to **save 30 tons of plastic per year** since 2013.
- Further reduction initiatives are well underway.

Enabling circularity Emmi Caffé Latte



Made with
recycled plastic

- To increase circularity we start using **recycled Polypropylene** with an initial pilot in the UK.
- We provide **on-pack disposal information** for consumers to support recycling quota.
- We aim to have **fully recyclable packaging by 2027** for our Emmi Caffé Latte range.

Reducing Water Use



Water reduction

Vitalait, Tunisia

- Water-scarcity is an issue in Tunisia with negative impacts on Vitalait.
- **10 % reduction of water** consumption achieved following an external audit in 2020.
- **Water Reduction Roadmap** has been put in place to reach 50 % reduction by 2027 vs. 2019 baseline.



Flip reduction

Emmi Ostermundigen, Switzerland

- **Reduced consumption** of water and cleaning agent by optimizing flip times (*cleaning cycles*).
- Annual amount of water **reduced by 6'201 m³** and savings of CHF 43'500 achieved.
- Best-practice project for upscaling to other Emmi sites



Water efficient factory

Bettinehoeve, Netherlands

- Start building of a **new eco-friendly** goat's milk powder plant in 2021.
- Focus on **water-efficiency** with the aim to produce **45% more efficient**
- E.g. reuse of condensate and use of reverse osmosis

Emmi sustainability model



We provide a place where everyone feels welcome, valued and inspired and offer growth opportunities for all our employees.

2027 TARGETS



- 100% of Emmi employees have a development plan in place
- 50% of all vacancies filled by internal candidates

SUPPORTING SDGs



We create positive social impact and shared value while making sustainable dairy the norm.



Sustainable Dairy

- 100% of Emmi's global milk suppliers produce to an above-average local standard
- Further development of the Swiss Industry Standard



We aim to achieve netZERO by 2050 while driving circularity across our operations.



Reducing Emissions

- 60% reduction in own emissions
- 25% reduction in emissions along the value chain
- Vision netZERO 2050



Reducing Waste

- 50% reduction in waste and food waste
- ZERO waste to landfill
- 100% recyclable packaging



Reducing Water Use

- 50% reduction in water use in risk areas
- 15% reduction in non-risk areas
- Reduction in water use along the value chain



FOR THE BENEFIT OF OUR STAKEHOLDERS



Our people



Consumers



Clients



Suppliers



Society



Shareholders



Planet



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INVESTOR UPDATE ON SUSTAINABILITY

Summary

Urs Riedener, CEO

Delivering on sustainability AND consumer trends



Holistic Health



Casual food



Plant-based alternatives



New coffee experiences



Food as it should be



Balanced Indulgence



New Channels & Business Models



Green power



Summary

- #1** Sustainability is part of our heritage & business model
- #2** Accelerated dynamics and urgency drive business case
- #3** Solid progress though big challenges remain
- #4** Collaboration and a multi-stakeholder focus remain key to drive transformational change





INVESTOR UPDATE ON SUSTAINABILITY

Q&A

Urs Riedener, CEO | Ricarda Demarmels, CFO | Gerold Schatt, CSO



**Join us to care for the
best dairy moments.**

A woman with long dark hair, wearing a light-colored jacket, is seen from behind, holding a young child. The child is wearing a pink jacket and a light-colored knit hat, and is pointing their right hand towards the horizon. They are standing in a field of tall green grass. The sun is low on the horizon, creating a warm, golden glow and a lens flare effect. The sky is filled with soft, wispy clouds.

**THE BEST
DAIRY
MOMENTS**

**FOR GENERATIONS
TO COME**

Upcoming Emmi Investor Events 2022

Emmi Full-year 2021 Turnover Announcement

Wednesday, 26 January 2022
7:00 am CET

Emmi Full-year Results 2021 Analyst Conference

Friday, 4 March 2022
TBC

Emmi Capital Markets Day 2022

Wednesday, 6 April 2022
all day

Emmi Half-year Results 2022 Analyst Conference

Thursday, 18 August 2022
TBC

