

Sustainability Report 2021/2022



The best dairy moments

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Foreword

Dear Reader,

Emmi is a passionate manufacturer of high-quality dairy products and has a tradition of more than 100-years. Our purpose – to create the best dairy moments, today and for generations to come – guides our actions in everything we do and shapes the way we responsibly develop our business, our brands and our portfolio in the long term.

Consistent strategy implementation and differentiated market positions with innovative brand concepts as well as a diversified country and product portfolio are the basis of our business strategy. Emmi is backed by more than 9,000 employees who put their hearts and souls into delivering the best dairy moments day in, day out.



Ricarda Demarmels
CEO (left)

Urs Riedener
Chairman of the Board (right)

A long-standing commitment to sustainability

Weather extremes and natural disasters continued to highlight the risks from climate change in the past year. We are convinced that we need to act sustainably with regard to economic, social and ecological concerns. This conviction – which also stems from Emmi's purpose – has made our long-standing commitment to sustainability an integral part of our strategy.

Our success depends on both sustainable and profitable growth and a healthy planet. As a key player in the dairy industry, we at Emmi want to continue positively influencing our industry and promoting sustainable practices beyond our sphere of influence within the company. In this regard, we are relying on science-based targets (SBTi) and a netZERO 2050 vision to limit global warming in line with the Paris Agreement.

Our ambitious sustainability targets are based on the Emmi sustainability model, which encompasses three pillars: people, communities and planet.

Progress and challenges

We are now recording the development of our people in all Emmi markets and seeing pleasing progress. In Switzerland, three out of four employees (+17% compared to the previous year) already have a development plan. Internationally, almost half have one. Group-wide, in the year

under review we were able to fill almost one in three positions internally. We are also making progress in the area of communities and our focus topic of sustainable dairy. All Emmi companies now have qualitative targets for more sustainable milk production. To monitor this trend in quantitative terms too, we are relying on a science-based catalogue of criteria, which one in four of our companies applies. While the number of our milk suppliers that meet the “swissmilk green” industry standard increased slightly in Switzerland, the volume of milk processed according to this standard remained the same as in the previous year, at 94%.

Together with industry organisations and partners in the value chain, we are working to further develop this standard – particularly with climate protection, biodiversity and animal welfare in mind. The “KlimaStaR Milk” industry initiative – initiated together with partners from the worlds of business and science – got off to a successful start. The aim of this initiative is to make the Swiss dairy industry more competitive in terms of climate action and food-feed competition.

Internationally, we have further strengthened our commitment in this regard too by joining the “Pathways to Dairy Net Zero” initiative.

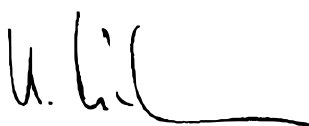
In terms of the planet, we have managed to make further progress in a variety of fields. For instance, we have decarbonised our energy supply by cutting the company’s greenhouse gas emissions by 10% compared to the previous year. Using 2014 (the base year) as a comparison point, we have even managed to reduce our emissions by a quarter. We are also moving in the right direction on these environmental issues with our waste reduction (-4%) and food waste (-5%) efforts when compared to the previous year. However, our water intensity rate has declined and we are behind the previous year (4.7%). Further efforts are also needed in the recyclability of our packaging in order to make it fully recyclable by 2027. In Switzerland, our packaging is around 45% recyclable at present.

Looking ahead to the future

In view of the ongoing uncertainties in terms of energy supply, we are stepping up our focus on energy, decarbonisation and greenhouse gas reduction in 2023. Our priority is to diversify our energy supply with renewable energies.

Focusing on our net-zero reduction path, we aim to further reduce our dependence on fossil fuels and make the process of manufacturing our dairy products more sustainable. As a major player in the dairy industry, and in view of the extent and importance of the challenges we collectively face, we will continue building on our commitment together with our dairy farmers, suppliers and partners. At Emmi, we see bringing more sustainability to our value chain as a mandate to create long-term added value and take responsibility with future generations in mind.

This seventh edition of our sustainability report – prepared in accordance with the GRI standards – summarises the approaches we have taken and the progress we have made over the past two years.



Urs Riedener

Chairman of the Board



Ricarda Demarmels

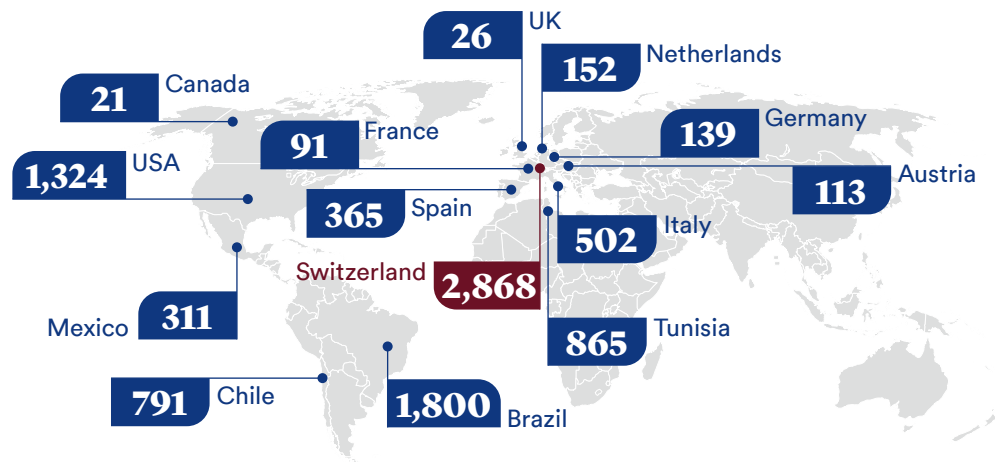
CEO

Emmi at a glance

We are the leading manufacturer of high-quality dairy products in Switzerland. We have a well-diversified country and product portfolio, innovative brand concepts and a presence in 14 countries. We distribute our quality products in around 60 countries and manufacture these at around 50 of our own production sites in eleven countries.

Consistently implementing the strategy has allowed us to evolve from a local farming organisation to a successful international group of companies over our 100-year history. Our current annual turnover is around 4.2 billion Swiss francs. This is made possible by over 9,000 employees, with around 70% of them working outside of Switzerland and all of them putting their heart and soul into delivering the best dairy moments day in, day out.

Emmi Group employees on a full-time basis (as at the end of 2022)



Emmi key figures

	2020	2021	2022
Sales in CHF million	3,706	3,912	4,230
Total assets in CHF million	2,337	2,471	2,635
Market capitalisation in CHF million	4,876	5,756	4,189
Investments in CHF million	131	153	206
Milk processed in millions of tonnes	2.12	2.16	2.07

[↪ Annual Report 2022](#)

Emmi non-financial figures¹

↳ Employees	Unit	2020	2021	2022
Employees eligible for a development plan	Number	3,744	3,790	8,774
Percentage of employees with a development plan ^{6,7}	%	59	58	46
Number of vacancies filled with internal candidates ^{6,7}	%	82	45	29

↳ Diversity

Percentage of women, total	%	29	31 ⁸	31 ⁸
Percentage of women on the Board of Directors	%	44	44	44
Percentage of women in Group Management	%	25	25	25

↳ Milk suppliers

Percentage of suppliers with "swissmilk green" label ^{2,9}	%	83	85	87
Percentage of milk produced with "swissmilk green" label ²	%	93	94	94

↳ Energy and greenhouse gas emissions

Total energy consumption	MWh	593,239	842,589 ⁵	845,087
Total energy intensity rate	MWh/ t product ³	0.49	0.59	0.63
Total electricity usage	MWh	201,195	250,837 ⁵	264,231
Percentage of electricity from renewable sources	%	75	85	85
Total CO ₂ e emissions, Scope 1	mtCO ₂ e	91,035	100,306 ⁵	100,233
Total CO ₂ e emissions, Scope 2	mtCO ₂ e	17,243	12,660 ⁵	1,223
Total CO ₂ e emissions, Scope 3	mtCO ₂ e	5,594,962	5,539,077	5,356,929
Reduction of greenhouse gas emissions (Scope 1 and 2)	mtCO ₂ e	1,091	4,614	-12,471
Reduction of greenhouse gas emissions (Scope 3)	mtCO ₂ e	–	-55,885	-182,148
Total CO ₂ e emissions per TCHF sales	tCO ₂ e/TCHF sales	1.54	1.45	1.29
Total CO ₂ e emissions per tonne of milk	tCO ₂ e/ t milk	2.69	2.61	2.64
Total CO ₂ e emissions per tonne of product produced	tCO ₂ e/ t product ³	4.20	3.97	4.06

↳ Water

Total water consumption	m ³	5,920,795	7,308,195 ⁵	7,229,862
Water consumption in risk areas ⁴	m ³	1,012,060	1,162,783	1,094,183
Water intensity rate in risk areas	m ³ /t product ³	3.96	4.03	4.12
Water consumption in non-risk areas	m ³	4,908,735	6,145,412 ⁵	6,135,679
Water intensity rate in non-risk areas	m ³ /t product ³	5.19	5.42	5.70

↳ Waste

Total waste (incineration/landfill)	t	10,097	10,374 ⁵	9,419
Waste to landfill	t	7,243	7,404	6,869
Waste intensity rate	kg/t product ³	8.40	7.30	7.00
Total food waste ²	t dry mass	12,149	11,753	10,737
Food waste per product ^{2,3}	%	4.00	3.90 ⁵	3.70

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Figure for Switzerland only.

³ Product = saleable article.

⁴ Areas at water risk with a high level of water stress: Mahdia, Turlock, Petaluma, Sebastopol, Mexico City and Calera de Tango.

⁵ Updated to reflect new data.

⁶ International figure for the first time in 2022 (previously just Switzerland).

⁷ Percentage relates to eligible employees.

⁸ Not including Mexideli 2000 Holding S.A. de C.V, Laticínios Porto Alegre Indústria e Comércio S.A., Tomales Bay Foods, Inc.

⁹ Production standard for [↳ "Sustainable Swiss milk"](#).

Best dairy moments – today and for generations to come

True to the values we have been guided by for over 100 years in business, we take responsibility today for the world of tomorrow. Supported by our responsible business model, we help to create value in rural regions in particular.

Taking responsibility for the long term has always been the hallmark for Emmi. This innermost conviction is also expressed by our purpose. It stands for our passion to carefully produce high-quality dairy products and specialities that respect nature and people. Our purpose also guides us in all that we do and the long-term direction in which we take our business, brands and portfolio.

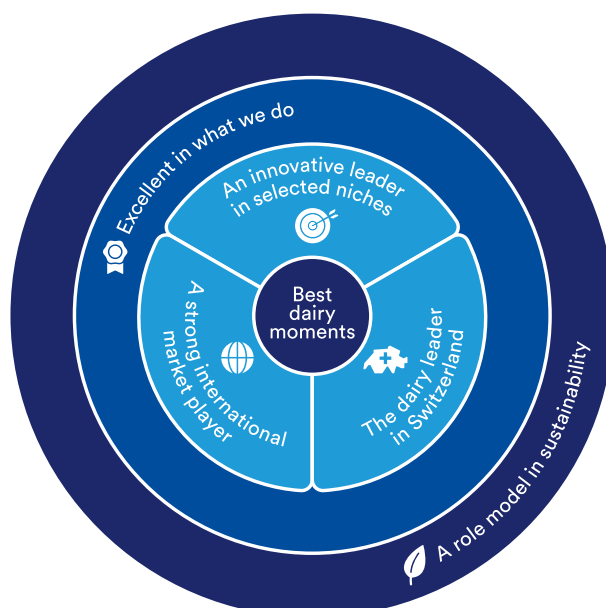
With the aim of running a sustainable and profitable business, we have an increasingly international focus based on our Swiss roots and high quality standards.

Proximity to the origin of our products, strong local roots and close cooperation with our regional milk suppliers are still of key importance. With high-quality, regional and increasingly sustainably produced milk, we thus contribute to value creation in rural regions. Together, we want to ensure that people can keep experiencing the best dairy moments, and we also want to keep creating value for all our stakeholders.

**TOGETHER, WE CREATE
— THE BEST —
DAIRY MOMENTS
TODAY AND FOR
GENERATIONS
TO COME**

Our strategy

Our responsible business model based on long-term profitable growth and our focused strategy help us to do the right thing and maintain our economic success. Our approach is centred around unique and innovative brand concepts, a diversified portfolio and an agile organisation with a local focus.



Our strategy comprises five core elements: strengthening our position in our domestic market of Switzerland, maintaining our focus on international expansion and consistently developing profitable, clearly defined niche businesses with leading positions in ready-to-drink coffee, speciality cheeses, chilled premium desserts and plant-based dairy alternatives. Excellence in action and sustainability complement these market-related elements and complete the Group strategy.

[↪ Find out more about the Emmi strategy](#)

A role model in sustainability

We are committed to making the value chain sustainable with a view to creating long-term value and taking responsibility for the benefit of future generations.

The effects of climate change are becoming more and more noticeable. We are therefore increasingly convinced that we need to act sustainably with regard to economic, social and ecological concerns. By working closely with our milk suppliers and partners, and by involving our consumers in the process, we can safeguard what sustains us all – an intact natural world. This conviction has led us to make our long-standing commitment to sustainability an integral part of the enhanced corporate strategy.

The Emmi sustainability model

Based on the Emmi sustainability model and our science-based net-zero reduction path, we aim to continue to operate our business in a resource-efficient, environmentally friendly and socially responsible manner. To ensure we achieve this and make further progress, sustainability has been incorporated into the central business processes at all Emmi companies. We believe that this is the key to jointly achieving our ambitious sustainability targets in the areas of people, communities and the planet.



We will 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.

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

[↳ Find out more about the Emmi sustainability model](#)

Material topics within the Emmi Group

3-1 Process to determine material topics

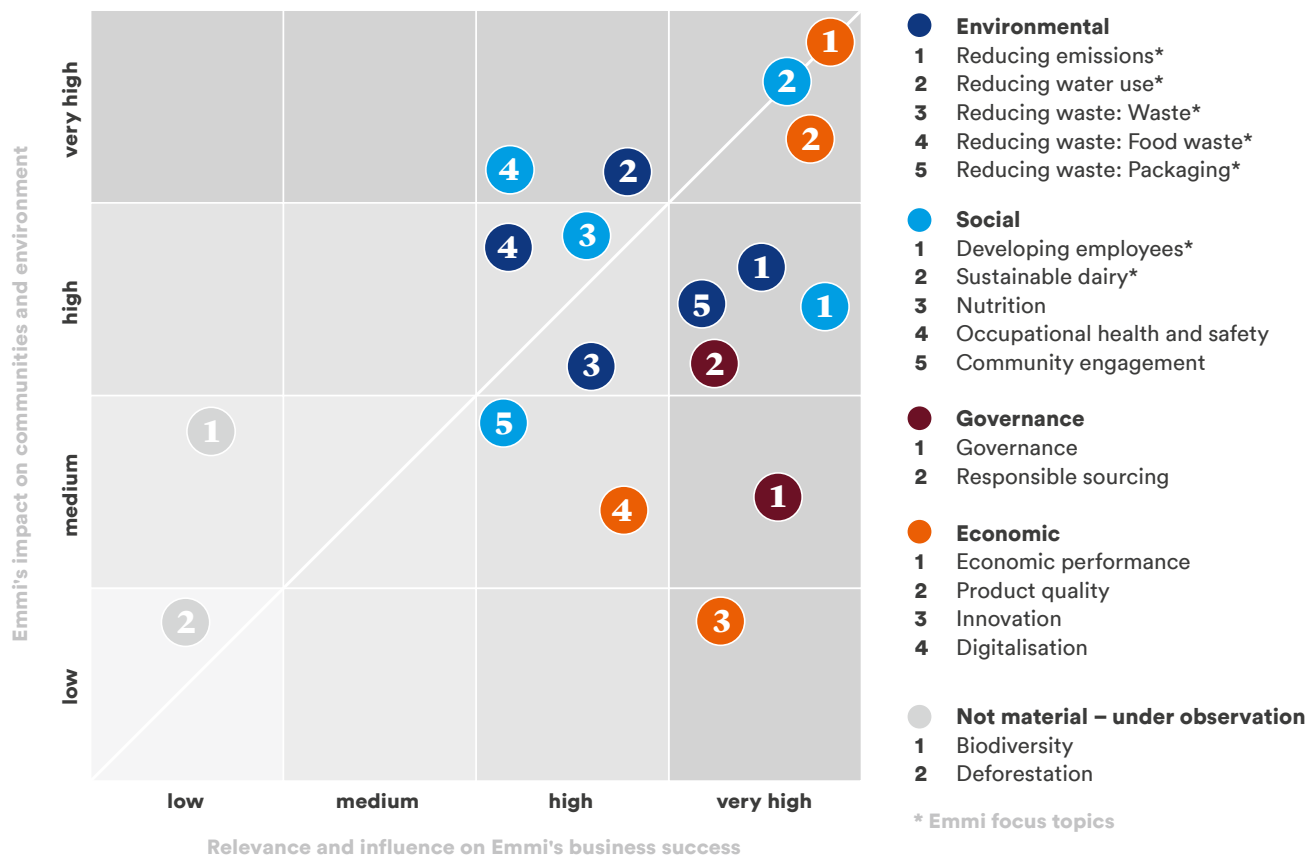
Our approach to sustainability and choice of strategically relevant topics are based on a double materiality analysis. This means that we focus our activities on topics that have a significant impact on people, society and the environment or that are relevant to our business. We make a distinction between focus topics and other material topics. The focus topics are part of the Emmi sustainability model and are assigned to the three areas of action – people, communities and planet. We have set ourselves ambitious measurable goals for 2027 within each of the focus topics. The other material topics are not part of the Emmi sustainability model but are still relevant for our business and immediate environment. The materiality analysis is reviewed and updated every two years as we prepare our sustainability reporting.

The previous materiality matrix was updated in view of this report. By taking this step, we are meeting the requirements of the GRI Standards applicable in 2021 and the provisions relating to transparency on non-financial matters that came into effect in Switzerland in January 2022 (Art. 964a ff. of the Swiss Code of Obligations, OR). Emmi now selects its material topics based on its evaluation of their relevance for the business (as before) and their impact (new).

3-2 List of material topics

We updated our materiality matrix by adding new material topics that are potentially relevant in light of changes to the framework conditions to the topics we had previously deemed to be material. All the topics were then checked by internal experts, who evaluated their impact on the business and its immediate environment before adding them to the first draft of a materiality matrix. In the final step, the Sustainability Steering Committee validated the matrix and material topics on the basis of that draft and a selection of the material topics within it.

Emmi Group materiality matrix



There were no major changes to the focus topics at Emmi as a result of the updates to the material topics. The material topic “Supplier management” has been renamed “Responsible sourcing”. We have extended the scope of the material topic called “Occupational safety” in the last reporting period so that it now also includes occupational health, renaming it “Occupational health and safety”.

Ambitious goals and measurable progress

In 2016 we set measurable targets for our sustainability commitment for the first time. This first cycle was concluded in 2020 [Sustainability Report 2019/2020](#). In 2021, we set ourselves new and ambitious goals to achieve by 2027 within the defined focus topics, which are assigned to three pillars: people, communities and planet.

We also support the Sustainable Development Goals (SDGs) and the global community’s ambitious plan to address global challenges such as climate change, malnutrition and fair growth.

[Find out more about the SDGs](#)



Developing employees

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

¹ Considered for the first time (without prior-year figure).

100% of employees have a development plan in place

Emmi Group¹

46%

Switzerland

75%

Previous year: 58%

50% of all vacancies are filled by international candidates

Emmi Group¹

29%

Switzerland

37%

Previous year: 45%



Sustainable dairy

- 100% of Emmi's milk suppliers worldwide produce according to local above-average standards¹
- Further development of the Swiss industry standard

¹ See 'Emmi sustainable milk methods'.

100% of Emmi's milk suppliers worldwide produce according to local above-average standards

Emmi Group

initiated

Switzerland (vs. 2019)

87%

Previous year: 85%



Reducing emissions

- 60% reduction of own greenhouse gas emissions (Scope 1 and 2)¹
- 25% reduction of greenhouse gas emissions along the value chain (Scope 3)²
- netZERO 2050 vision

¹ Absolute CO₂e emissions in tonnes as per the [Greenhouse Gas Protocol](#).

² Calculated as tonnes of CO₂e per tonne of milk.

³ Updated based on new data.

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

28%

Previous year: 20%

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

-3%

Previous year: -2%³



Reducing waste

- 50% less waste and food waste¹
 - Zero waste disposal in landfills
 - 100% recyclable packaging
- ¹ Amount in tonnes by waste in landfill sites or incinerated in relation to saleable goods.
- ² Products intended but not actually used for human consumption, measured as dry mass in relation to saleable goods.
- ³ Average percentage of recyclable material in all plastic consumer packaging put into circulation by Emmi Switzerland. Calculation based on the [RecyClass](#) method and the [Deutsche Mindeststandard](#).
- ⁴ Average percentage of recycled material in all plastic packaging put into circulation by Emmi Switzerland.
- ⁵ Included for the first time (no figure for previous year).
- ⁶ Figure for Switzerland only.

50% reduction in waste (vs. 2017)¹

22%

Previous year: 19%

50% reduction in waste (vs. 2017)²

18%

Previous year: 13%

Zero waste disposal in landfills

11%

Previous year: 4%

100% recyclable packaging^{3, 5, 6}

45%

30% recycled materials in plastic packaging^{4, 5, 6}

4%



Reducing water

- 50% reduction of own water consumption in risk areas¹
- 15% reduction of own water consumption in non-risk areas¹
- Reduced water consumption along the value chain

¹ Intensity rate calculated as total water consumption per tonne of saleable goods.

50% reduction in own water consumption in risk areas (vs. 2019)¹

1%

Previous year: 3%

15% reduction in own water consumption in non-risk areas (vs. 2019)¹

-7%

Previous year: -2%

* Supporting [UN Sustainable Development Goals](#).

Focus topics and other material topics

At Emmi, we make a distinction between focus topics and other material topics. The focus topics are part of the Emmi sustainability model and are each assigned to one of the three pillars: people, communities and planet. We have set ourselves ambitious goals for 2027 under each of the focus topics. The other material topics are not part of the Emmi sustainability model but are still relevant for our business and immediate environment. An in-depth materiality analysis is used to determine the material topics.

[↳ “A role model in sustainability” on page 8](#)

Focus topics

Developing employees

For us, employee development covers anything that helps our employees to meet the requirements of their job role now and in the future. We see this as one way of securing the employability of our employees and as an investment in strengthening our most important resource.

We have more than 9,000 employees worldwide – they are an integral part of our company and a key factor in our success. That is why it is so important for us to fill positions in the company with employees who have the appropriate professional, social and personal skills. And so we invest in the individual development of every single employee. At the same time, professional requirements are changing constantly and at an increasing pace – for example, due to new technologies or new market needs.

3-3

Management approach

In order to ensure our existence in the future, we need committed employees with the right skills and abilities. That is what we are aiming to achieve with our serious commitment to developing our employees.

We have no doubt that investing in their individual development at every stage of their career and across all career paths will pay off. For one thing, the requirements of every job role are constantly changing. Not to mention that there is a growing need to develop being felt by our employees. This enhances their performance at work and boosts their employability. In this respect, we believe we have a responsibility towards the business and society as a whole.

Individuals can only develop when the setting is just right. This is dependent on professional management, objectives that provide orientation, comprehensive skills management and a working environment that encourages individual development. We create the right environment by offering a wide range of development programmes at the various companies and taking talent promotion and succession planning seriously across all divisions. One specific target we have set ourselves is that all our employees will have an individual development plan by 2027.

With this broad-based development of our employees, we not only strengthen them for their current areas of responsibility. We are also putting ourselves in a strong position where we can fill vacancies internally with people who match the job profile to perfection. In our recruitment, we aim to maintain a balance between the vacancies we fill with internal candidates and the vacancies we fill with external applicants.

404-2 Excellent Leadership

We strive to provide a workplace where all employees feel welcome, valued and inspired and have access to development opportunities. Our managers have a huge impact on these aspects of the working environment. With that in mind, we have been investing in leadership development with a global focus since 2017. We started offering Group-wide leadership training in 2018. “Excellent Leadership”, which consists of individual self-directed learning modules and social dialogue channels, lays the foundations for leadership within the Emmi Group. This training provides a closer look at the Emmi Group management principles, covers the strategic direction of the individual’s leadership approach, and offers a chance for them to review and reflect on their own leadership style. Parallel to this, good and professional management is consolidated on an ongoing basis and reflected at the local level through numerous workshops.

404-2 Investment in future talent

There are so many different career paths available at Emmi. We employ people in industry-specific professions, such as dairy technologists and food engineers as well as people with professional skills that are not restricted to the industry, including office staff, logistics specialists and IT consultants.

In some countries, it can be challenging to find suitable staff to fill industry-specific vacancies. Apprenticeships are hugely important to us. That is why we use them to invest in training young talent in industry-specific skills in Switzerland. We are constantly expanding the number of apprenticeships in the industry-specific core occupations. We aim to reach our target groups through trade fairs and school contacts, but we are also intensifying our social media strategy.

We do have a growing need for employees with an academic background too. Competences from food sciences and economics and increasingly from information systems and logistics are in high demand. That is why we offer trainee programmes for university graduates in Switzerland, Italy and Brazil.

Varied and balanced development measures

Emmi is committed to the balanced promotion of entrepreneurial, personal, social, technological and methodological skills. To this end, we follow a 70-20-10 development approach: 70% of development takes place in the normal working day, 20% comes through targeted feedback and reflection, and 10% is in the form of internal and external training. This approach is based on the motto “Keep Exploring”, which encourages constant curiosity and interest in new things in everyday working life.

Dual responsibility

“We are continually developing” has been one of the five corporate values at the Emmi Group since 2010. Responsibility for developing our employees falls to the managers and also the individual employees themselves. Each employee is responsible for thinking carefully about their own future and for showing that they are open to continuous professional development and ready to seize new opportunities with curiosity. Managers keep a close eye on the future of their teams and the division, while focusing on strategic staff planning and helping their employees to make progress along their own development path. The concept of shared responsibility also comes across in the new version of the company strategy shared in 2022 through the “Winning Teams” value driver, which acts as a point of reference guiding all employees and managers.

The Human Resources (HR) department plays a supporting role. Through the strategic initiative called “Talent and Succession Management”, HR joins forces with managers to identify key positions, find successors internally and strategically develop our employees. In 2020, career models in the fields of supply chain management and marketing were published alongside various internal development stories designed to inspire others. New tools for identifying development needs and guidelines to help managers with development meetings were launched in 2022.

Progress, measures and developments in 2021/2022

Individual development across all levels and job roles

Our target is for all our employees to have a personal development plan by 2027. By the end of 2022, 46% of our employees had a development plan drawn up. There are differences between the three divisions: 75% of employees in Switzerland already have a development plan. This figure was only recorded for the first time in the Americas and Europe divisions in 2022. It revealed that 25% of employees in the Americas division and 55% of employees in the Europe division have a development plan.

Excellent Leadership training

In 2021 and 2022, new optional modules on resilience, virtual leadership and employee development were added to the scope of the Group-wide training on “Excellent Leadership”. When it comes to health, we have been investing in practical training on early detection and safety called “Health-Oriented Leadership” since 2022. Further measures like regularly sending leadership tips and decentralised training nuggets and workshops all help to embed “Excellent Leadership” in the day-to-day business operations.

During the period under review, 162 managers successfully completed the “Excellent Leadership” Group-wide leadership development training.

Personal development outside of your own department

One key element of our leadership development is the “Management Practice” development programme, which gives selected managers and specialists in middle management an opportunity to develop their personal, social and professional skills beyond the scope of their specific departments. Skills are targeted and developed through one-to-one coaching, input from experts and a strategic business project completed in small groups of participants from different departments. Participants in this programme are provided with the theory but also given the chance to put it into practice by working on their group project over the course of the year.

There were 14 employees from middle management in the 2022 of the Emmi Group “Management Practice” programme.

Systematically filling vacancies internally

To meet our target of filling 50% of all job vacancies with internal candidates, it is important that we identify talented employees who can take on new positions in the future and steer their development to make sure they are ready. With this in mind, we have been holding talent review meetings as part of our talent and succession management efforts since 2014. After a pandemic-induced hiatus during the 2019/2020 review period, over 3,800 employees were assessed in 2021/2022 in more than 160 talent review meetings, when their development was also discussed.

In 2022, 29% of 1,438 vacancies were filled with internal candidates. The data required for this Group-wide figure was only available for the first time in 2022.

Apprenticeships as an important source of young talent in Switzerland

Dual vocational training has become a tradition in Switzerland – and rightly so. It creates a pool of talented young workers for a wide range of job roles who can offer up-to-date theoretical knowledge and solid work experience. With academic pathways proving increasingly popular, it is becoming a challenge to recruit suitable apprentices for some areas. This is why we are investing so much in making our apprenticeships attractive and focusing on the post-apprenticeship development opportunities as a matter of priority. This allowed us to fill 50 apprenticeships in 2022 – that is 21% more training spaces than in the previous year.

It is also in our interest to support the talented young people we work with over the years through their final examinations and offer them employment with us after that. In 2021, 70.7% of the 40 apprenticeship graduates stayed at the company. In 2022, this figure was 83.8% of 37.

Our subsidiaries in the Americas and Europe divisions are also investing in a similar dual training model. A dual programme for young people in finance and production was launched at Mexideli in Mexico in 2022 and there have been two participants so far. In China, ten people took part in the “Alliance for the youth” programme at Quillayes Surlat in 2022. In line with the Swiss apprenticeship system, the Gläserne Molkerei in Germany offers dairy, lab, milk technology and industrial management training. Two people successfully completed their training to become a lab assistant and dairy technologist in 2022.

Country-specific models for academic graduates

In many countries, young people start off with an academic education. Internships and trainee programmes tend to provide a career springboard in that case. Our subsidiaries offer training opportunities that fit with the context in the respective country.

In Switzerland, we employ ten trainees on average in general management, food science, information systems and supply chain logistics. The trainees have two years to combine their university knowledge with practical skills from various fields and international experience. In 2021, 80% of all trainees were taken on permanently. This figure rose to 100% in 2022. 37% of former trainees who joined us in 2011 or later are still working at Emmi today.

Emmi France introduced a dual training programme in 2021. It was created in partnership with the state education system. This means that students study in an academic setting for around 30% of the programme and spend the remaining 60% to 70% working at a company where they apply the theory they have been learning. As a result, a young workforce is developed, with talented workers recruited to work in sales at Emmi France.

Emmi Dessert Italia launched a trainee programme in 2020. The first four trainees completed the programme in 2022, and all stayed with the company. Since 2022, five new trainees have been taken on in sales, supply chain management, marketing and operations.

The Brazilian company Laticínios Porto Alegre introduced its own trainee programme in 2022. The five trainees are working in the areas of industry, quality and safety, as a way of building on their academic learning with practical experience.

Promoting young climate talent

Raising awareness of sustainability is a priority for us. And we are keen to get our youngest employees involved too. The “myclimate company challenge” saw 32 apprentices from all our Swiss sites work on practical solutions relating to climate protection and energy efficiency. The competition gave rise to a wealth of valuable ideas, such as introducing measures to reduce food waste, forming carpools, generating solar power and using water-saving attachments. The apprentices who were involved in this project learnt a great deal about sustainability and project management, while developing their social skills by working together as a team.

[↪ Find out more about the “myclimate company challenge”](#)

New skills required for new technologies

Many of our job roles require our employees to have both general theoretical knowledge and Emmi-specific practical skills. This means that learning on the job has to be a key focus of our employee development strategy. Due to the fact that our systems are in operation for a long time, the change in technology is dramatic whenever they need to be upgraded. This is why it is so important to get employees on board and trained up so that a new system can be set up and operated smoothly and efficiently.

During the period under review, we invested in the construction of a new milk powder tower at Etten-Leur in the Netherlands. The new production facilities and new building meant that new skills needed to be picked up too. A training programme was created as a way of transferring those skills to 35 employees. It included some fun and interactive elements like a competition, alongside tests to make sure the employees had taken the information on board.

The most significant investment at our original location in Emmen – the construction of the new cheese dairy – brought about changes to the technology and building facilities along with brand-new processes and requirements for system operation. All employees from the old cheese dairy were trained up on the workflows in place at the new cheese dairy on the job, with structured support on offer. An important part of this process was learning from and with each other through shared experiences.

Other GRI disclosures

2-7 | 401-1

New employee hires and employee turnover¹

	2019	2020	2021	2022	Δ
Number of new employees	898	729	1,392	1,308	-6%
Rate of newly recruited employees	15%	12%	15%	14%	-8%
Number of employees who have left the company	580	614	856	1,020	19%
Employee turnover	9%	10%	9%	11%	16%

¹ The calculation basis can be found on page 85 under GRI 2-2.

2-7

Employees by employment contract^{1, 2}

	2019	2020	2021	2022	Δ
Permanent	–	–	8,863	8,952	1%
Female	–	–	2,739	2,788	2%
Male	–	–	6,124	6,164	1%
Temporary	–	–	127	107	-16%
Female	–	–	41	30	-27%
Male	–	–	86	77	-10%
Total			8,990	9,059	1%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Excluding apprentices, interns, trainees and external employees.

2-7 Employees by employment type^{1, 2}

	2019	2020	2021	2022	Δ
Full-time	–	–	8,158	8,221	1%
Female	–	–	2,203	2,258	2%
Male	–	–	5,955	5,963	0%
Part-time	–	–	832	838	1%
Female	–	–	571	560	-2%
Male	–	–	261	278	7%
Total			8,990	9,059	1%

Number of apprentices, interns, trainees, external employees¹

	2019	2020	2021	2022	Δ
Female	–	–	196	189	-4%
Male	–	–	296	307	4%
Total			492	496	1%

Number of employees by gender¹

	2019	2020	2021	2022	Δ
Female	–	–	31%	31%	0%
Male	–	–	69%	69%	0%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Excluding apprentices, interns, trainees and external employees.

404 Training and education¹

404-1 Average hours of training per year

	2019	2020	2021	2022	Δ
All employees	7.68 ³	7.90 ³	6.40 ²	6.20 ²	-3%
Female	8.30	9.54	5.70 ²	5.90 ²	4%
Male	7.05	6.26	6.70 ²	6.40 ²	-4%
Employees with a managerial role ²	–	–	3.50	4.70	34%
Employees without a managerial role ²	–	–	7.60	6.80	-11%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Excluding Gläserne Molkerei GmbH, Emmi Österreich GmbH, Leeb Österreich, Pasticceria Quadrifoglio S.r.l., Emmi Canada Inc., Redwood Hill Farm & Creamery Inc., Jackson-Mitchell Inc., Cypress Grove Chèvre Inc., Sda Catalunya S.L., Quillayes Surlat S.p.A., Centrale laitière de Mahdia S.A.

³ Adjustments based on new underlying data.

Apprentices at Swiss sites²

	2019	2020	2021	2022	Δ
Number of apprentices	128	128	124	133	7%
Proportion of apprenticeship graduates, subsequently employed	83%	65%	71%	84%	18%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Figure for Switzerland only.

	2019	2020	2021	2022	Δ
404-3 Employees receiving regular performance and professional development reviews^{1, 2}	6,021	6,178	4,532 ³	4,558 ³	1%
Percentage of employees receiving regular performance and professional development reviews^{1, 2}	87%	85%	67% ³	67% ³	0%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Excluding apprentices, interns, trainees and external employees.

³ Excluding Gläserne Molkerei GmbH, Emmi Österreich GmbH, Emmi Canada Inc., Quillayes Surlat S.p.A., Centrale laitière de Mahdia S.A.

404-3 Percentage of employees receiving regular performance and career development reviews^{1, 2}

	2019	2020	2021	2022	Δ
Employees with a managerial role					
Female	–	–	100%	100%	0%
Male	–	–	100%	100%	0%
Employees without a managerial role					
Female	–	–	100%	100%	0%
Male	–	–	100%	100%	0%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Figure for Switzerland only.

405 Diversity and equal opportunities¹

405-1 Diversity of governance bodies and employees

Board of Directors

	2019	2020	2021	2022	Δ
Gender					
Female	44%	44%	44%	44%	0%
Male	56%	56%	56%	56%	0%
Age					
under 30	0%	0%	0%	0%	0%
30 to 50	11%	11%	0%	11%	11%
over 50	89%	89%	100%	89%	-11%

Group Management

	2019	2020	2021	2022	Δ
Gender					
Female	25%	25%	25%	25%	0%
Male	75%	75%	75%	75%	0%
Age					
under 30	0%	0%	0%	0%	0%
30 to 50	37%	37%	25%	37%	48%
over 50	63%	63%	75%	63%	-17%

Group employees²

	2019	2020	2021 ³	2022 ³	Δ
Gender					
Female	28%	29%	31%	31%	-2%
Male	72%	71%	69%	69%	0%
Age					
under 30	16%	15%	15%	14%	-7%
30 to 50	54%	56%	56%	56%	0%
over 50	28%	29%	29%	30%	0%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Excluding apprentices, interns, trainees and external employees.

³ Excluding Mexideli 2000 Holding S.A. de C.V., Laticínios Porto Alegre Indústria e Comércio S.A., Tomales Bay Foods, Inc.

Employees in the division Switzerland²

	2019	2020	2021	2022	Δ
Gender					
Female	26%	26%	28%	27%	-4%
Male	74%	74%	72%	73%	1%
Age					
under 30	14%	14%	14%	14%	0%
30 to 50	51%	50%	49%	49%	0%
over 50	35%	36%	37%	37%	0%

Employees in the division Europe²

	2019	2020	2021	2022	Δ
Gender					
Female	–	–	45%	43%	-4%
Male	–	–	55%	57%	4%
Age					
under 30	–	–	14%	14%	0%
30 to 50	–	–	56%	57%	2%
over 50	–	–	30%	29%	-3%

Employees in the division Americas²

	2019	2020	2021 ³	2022 ³	Δ
Gender					
Female	–	–	29%	31%	7%
Male	–	–	71%	69%	-3%
Age					
under 30	–	–	16%	14%	-13%
30 to 50	–	–	63%	64%	2%
over 50	–	–	21%	22%	5%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Excluding apprentices, interns, trainees and external employees.

³ Excluding Mexideli 2000 Holding S.A. de C.V., Laticínios Porto Alegre Indústria e Comércio S.A., Tomales Bay Foods, Inc.

Sustainable dairy

For us, sustainable dairy covers all matters relating to people, animals, the environment and the economy in the context of milk production.

Milk plays a central role at Emmi. It is our most important raw material – and a significant economic factor for rural regions. Milk production also has a major impact on animal welfare and the environment. With this in mind, we are committed to making comprehensively sustainable milk production the norm, with the involvement of our milk suppliers and in association with other stakeholders. This means all milk being produced to standards with above-average requirements.

3-3 Management approach

Milk is more than just our most important raw material – it's also right at the heart of our sustainability efforts. This is because milk production is related to many aspects of sustainability and has a major impact on various social, ethical, environmental and economic matters.

Essentially, we see milk production as an important part of a sustainable food system. Looking on the positive side, the livestock kept for milk production turns plants that humans cannot digest – most significantly grass – into a nutritious foodstuff. The dairy industry also shapes the landscape, influences biodiversity and creates value for individuals and society as a whole. At the same time, however, milk production uses natural resources and causes greenhouse gas emissions. By pushing standards and industry initiatives, we can do our bit to ensure that sustainable dairy becomes the norm. This means milk production respecting the potential stresses of the natural biological cycle through location-appropriate and animal-friendly husbandry methods. Whenever we take appropriate measures, we consider the factors relevant to our business and the current context.

Taking responsibility across the Group

“Sustainable dairy” has been one of our focus topics since we introduced our sustainability strategy back in 2016. The dedicated focus team – made up of milk buyers and sustainability and agricultural specialists – is responsible for implementing our strategy for more sustainable milk and coordinating activities across the Group. Our milk buyers meet Group-wide every six weeks to share their experiences, with procurement and sustainability aspects going hand in hand more and more. The Steering Committee reviews the progress and status of target achievement on a regular basis.

Striving to fundamentally transform the dairy industry

In 2020, we set ourselves the goal of only processing milk that has been produced sustainably. As an international company with production facilities in 11 countries on four continents, this amounts to us striving to change the dairy industry on a global scale. We are well aware of the magnitude of this grand ambition and the hard work involved.

Back in 2016, we announced our aim to only process milk in line with a set sustainability standard in Switzerland. This statement of intention triggered a long process across the entire industry that gave rise to an industry standard in 2019.

[↪ Find out more about “swissmilk”](#)

[↪ Find out more about the “Swiss Milk Sector Organisation”](#)

The industry standard, which will be a requirement for all Swiss dairy farmers from January 2024 following a four-year transition period, includes a range of mandatory and optional aspects relating to animal welfare and sustainable milk production. Further requirements will be incorporated into the standard following the ongoing discussions within the industry. Due to the difficulty in finding common ground, there has been some delay to the standard being rolled out. The refined industry standard is expected to be rolled out at some point in 2024, though. The requirements relating to the environment, biodiversity and animal welfare need to be intensified.

We give our full support to the gradual development of the Swiss industry standard. This is based on the belief that it will give Swiss milk a competitive advantage and secure the future of the industry in the long term. Alongside the broad industry standard, other smaller organisations and stakeholders in Switzerland are doing their bit to make dairy farming more sustainable. We support these efforts as members of [↪ Kometian](#) and [↪ AgroCleanTech](#). Kometian advises farmers on complementary veterinary medicine, while AgroCleanTech shares information about climate protection in agriculture.

We have high hopes for the [↪ KlimaStaR Milk](#) resource project. In partnership with the Central Switzerland Milk Producers Cooperative (ZMP), Nestlé and aaremilch, we are working to reduce greenhouse gas emissions at around 240 sites as well as the competition for land and food between dairy cows and people. Within the project, the indicators developed with WWF, the Swiss Milk Producers (SMP) and the Central Switzerland Milk Producers Cooperative (ZMP) are used to calculate the direct competition for food and the competition for land within the Swiss dairy industry with a view to using resources as efficiently as possible. The project is also supported financially by the Federal Office for Agriculture (FOAG) within the scope of the agricultural resource programme (Art. 77a of the Swiss Agriculture Act, LwG).

Milk with above-average sustainability

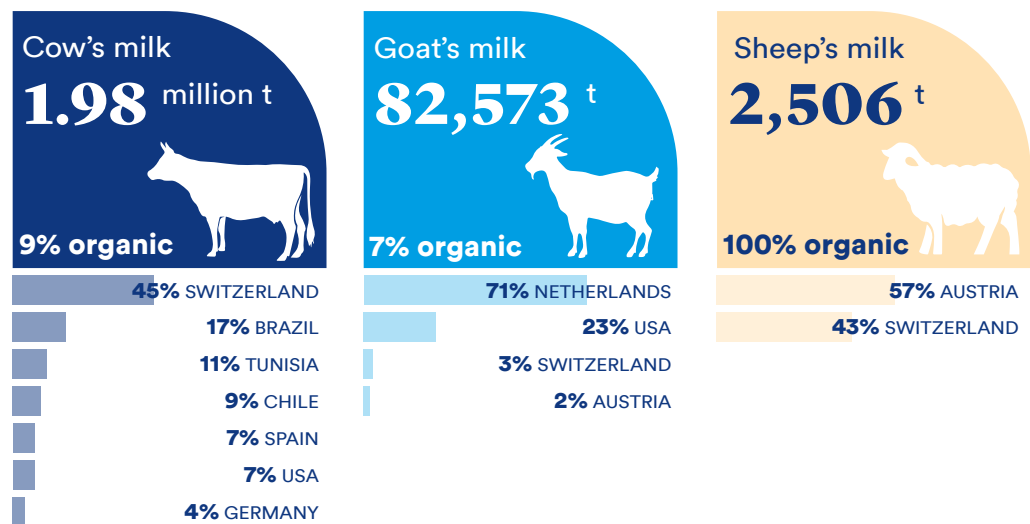
Our Group-wide goal for 2027 is that the milk purchased by our subsidiaries will be produced to higher sustainability standards than those applicable in the respective regions. In 2022, we bought 47% label milk in total. According to our definition, this is milk that goes beyond conventional milk in at least one sustainability aspect. In some countries, this applies to all the milk purchased by our subsidiaries (Austria, Germany, Netherlands, California).

This is why we have decided to focus on countries where we buy huge volumes of milk but there is no label yet (Brazil, Chile, Spain, Tunisia, USA/Wisconsin). The fact that our activities in many countries are so niche means that we are not in a position to launch our own sustainability standard. This is why we are getting so heavily involved at the industry level and through individual agreements with our dairy suppliers.

We have spent the last three years working on the basis for those agreements. Based on a [↪ catalogue of criteria](#) developed with experts, we have identified eight sustainability aspects for milk: strategy, work and income, milk quality, animal welfare, biodiversity, energy and materials, climate and the environment. We can use these criteria to assess the sustainability of the production processes used by the milk suppliers working with our subsidiaries. During the

period under review, we started to evaluate these aspects for some of the milk suppliers working with our subsidiaries outside of Switzerland. Based on the results, we are now setting targets for improvement between now and 2027 for those companies. For the other companies, we are currently in the process of gathering the data. Some qualitative objectives have already been set in parallel with this step in some cases. For example, Emmi Roth has started applying sustainability criteria when selecting milk suppliers and Vitalait is building on the support it is providing to its milk suppliers. All of these actions have one thing in common – we are constantly striving to follow an all-encompassing approach aimed at improvements for the environment, people and animals.

Milk volume processed by Emmi worldwide (2022)



Progress, measures and events in 2021/2022

Progress halted in times of crisis

The COVID-19 pandemic and its consequences, global inflation and the energy crisis have all had a detrimental effect on our mission to make milk production more sustainable. In many places, the skyrocketing feed prices have put many dairy farmers in a difficult financial situation. In Spain, this has been down to the war in Ukraine and the soaring cost of its wheat exports. Meanwhile, droughts have caused a shortage of feed in the USA, with financial difficulties as a knock-on effect. Many countries are struggling with sales. In Tunisia, the government fixes the price of milk, and there is often a considerable delay before it is updated. During the past year, the price of milk fell significantly below the costs of producing it for many producers, meaning that the volume of milk being produced dropped. In Germany, where we only process organic milk at our sites, the unfavourable market developments have posed huge challenges for us – and for our milk suppliers. The huge jumps in the price of organic dairy products in the summer of 2022 combined with the general rise in the cost of living resulted in a drop in the demand for organic dairy products.

Subsidiary in Tunisia supports small farmers

Our subsidiary Centrale Laitière de Mahdia is the second largest milk processor in Tunisia. It buys milk from some 25,000 suppliers. These are often families where the husband has a job and the wife looks after the kids, runs the household and takes care of two or three cows. These farmers deliver between 20 and 100 litres of milk to one of the 66 collection points, where it is cooled and transported to the dairy.

In 2019, Vitalait created a foundation to provide prospects for these small farms. The goal is to improve the working conditions and incomes of small livestock farmers in rural regions. Around 1,800 farmers have received support from dairy experts so far, providing them with a better understanding of issues relating to feeding, animal husbandry and care, careful cultivation of soil and economical use of water. The foundation also contributes up to 30% towards capital expenditure, for example for milking equipment.

[↳ Find out more about “Fondation Vitalait”](#)

There are plans to extend the support offered by the Vitalait foundation over the coming years. The project, which will support an extra 400 dairy farmers and educate them on water use, animal welfare and renewable energy, is due to start in mid-2023 and run until the end of 2024. It is being organised in partnership with the Swiss Agency for Development and Cooperation (SDC).

Emmi Roth USA joins the Dairy Sustainability Alliance

As a milk processor, we cannot influence milk production directly. That is why we want to fulfil our duty to get our milk suppliers on board as sustainability partners. Emmi Roth USA is working on strengthening its supplier relationships – step by step and with a focus on sustainable milk production. For one thing, Emmi Roth is including sustainability criteria in its invitation to tender aimed at milk suppliers. Emmi Roth is also making systematic changes by supporting initiatives like the Dairy Sustainability Alliance. Financial support is currently being provided for a study on soil health, which looks at CO₂ storage capacity among other things.

Commitment to biodiversity at Gläserne Molkerei

The correlation between milk production and biodiversity is complex. Depending on the production system in particular, milk production can have a positive or negative influence on biodiversity. Experts do agree, however, that milk production systems have an important role to play in avoiding further loss of biodiversity and restoring lost habitats – at least in part.¹

The German organic milk processor Gläserne Molkerei has stepped up to address the complex issue of biodiversity and launched an initiative called “Die Weide lebt” (The Living Meadow) in 2022. Twelve of its milk suppliers, who together farm on land covering 8,700 hectares, are being advised by Ökoring – an organisation specialising in the promotion of nature conservation. The starting point is a biodiversity analysis, which identifies whether any endangered species of animals and plants can be found on site. Next, specific steps are taken to encourage biodiversity, such as planting hedges, respecting insects when mowing and retaining old grass strips. The two project goals are to support biodiversity across some 8,000 hectares of land in the medium term and be able to prove that milk production can have a positive impact on biodiversity with the right

production system in place. As it stands, the twelve farmers are already boosting biodiversity across 3,300 hectares of land between them. This biodiversity initiative will be rolled out to more farmers in 2023.

¹ Biodiversity and milk production: A short analysis of the correlation between milk production systems in Germany and biodiversity (Öko-Institut Working Paper 1/2022).

Changing good to better: Organic sheep's milk at Molkerei Biedermann

Molkerei Biedermann in Switzerland only processes sheep's milk and it has to have a sustainability label. It can be labelled as organic or Demeter milk or as meeting the US National Organic Program (NOP) requirements which state that antibiotics are not permitted. The 17 sheep's milk suppliers working with Molkerei Biedermann have together formed the "Sustainable Sheep's Milk Production" association, and have also worked with Molkerei Biedermann to set the goal of continually striving to be more sustainable in their production of sheep's milk. Since the start of 2023, they have been raising all lambs on their farms of birth instead of taking them to specialist breeding farms as is standard practice. They are also aiming to meet the NOP requirements from 2024 and avoid the use of antibiotics altogether.

Other disclosures

Milk volumes processed across the entire Group¹

		2019	2020	2021	2022	Δ
Cow's milk	t	1,971,283	2,027,636	2,080,004	1,979,456	-5%
Goat's milk	t	84,772	89,679 ²	79,075	82,573	4%
Sheep's milk	t	1,309	2,611	2,760	2,506	-9%
Total	t	2,057,364	2,119,926	2,161,839	2,064,536	-5%

Proportion processed according to the Sustainable Swiss Milk ("swissmilk green") standard in 2022: 94%

Organic milk volumes processed across the entire Group¹

		2019	2020	2021	2022	Δ
Organic cow's milk	t	191,370	224,088	228,378	186,109	-19%
Organic goat's milk	t	6,725	9,349	6,528	5,546	-15%
Organic sheep's milk	t	1,309	2,610	2,760	2,506	-9%
Total	t	199,404	236,047	237,667	194,161	-18%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Adjustments based on new underlying data.

Reducing emissions

We are committed to reducing greenhouse gas emissions directly and along our value chain. This applies specifically to dairy cattle farming, the production of other agricultural raw materials, trade, consumers, waste disposal and all transportation between the various links in our value chain. The relevant greenhouse gases in our context are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

Climate change is a global challenge that needs to be addressed by all companies across the board. This is being reflected more and more in the framework conditions we operate within, such as the laws being passed in relevant countries. We are rising to this challenge with commitment and responsibility, as the only way to secure the future of our business in this industry.

3-3 Management approach

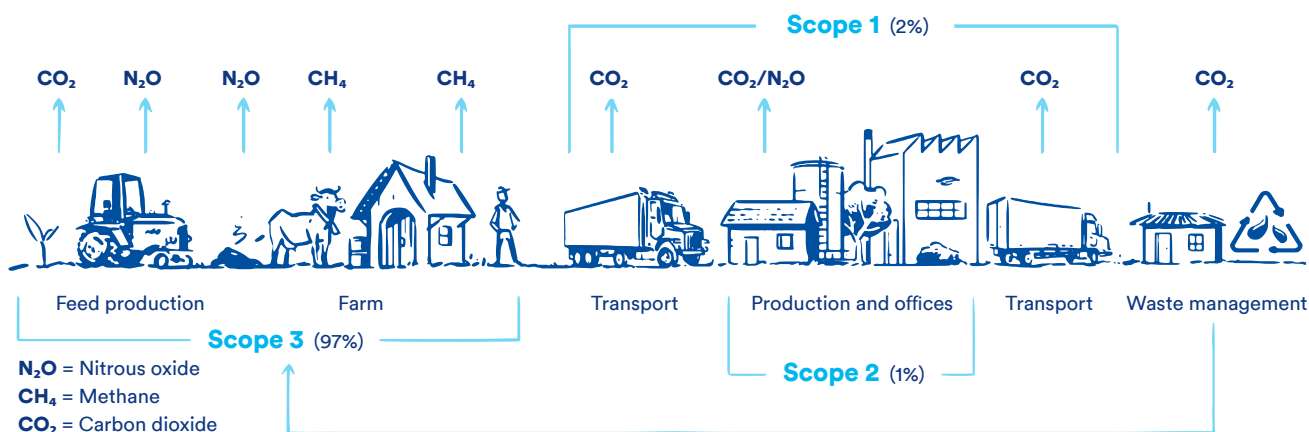
Experts estimate that around a third of global greenhouse gas emissions are caused by food production.² In turn, those emissions can be divided into thirds and allocated to direct emissions in agriculture, indirect emissions in agriculture and downstream processes like transport and processing.³ Milk production generates around 3% of global greenhouse gas emissions. This statistic is the one that is relevant to us.

We cause greenhouse gas emissions by using fossil fuels within our operations and logistics and by relying on refrigerants that have an impact on the environment (Scope 1) and purchased energy like electricity or district heating (Scope 2). The majority (> 90%) of greenhouse gas emissions, however, are generated upstream or downstream in the value chain, where we do not have any direct influence (Scope 3). The majority of our Scope 3 emissions come from milk production itself and are mainly due to natural processes like the formation of methane within the digestive system of a cow. The cultivation of animal feed and the use of farmyard manure are two other major sources of emissions.

² [IPCC](#).

³ [WWF](#).

Greenhouse gas emissions along the Emmi value chain



Scope 1 includes all emissions caused directly by the company (e.g. fuels, refrigerants).

Scope 2 comprises the indirect emissions caused by purchased energy (e.g. electricity, district heating).

Scope 3 encompasses all upstream and downstream greenhouse gas emissions. At Emmi, these include milk production and the manufacture and disposal of product packaging.

netZERO 2050 vision

When we first made our commitment to protecting the environment, we focused on our own activities. But we raised the bar in 2021, when we announced our netZERO 2050 vision and set ourselves science-based emissions reduction targets in line with the Greenhouse Gas Protocol and the Science Based Targets initiative (SBTi):

- To reduce absolute greenhouse gas emissions at our sites by 60% (Scope 1 and 2 – based on 2014)
- To reduce relative greenhouse gas emissions (per kilogram of milk) along the value chain by 25% (Scope 3 – based on 2019)

[netZERO roadmap](#)



Responsibility at different levels

“Reducing greenhouse gases” is a focus topic at Emmi. The eight members of the Sustainability Steering Committee develop the sustainability strategy and targets. These are then presented to the Group Management and the Board of Directors. The Steering Committee reviews the progress and status of target achievement on a regular basis. The divisions and local companies are responsible for operational implementation, but can rely on support from a central focus team.

Scope 1: Energy and environmental management system as the foundation

Professional management systems and reliable data are the key to implementing effective measures. With that in mind, we monitor energy consumption and greenhouse gas emissions at all our production sites for sustainability measures within our own operations. At the Swiss sites, this is ensured by means of the ISO 14001-certified environmental management system. The system in use at most European sites has ISO 50001 certification.

One way we are reducing greenhouse gas emissions within our operations is by improving energy efficiency with modern pumps, motors and heat recovery methods. The replacement of fossil fuels with renewable alternatives and process optimisations are other important ways of reducing our greenhouse gas emissions. District heating, solar energy (especially on the roofs of our production plants) and wood have proven to be good alternative energy sources.

We are also stepping up our own production of renewable electricity and heat. It is our aim to be covering at least 4% of our total global energy consumption with our own solar power by 2025 (progress at the end of 2022: 1.3%). To this end, we have conducted a worldwide analysis of our potential to use solar power. Taking into consideration efficiency, costs, funding and local conditions, a recommendation for future action was submitted to the Sustainability Steering Committee and subsequently approved. We are also planning to increase the generation of heat using solar panels.

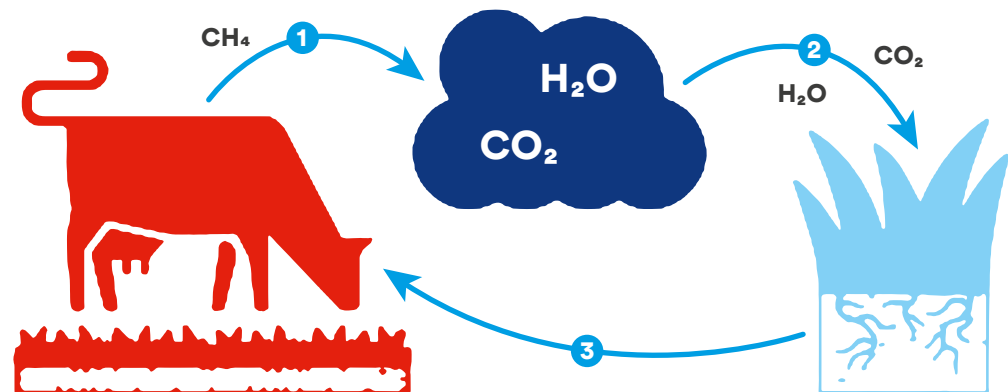
Scope 2: Renewable electricity

We rely on renewable energy for our electricity supply by purchasing green electricity certificates. There was a gradual transition between 2017 and 2021, starting in Switzerland, with the Europe division and North and South America following suit. Tunisia is the only site where there is currently no option of making a change because we produce almost all our own power there using gas turbines and there is no biogas available.

Scope 3: Focus on milk

Greenhouse gas emissions are released during the milk production process. These emissions are part of a natural carbon cycle.

The natural biological carbon cycle in milk production



Cows are basically part of a natural biological carbon cycle. ① The methane that the animals release into the air after digestion is broken down into CO₂ and water (H₂O) within ten years. ② The plants in the meadow then take both of these up again during photosynthesis and release oxygen (O₂). ③ Cows in turn absorb carbon from the green fodder as they eat.

We believe that milk production is an important part of a sustainable future. But it needs to be brought back towards its original natural balance – especially as far as emissions are concerned. For this reason, we are guided by the relative emissions factors per kilogram of milk when it comes to deciding where we focus our sustainability efforts relating to milk production.

We use the Greenhouse Gas Protocol to identify the Scope 3 emissions in the categories relevant to Emmi. The product volumes are multiplied by emissions factors taken from widely recognised databases (World Food LCA Database, ecoinvent). We are focusing on the category called “Purchased Goods and Services”. All the Scope 3 emissions identified are divided by the volume of raw milk processed at all our subsidiaries. For 2019, we calculated a baseline of 2.49 kg of CO₂e per kg of milk processed. This figure had increased by 7% by 2021, taking it to 2.67 kg of CO₂e per kg of milk processed. This increase was the result of a rise in milk volumes in countries with relatively high emissions factors per kilogram of milk, such as Brazil, Chile and Tunisia.⁴

We are looking for a more accurate way of determining our Scope 3 emissions in the future to make our environmental data even more meaningful. It is important to remember that data taken from the internationally recognised databases is generic and does not amount to an accurate reflection of our supply chain. We plan to replace the generic emissions factors we have used previously with specific factors calculated for our own milk suppliers. In Switzerland, where we process the largest volume of milk by far – see the focus topic [↪ “Sustainable dairy” on page 22](#) – we are currently working on this plan within the context of the “KlimaStaR Milk” project.

[↪ Find out more about the “KlimaStaR Milk” project](#)

In addition, preliminary projects involving biogas production at milk production sites and methane-reducing feed additives are under way in Switzerland, with the aim of reducing our Scope 3 emissions by 25% by 2027.

⁴ The emissions factors are higher in these countries due to the climate conditions and the quality of the feed. Breeds of cow that produce less milk also push up the emissions factors per kilogram of milk.

Progress, measures and developments in 2021/2022

Scope 3: Comprehensive climate protection project with Swiss milk suppliers

In Switzerland, dairy cows tend to be part of sustainable agriculture adapted to the local environment. The most important aspect is the grassland-based feeding system. And yet even in a major milk-supplying country like Switzerland our industry finds itself facing these existential questions: How can the dairy industry reduce its impact on the environment? And how can dairy products continue to be part of a responsible food system in the future? With the entire industry facing the same challenges, we believe we have the best chance of success if we work together.

We launched the “KlimaStaR Milk” climate protection project at the start of 2022 in partnership with the largest Swiss food manufacturer, Nestlé, and the milk producer organisations aaremilch and the Central Switzerland Milk Producers Cooperative (ZMP).

The cross-sector initiative aims to gain shared insights supported by science that can be used to make the Swiss dairy industry more sustainable and more competitive in terms of climate protection and resource efficiency. The target is to reduce greenhouse gas emissions from agricultural milk production by an average of 20% by means of a package of measures. The initiative is supported by the Federal Office for Agriculture (FOAG) and involves around 240 agricultural pilot sites. The Bern School of Agricultural, Forest and Food Sciences (HAFL) and ETH Zurich are supporting the project as scientific partners.

[↳ Find out more about the “KlimaStaR Milk” project](#)

Renewable energy sources softened the blow of the energy crisis

At sites that have been relying on renewable energy sources for a while already, the impact of the energy crisis in 2022 was not so severe. Energy efficiency measures implemented in the past, long-term planning, strong partnerships and strategic sourcing helped us to keep energy costs at a relatively low level.

On occasion, we had to switch fuel (from gas to oil) in line with instructions from the authorities or in the name of business continuity management.

The energy crisis confirmed that we are on the right track with our current strategy of improving energy efficiency and using more renewable energy sources. On that basis, we will also be focusing on implementing a long-term energy strategy in 2023.

Renewable energy as standard

By using renewable energy at all our sites around the world, we have reduced our emissions (Scope 2) in recent years. Our operations in Switzerland have been supplied exclusively with European hydropower since 2017 (-14,800 tonnes of CO₂e/year). All locations in Europe followed suit in 2018 (-17,000 tonnes of CO₂e/year). Since the beginning of 2021, 70% of the renewable electricity required for our Group companies in North and South America has been sourced using certificates. Since 2022, this figure has risen to 100%.

When switching to renewable energy at our sites in North and South America, we rely on certificates from the production of renewable energy sources. In Brazil and Chile, this is wind power from Brazil. The hydropower in Mexico comes from Guatemala and is generated domestically in the USA.

Pioneering solar thermal plant in Langnau

In contrast to photovoltaic systems, solar thermal plants use energy from the sun in the form of heat rays that warm up a liquid medium directly. Since solar thermal plants have never been able to reach high temperatures – at least not without complex installations being involved – they have primarily been used to heat water in domestic properties. Emmi has built up its experience in solar thermal energy over the years at its Saignelégier site in Switzerland. At the end of 2022, we became the first private enterprise in Switzerland to start using a next-generation industrial solar thermal plant at our fondue and processed cheese facility in Langnau i.E. With around 100 solar heat collectors, Emmi is saving around 21,000 litres of heating oil per year, which is roughly the equivalent of 55 tonnes of CO₂e each year.

[↳ Find out more about the pioneering solar thermal plant](#)

Wood and solar power in Emmen

At our original site in Emmen, over 80% of the required process energy is already produced by a wood chip facility. Installed on the Amstutz Holzenergie AG (Amstutz) site by Energie Wasser Luzern (EWL) in 2009, it feeds the hot steam into the pipes at our production site via a pipeline. In 2021, we extended the scope of our long-standing partnership with pioneering wood heating specialist Amstutz. The 1,440 photovoltaic modules covering all 2,700 square metres of roof space on the Amstutz buildings produce around 500,000 kilowatt hours (kWh) of electricity every year. Amstutz uses around 200,000 kWh for its operations centre, operation of the wood power system and apartments, with the remaining 300,000 kWh or so going to Emmi.

[↳ Find out more about this climate protection partnership](#)

Solar power along the Kaltbach production chain

The speciality cheeses matured in our natural sandstone cave in Kaltbach and marketed under the Kaltbach brand are some of our most successful Swiss products. Many aspects of the production process for this premium cheese are natural and sustainable, including the conditions in the sandstone cave. By using alternative energy sources along the production chain, we improve the carbon footprint of our products. Our partners – milk suppliers and cheese dairies – play a

part in this by installing photovoltaic systems on their roofs. We also started using a photovoltaic system at our Kaltbach site in the autumn of 2021. Almost 300 modules are spread out over roofs and façades, producing around 80,000 kWh of solar power every year.

[↳ Find out more about the AOP cheese network](#)

More Swiss production sites connected to local district heating networks

What sets district heating apart is that the heat comes directly from renewable sources, it is ready to use when it arrives in a building and it causes fewer CO₂ emissions than standard heating systems. By switching our third-largest site in Switzerland – Suhr – we can now reduce our CO₂e emissions by more than 5,000 tonnes every year. Plus, the local authorities in Suhr can supply residential areas with environmentally friendly district heating from the waste incineration plant.

Our cheese dairy in Saignelégier has also been relying fully on district heating from a local wood chip heating system since November 2021. This resource-efficient energy system saves more than 350 tonnes of CO₂e in a year.

[↳ Find out more about the district heating network](#)

Energy partnership in Dagmersellen

Together with local partners, Emmi is creating an energy system in Dagmersellen that will be unique in Switzerland. A wood chip-fired power plant will be producing renewable energy and helping to reduce the company's greenhouse gas emissions from 2027 onwards. The idea is that the planned wood chip-fired power plant will provide the majority of the heat energy required to produce powdered milk and mozzarella in the future.

The wood chip-fired power plant will produce 100 GWh of electricity and 130 GWh of heat when it is finished. Emmi will use approximately 50 GWh of the heat. It could also potentially be supplied to local industrial facilities and heating networks in the neighbouring villages. Where possible, the wood chip-fired power plant will run on locally sourced wood chips and scrap wood. Up to 200,000 tonnes of wood will be required every year.

The four partner companies are planning to invest around CHF 200 million in the production, distribution and use of renewable energies.

[↳ Find out more about the energy ecosystem](#)

Exhaust gas heat exchanger in Emmen

In Emmen, the waste heat from the wood chip heating system is recovered by a heat exchanger and used to preheat the hot water required at the site. This saves around 5,000 m³ of natural gas a month or 120 tonnes of CO₂e every year.

New photovoltaic systems overseas

Our California-based subsidiaries have been investing in renewable energy sources for a number of years now. Goat's cheese producer Cypress Grove Cheese uses certified renewable electricity

(hydropower, USA). In 2021, a photovoltaic system was installed on the unused land next to the production building. This produces around 1,000 MWh each year, covering approximately 78% of the facility's own electricity consumption.

Our subsidiary Quillayes Surlat is contributing massively to Emmi's solar strategy. A photovoltaic system was installed on the cheese dairy roof in the spring of 2021 to cover around 10% of the factory's own energy consumption. Solar energy saves around 150 tonnes of CO₂e compared to the local electricity mix.

Heat pumps at the new milk powder factory in the Netherlands

A new tower for producing goat's milk powder at the site in Etten-Leur in the Netherlands has been designed so that the temperature remains as low as possible throughout the entire production process. These low temperatures can be reached with more ease and efficiency by heat pumps. Where possible, all sources of waste heat are used and brought up to the required temperature using heat pumps powered by electricity. The smaller this temperature increase, the less electricity needs to be used. Just the air used for drying in the spraying tower is heated directly with natural gas because temperatures have to reach around 200°C here.

Pasticceria Quadrifoglio – pioneering factory in Modena

We are currently building an ultra-modern production facility for chilled dessert specialties and baked goods in Modena in Italy. This will be our first production facility designed to be net zero from the beginning. To achieve this, we worked out the optimum temperature and brought together all the sources of waste heat (such as refrigeration systems and air compressors) with the heat consumers (such as heaters and air-conditioning units) where possible. A heat pump powered by renewable electricity is installed between them so that it is possible to reach the required temperatures. The result is process heat produced as efficiently as possible.

Above-average CDP score

In 2017, we started having our sustainability efforts scored by the Carbon Disclosure Project (CDP). Our score has improved over time, reflecting how far we have come on our sustainability journey. We achieved a B score for the first time in 2021 (2019: B-). That put us above the industry average score of B- for 2021.

[↪ Find out more about the CDP climate action score](#)

Other GRI disclosures

302

Energy¹

302-1 | 302-4

Primary energy sources purchased

		2019	2020	2021	2022	Δ
Heating oil	MWh	61,365	48,057	19,200	13,607	-29%
Natural gas ²	MWh	291,398	344,484	388,978	358,753	-8%
Biogas ²	MWh	–	–	9,084	19,707	117%
Diesel	MWh	2,332	1,734 ⁴	6,527	7,057	8%
Wood	MWh	3,729	3,578	159,011	157,628	-1%
District heating	MWh	23,542	22,551	32,259	56,133	74%
Other	MWh	–	477	12,222	15,355	26%
Total	MWh	382,366	420,881	627,281	628,240	0%

Emmi Group energy consumption

		2019	2020	2021	2022	Δ
Total energy consumption	MWh	563,128	593,013	842,589	845,087	0%
Energy intensity (per t of product) ³	MWh/t	0.49	0.49	0.59	0.63	7%

Fuel consumption by vehicles

		2019	2020	2021	2022	Δ
Petrol	Litres	188,491	189,569 ⁴	454,854	523,900	15%
Diesel	Litres	3,003,859	2,848,764 ⁴	4,535,676	4,409,616	-3%
Total	Litres	3,192,350	3,038,333	4,990,530	4,933,516	-1%

Electricity

		2019	2020	2021	2022	Δ
Renewable share	MWh	141,010 ⁴	146,678 ⁴	213,370	225,611	6%
Non-renewable share	MWh	53,728 ⁴	54,562 ⁴	37,466	38,620	3%
Total	MWh	194,738	201,240	250,836	264,231	5%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Partially used for intensive electricity production.

³ Product = saleable article.

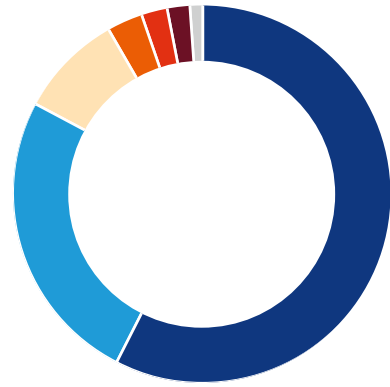
⁴ Adjustments based on new underlying data.

Share of primary energy and electricity (2022)



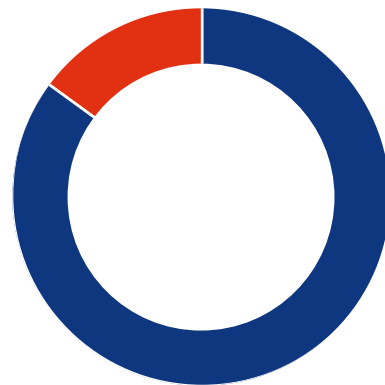
- 69% Primary energy
- 31% Electricity

Share of primary energy purchased by energy source (2022)



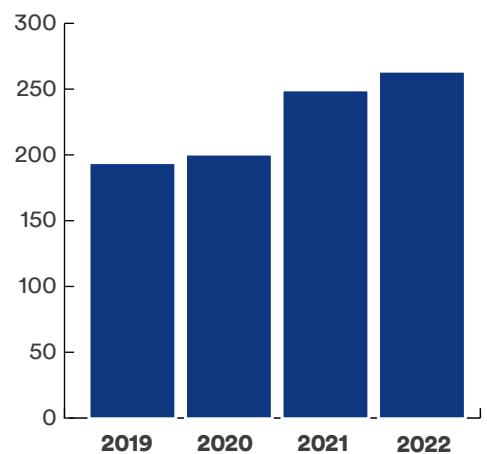
- 57% Natural gas
- 25% Wood
- 9% District heating
- 3% Biogas
- 2% Heating oil
- 2% Other
- 1% Diesel (generators)

Electricity consumption by share of renewable and non-renewable energy (2022)



- 85% Renewable share
- 15% Non-renewable share

Total electricity consumption in GWh



305

Emissions¹

305-1

Direct (Scope 1) GHG emissions

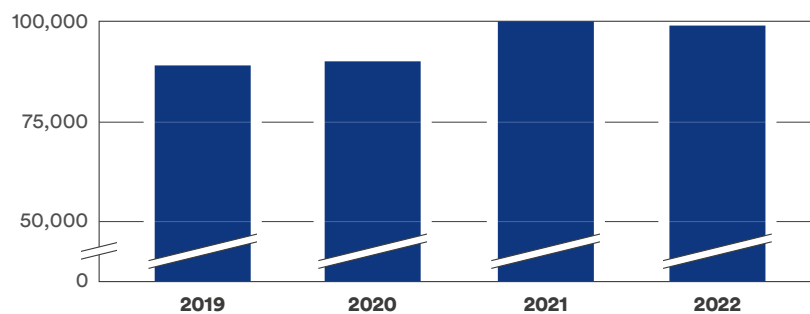
		2019	2020	2021	2022	Δ
Fuels	tCO ₂ e	75,856 ³	79,593 ³	84,027	80,584	-4%
Refrigerants	tCO ₂ e	3,056 ³	3,484 ³	3,212	5,792	80%
Transport/fuels	tCO ₂ e	8,351	7,904	12,939	12,769	-1%
Total Scope 1	tCO₂e	87,263	90,981	100,178²	99,145	-1%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Integration of new companies (Laticínios Porto Alegre Indústria e Comércio S.A., Leeb Biomilch GmbH, Pasticceria Quadrifoglio S.r.l.).

³ Adjustments based on new underlying data.

Greenhouse gas emissions in tCO₂e (Scope 1)



305-2

Energy indirect (Scope 2) GHG emissions

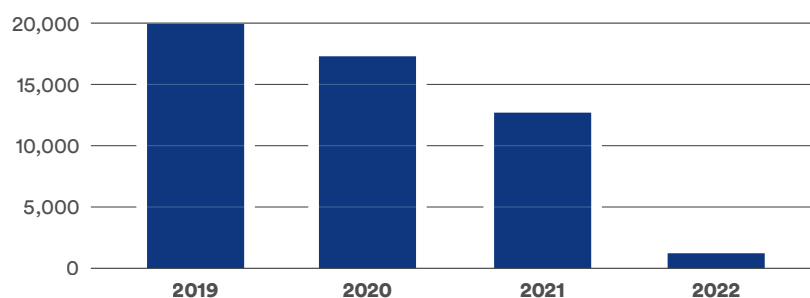
		2019	2020	2021	2022	Δ
Electricity	tCO ₂ e	19,828	17,188 ³	12,531	929	-93%
Other ²	tCO ₂ e	44	55 ³	129	294	128%
Total Scope 2	tCO₂e	19,872	17,243	12,660	1,223	-90%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² District heating.

³ Adjustments based on new underlying data.

Indirect energy-related greenhouse gas emissions in tCO₂e (Scope 2)



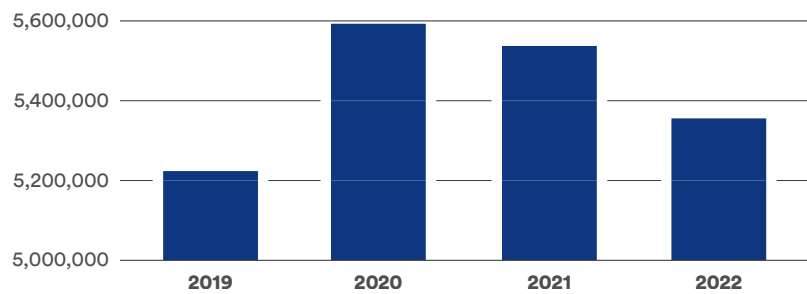
305-3

Other indirect greenhouse gas emissions (Scope 3)

		2019	2020	2021	2022	Δ
Total Scope 3	tCO₂e	5,224,399	5,594,962	5,539,077	5,356,929	-3%
Of which category 1:						
Purchased goods and services	tCO ₂ e	4,579,847	4,947,263	4,821,849	4,642,129	-4%
Of which attributable to milk and bought-in dairy products	tCO ₂ e	4,460,972	4,828,388	4,615,727	4,436,233	-4%

¹ The calculation basis can be found on page 85 under GRI 2-2.

Other indirect greenhouse gas emissions in tCO₂e (Scope 3)



305-4

Emissions intensity

	2019	2020	2021	2022	Δ
tCO ₂ e per KCHF sales	1.53	1.54	1.45	1.29 ²	-11%
tCO ₂ e per t of milk	2.59	2.69	2.61	2.64 ³	1%
tCO ₂ e per t of saleable goods	4.06	4.20	3.97	4.06 ⁴	2%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Emmi's sales increased by 8% from CHF 3.19 billion in 2021 to CHF 4.23 billion in 2022.

³ The volume of milk processed by Emmi fell by 4.5% compared to 2021.

⁴ The volume of saleable goods fell by 5.4% compared to 2021.

The increase in emissions can be attributed to a disproportionate decrease in production/milk volume in relation to energy saved. In addition, we have noticed that energy consumption tends to increase due to higher automation and, in some cases, higher processing levels. Steps such as internal concentration, filtration and drying of whey require significantly higher energy consumption with lower output quantities. Efficiency measures implemented on an ongoing basis can counteract this trend.

Reduction of GHG emissions

GHG emissions (Scope 1 and 2) by division

		2019 ³	2020 ³	2021	2022	Δ
Division Switzerland	tCO ₂ e	40,834	41,334	38,341	34,179	-11%
Division Europe	tCO ₂ e	9,325	9,102	10,974	11,793	7%
Division Americas	tCO ₂ e	56,974	57,788	63,523	54,395	-14%
Total	tCO₂e	107,133	108,224	112,838	100,367	-11%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² As a result of the switch to in-house electricity production based on natural gas.

³ Adjustments based on new underlying data.

Development of GHG emissions (Scope 1 and 2) by division

		2019	2020	2021	2022
Division Switzerland	tCO ₂ e	385,246	500	-2,993	-4,162
Division Europe	tCO ₂ e	-735	-223	1,872 ²	819 ²
Division Americas	tCO ₂ e	-1,720	814	5,735 ³	-9,128
Total	tCO₂e	382,791	1,091	4,614	-12,471

¹ The calculation basis can be found on page 85 under GRI 2-2.

² As a result of the switch to in-house electricity production based on natural gas and the integration of new companies (Leeb Biomilch GmbH, Pasticceria Quadrifoglio S.r.l.).

³ As a result of the integration of new companies (Laticínios Porto Alegre Indústria e Comércio S.A., sites associated with Quillayes Surlat).

Proportion of renewable electricity purchased by the Emmi divisions as at the end of 2022:

- Switzerland: 100%
- Europe: 100%
- Americas: 98%

Reducing waste

In our commitment to sustainability, the term “waste reduction” is two-fold: on the one hand, we want to reduce production and food waste, and on the other, we want our packaging to be resource-saving and recyclable.

As a food producer, waste is an ever-present issue that we deal with – firstly because of the impact we are responsible for due to our resource consumption, and secondly in terms of costs.

We therefore have a very comprehensive understanding of waste, based on the Kaizen philosophy, which is the foundation for our global Emmi Operational Excellence initiative. However, in terms of our commitment to sustainability, our focus on waste encompasses food, packaging and other materials.

Waste

[3-3](#) | [306-1](#) | [306-2](#)

Management approach

Waste prevention is relevant to Emmi from both an economic and an ecological point of view. From a business perspective, savings on waste disposal costs are the most obvious; at the same time, valuable resources are saved by avoiding losses in the production process. We have set ourselves the goal of halving our own waste (compared to 2017) by 2027. In addition, we will no longer allow waste to be disposed of in landfill sites by 2027 at the latest.

Our motto when it comes to managing waste is “reduce, reuse, recycle”. This means that unavoidable waste is reduced as a matter of priority in order subsequently to find an optimum solution for the smallest possible residual quantity, ideally within a closed loop.

We control waste management at our production sites through environmental management processes, with a focus on reducing waste that goes to incineration or landfill. While Emmi’s Swiss operations have had an ISO-14001-certified waste management system in place for some time, many foreign production facilities still lack the basic control mechanisms and data for such an approach. We are working to close these gaps step by step. Another challenge outside of Switzerland is the lack of recycling systems in the vicinity of our sites in North and South America and Tunisia. In these locations, we instead work out individual alternatives to the usual landfill disposal.

At our Swiss production sites, waste that cannot be recycled is recovered as energy in modern waste incineration systems. Organic waste is used in animal feed or disposed of through biogas systems.

Progress, measures and developments 2021/2022

“Zero Waste to Landfill” certification in Spain

Our Spanish subsidiary Lácteos de Navarra produces yogurts in Pamplona. Through contact with its disposal service providers, the company was able to ensure that only a minimal amount of waste ends up in landfills. In 2022, this amount was reduced by 75% to 0.06% of total waste. After successful auditing, Lácteos de Navarra received the “2022 cero residuo” certification for this. After analysing the audit, new project ideas also came to light, such as optimising the control, management and monitoring system and upgrading certain waste streams.

Reduction of sewage sludge in Tunisia

We clean our systems with water. As a result, milk and other organic residues are left in the water. Before the water can be drained into the municipal sewage system, it must undergo initial treatment at our plant. There is still no disposal method for the resulting sewage sludge in Tunisia. This means that the organic material has to be sent to landfill, where it takes up a lot of space and valuable substances are lost. Developing an alternative disposal method for this, like those we have in use in many other countries, is a top priority for us.

In collaboration with an external company, we analysed how process optimisation can reduce the amount of sewage sludge produced. The goal is a 20% reduction by 2023 and complete closure of the cycle in the future. The local team is currently assessing which measures will have the greatest impact at the lowest cost. A promising solution could be to dry out the sludge and process it into fertiliser. Composting the sludge is also an option. The project is challenging because the necessary technologies are not yet common in Tunisia.

306 Waste¹

306-3 Waste (incineration/landfill)

		2019	2020	2021	2022	Δ
Waste (incineration/landfill)	t	10,280 ⁵	10,097 ⁵	10,374	9,419	-9%
Hazardous waste	t	84	125	139	174	25% ³
Recycled waste ²	t	5,038	5,197 ⁵	6,331	6,172	-3%
Waste intensity rate (kg of waste per t of product) ⁴		8.90	8.41	7.29	7.00	-4%

¹ The calculation basis can be found on page 85 under GRI 2-2.

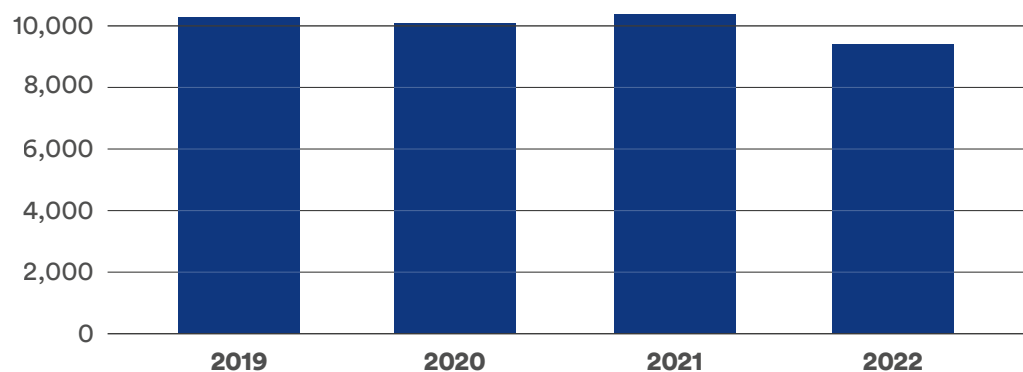
² This includes recyclable materials that have been recycled (excluding organic waste).

³ The increase in the percentage of hazardous waste is due to building activities in Brazil.

⁴ Product = saleable article.

⁵ Adjustments based on new underlying data.

Total waste (t)



Waste by division

		2019	2020	2021	2022	Δ
Division Switzerland						
Incineration	t	1,427	1,615 ²	1,468	1,479	1%
Landfill	t	–	–	–	–	–
Total	t	1,427	1,615	1,468	1,479	1%

Division Europe

		2019	2020 ²	2021	2022	Δ
Incineration	t	363	1,228	1,492	1,060	-29%
Landfill	t	922	657	52	106	104%
Total	t	1,285	1,885	1,544	1,166	-24%

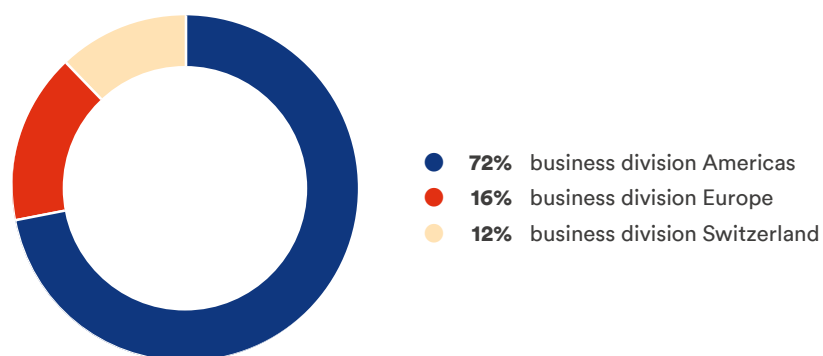
Division Americas

		2019	2020	2021	2022	Δ
Incineration	t	–	–	3	5	67%
Landfill	t	7,557	6,587	7,352	6,764	-8%
Total	t	7,557	6,587	7,355	6,769	-8%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Adjustments based on new underlying data.

Share of waste by division (2022)



Food waste

3-3 Management approach

Along the food chain – from producer to consumer – a considerable amount of food is discarded every year. Food waste has a significant impact on the environment. In Switzerland, discarded or uneaten food accounts for 25%¹ of the carbon footprint of our total diet.

We have set ourselves the goal of halving the food waste in our operations by 2027 compared to 2017. We understand “food waste” to mean unavoidable food waste. This includes all organic waste that was originally intended for human consumption, including processed or semi-processed products as well as raw materials and secondary streams such as whey.

One of the ways in which we are driving forward the goal of minimising food waste is through Emmi Operational Excellence (EOE). Through EOE, we continuously optimise our core processes in terms of effectiveness and efficiency.

Unavoidable food waste, such as whey from cheese production, should be processed into food whenever possible. However, the top priority is that no perfectly good food is thrown away. In Switzerland, we therefore sell surplus or incorrectly packaged products at reduced prices in our factory outlets or donate food to the “Tischlein deck dich” charitable organisation. Furthermore, in Switzerland we have signed an industry agreement against food waste with leading companies and associations in the food industry. This agreement to halve food waste in Switzerland by 2030 reinforces our existing strategy and can, if necessary, be used to support the strategy through joint measures.

However, our fight against food waste does not end with our own operations. We also have opportunities to influence food waste among our customers and consumers, especially through the shelf life of our products. We can have an impact here through our quality management, primarily through recipes and, to a significant extent, also through the packaging – especially in terms of its material and thickness. In addition, we support broad-based projects and initiatives to combat food waste in private households, which are – alongside the processing industry – responsible for about one third of food waste.

[↪ Learn more about Too Good To Go](#)

¹ [↪ FOEN.](#)

Progress, measures and developments 2021/2022

Emmi signs federal Food Waste Agreement

Together with 28 Swiss companies and associations from the food, wholesale and retail sectors, we are committed to the federal government's goal of halving food waste in Switzerland by 2030. The partnership with Too Good to Go will help us to achieve this goal, as well as awareness-raising measures for employees and consumers. Under this agreement, we commit to disclosing food waste data and progress on an annual basis.

[↳ Learn more about the Food Waste Agreement](#)

Expansion of partnership with Too Good To Go

Since 2020, we have been working with the organisation Too Good to Go, which aims to inspire and empower everyone to work together to fight food waste. To do so, the organisation uses an app to reduce food surpluses and it has also launched the "Oft länger gut" (often good after) initiative. In addition, Too Good to Go has initiated the Waste Warrior Brands – a coalition of companies that are fighting food waste together. Through this partnership, we are raising awareness among our employees and consumers about food waste. Too Good to Go supports us with communication and training material for different target groups.

We began this collaboration by labelling some of our Swiss products with the "Oft länger gut" symbol, and more products are being included in the initiative all the time. In the meantime, we have also extended the initiative to the markets in Germany, the UK and Spain. Furthermore, some of our Emmi outlet shops as well as Baumann Käse AG's Chäsueb shops can be found on the Too Good To Go app, helping to combat food waste. Emmi Austria also disposes of surplus products via Too Good To Go.

[↳ Learn more about the partnership with Too Good To Go](#)

Food Waste^{1, 2}

		2019	2020	2021	2022	Δ
Food waste (dry matter)	t	11,138	12,149	11,753	10,737	-9%
Food waste per product ³	%	3.7	4.0	3.9	3.7	-5%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Data currently only available for division Switzerland.

³ Product = saleable article.

Packaging

3-3 Management approach

For us, packaging is second only to milk when it comes to key product components. Among other things, the packaging influences the characteristics, quality, consumption and transport of a product. In addition, packaging of all kinds plays a major role when it comes to procurement.

Our approach to packaging has changed over the past decade. During the first phase of our sustainability commitment, we focused on reducing packaging material and optimising various types of packaging. We now consider any packaging that has to be disposed of after a single use to be waste that must be avoided. For us, the cycle concept has become the centre of our efforts. This is also reflected in our targets: by 2027, we aim to be 100% recyclable, use at least 30% recycled material and avoid single-use plastic altogether.

Because the topic is extremely dynamic and the ideal solution does not yet exist, we have created an information sheet outlining our vision and packaging strategy and detailing the findings already reached. This serves as a guideline for the subsidiaries when implementing local projects.

When selecting and testing new packaging materials or concepts, product protection takes top priority. However, we also analyse the recyclability of the material or mixture of materials, for example according to cyclos-HTP or RecyClass. The origin of the raw materials, the recycle content and material health also play a role. We also calculate the associated emissions in CO₂e.

While we base material reduction measures primarily on internal factors – in particular the availability of suitable equipment – our vision of a circular packaging landscape relies on large alliances. In Switzerland, arrangements to this end have already taken shape in recent years – through our memberships in the [PRISMA](#) association and in the steering committee of the national [Sammlung 2025](#) project, we can actively contribute to the development of recycling systems in Switzerland. In our domestic market, we are also involved in the organisations [Drehscheibe Kreislaufwirtschaft](#) and [Realcycle](#) in favour of a more circular economy.

While there are currently only a few packaging design guidelines in Switzerland and progress in the packaging sector is primarily driven by initiatives and voluntary commitments in the industry, developments at our European sites are influenced by the increasingly strict EU legislation on the handling of plastic waste.

Progress, measures and developments 2021/2022

“Pact” to close the cycle

In order for 100% of our packaging to be recyclable by 2027 and for cycles of materials to be closed, all players along our value chain must work together. In order to accelerate the development of a circular economy for plastic packaging and beverage cartons in Switzerland, we have concluded a “pact” with around 50 other industry players. The heart of this is the common goal of a harmonised, cost- and eco-efficient, consumer-friendly and coordinated system for plastic packaging and beverage cartons throughout Switzerland.

[↪ Learn more about the “Pact”](#)

Recycled polypropylene for Emmi Caffè Latte cups

Emmi Caffè Latte, launched almost 20 years ago, is our most successful product. We have been dealing with the issue of its packaging for quite some time. The demands of on-the-go consumption and the limited disposal options in this area present us with major challenges. Over the years, we have been able to gradually reduce the use of materials. In the latest step, we were able to save 15% of material (around 350 tonnes of propylene per year). In addition, we have been using a proportion of recycled polypropylene since 2021.

[↪ Learn more about recycled plastic for Emmi Caffè Latte cups](#)

We have also been able to use recycled material for other packaging for the first time since the reporting period. For example, a recyclable mono-PET tray for our raclette with around 30% recycle content and a butter tray made from 90% recycle.

More potential for packaging reductions

Although we have been optimising our packaging for decades, we are still discovering further potential for improvement. This potential arises in part at locations where the topic is new, while new technologies or systems also result in new opportunities for more ecological packaging.

Our Italian dessert companies analysed their entire cup range during the reporting period. With the subsequent standardisation of the cup designs and reduction from nine to five types, around 61 tonnes of plastic and 72 tonnes of cardboard can be saved each year.

For our children’s ice creams in Switzerland, we have consciously decided against the plastic figurine cups that are still popular, and have switched to simple but eco-friendly cardboard cups. Together with other packaging optimisations, this project has saved around 43 tonnes of plastic and 43 tonnes of cardboard packaging.

By replacing plastic sleeves with labels on the Aktifit mini drinks sold in Switzerland and reducing the size of the outer carton, 50 tonnes of plastic and 20 tonnes of cardboard can be saved each year.

Selecting the best plastic

Choosing the optimal material is no simple task. A few years ago in Switzerland, we had invested primarily in systems that were suitable for filling HDPE bottles. Since then, we have come to realise that PET is a better solution, as it has the same or a slightly better environmental footprint than HDPE and enables a closed material cycle in the Swiss recycling system.

As part of the regular renewal process, we were able to replace an old system with a new PET system at our largest Swiss site in Ostermundigen. This saves plastic and allows us to offer new recyclable packaging. According to our calculations, the new packaging concept will save around 110 tonnes of plastic each year. Furthermore, the new, tighter screw cap makes it possible to avoid the use of an additional aluminium cover. The bottles can now also be inflated at the filling site itself, which significantly reduces transport volumes and the resulting lorry journeys.

Packaging¹

Packaging materials Switzerland

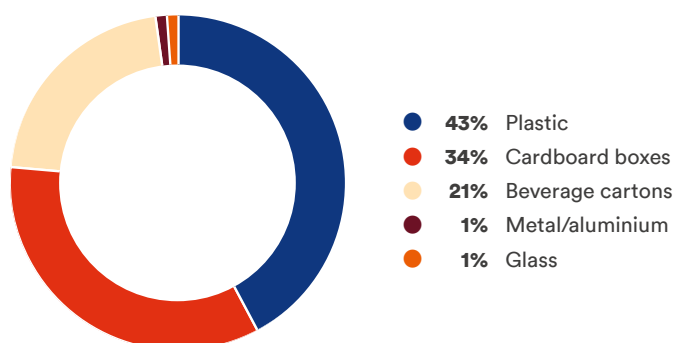
		2021	2022	Δ
Plastic	t	10,892	11,163	2%
Cardboard boxes	t	8,354	8,968	7%
Metal/aluminium	t	271	303	12%
Glass	t	260	238	-8%
Beverage cartons	t	5,787	5,626	-3%
Total	t	25,564	26,298	3%

¹ Data currently only available for division Switzerland.

Percentage of recyclable material¹

		2021	2022	Δ
Plastic	t	4,901	5,023	2%
Cardboard boxes	t	7,936	8,519	7%
Glass	t	260	238	-8%

¹ According to [RecyClass](#) and the [Deutsche Mindeststandard](#).



Use of recycled plastic: 4% in 2022 (2021: 0.73%)

Reducing water use

For us, the topic of water encompasses both water use and water pollution, both directly by us and in the upstream and downstream value chain. In the context of agriculture, both water consumption and water pollution in the production of plant and animal raw materials are relevant. In our operations, the issues are primarily fresh water consumption and wastewater.

We see it as our responsibility to use water prudently in our operations and along our value chain, and to minimise the negative impact on water availability and quality. Our priority is to understand our water risks and develop strategies to reduce our water usage and impact on local water systems across all our operations.

[3-3](#) | [303-1](#) | [303-2](#)

Management approach

Water scarcity and extreme weather events such as droughts and floods are increasingly affecting more and more regions of the world and, according to the World Economic Forum, are among the greatest risks for the future. Food production is considered to be the most water-intensive activity on earth and, according to the WWF, accounts for around 70% of all freshwater used. At the same time, climate change is affecting regional and seasonal water availability. This poses significant risks to our business model, because water is an essential resource for us. Water is used as an ingredient, in processes and to ensure quality and hygiene in Emmi's operations. In the context of the production of agricultural raw materials, water availability influences both milk production and the cultivation, availability and price of plant raw materials.

Due to the significant risks for our business model and the major impact of the dairy industry, water has been one of the focus topics of our sustainability commitment since 2021. We have set ourselves ambitious targets around this issue. In addition, we regularly update our regional priorities on the basis of the WWF's "Water Risk Filter". The Sustainability Steering Committee reviews the progress and status of target achievement. The divisions and their local companies are responsible for operational implementation of the targets. The Team Water focus topic, with members from locations all over the world, supports them in this.

Focus on our own operations

Most of our water footprint arises from the cultivation of agricultural raw materials. For our risk raw materials, we have developed an implementation concept, with the support of our partner WWF, among others. We are currently working on establishing baseline values for water consumption, particularly in milk production. We then hope to define a course of action together with our suppliers in order to be able to achieve initial reductions in water consumption by 2027 and to define longer-term targets. The water impact aspects of milk production are part of our comprehensive sustainability approach for milk as our most important raw material.

[↳ "Sustainable dairy" on page 22](#)

However, in the first phase of the strategic management of this new focus topic, we are firmly focussing on our own handling of water in our operations. This is where we can have the greatest influence and quickly make measurable improvements. To set our targets for reducing water consumption in our operations, we used the targets of other companies in the industry as a guide.

We have also formulated our 2027 target accordingly:

- Reduce our overall water consumption by 15%

We are aware that the impact of our production activities on water varies greatly depending on the country, which is why we have opted for an impact-based approach. To identify our water risk areas, we applied the WWF's "Water Risk Filter" to all our production sites in 2019. The filter analyses the water risks at a specific location on the basis of 12 criteria. According to the analysis, our production sites in Tunisia, California, Mexico and a plant in Chile are located in water risk areas. In these locations, we see it as our duty to reduce our negative impacts on water even more rapidly and have therefore set the target for farms in these regions higher:

- Reduce our direct water consumption in water risk areas by 50%

We review which areas are considered water risk areas every two years.

Minimising fresh water consumption and wastewater load

We see two main objectives for water management in our production facilities: firstly to minimise fresh water consumption – especially in water-scarce areas – and secondly, to focus on wastewater in terms of its quantity and its waste substance content. Both of these approaches will help to reduce our impact on the key resource of water.

Over the past 15 years of professional wastewater management in our Swiss operations, we have developed proven, globally reproducible approaches for both of these measures. To reduce fresh water consumption, we focus on multiple use. Optimising cleaning processes can also noticeably reduce fresh water consumption. At high-risk sites, more intensive work is also being done on water treatment to keep water in circulation for as long as possible, further minimising fresh water consumption.

Sharing knowledge across locations

Regardless of the topic, optimisation measures that can be implemented at different locations are particularly valuable. In order to make the most of this potential multiplier effect, our internal water experts regularly exchange information. In this context, a working group on the focus topic of water was established at the global level. In addition, there are country-specific exchange formats, such as the CIP (cleaning in place) group of experts in Switzerland, which shares knowledge about system cleaning with water four times a year.

Systematic data collection

Key data about our water management relates to fresh water consumption, wastewater volume and the chemical oxygen demand (COD) needed to determine and control the wastewater quality. In Switzerland, we have been reporting this data since 2008, and in our operations outside Switzerland since 2019. Site-specific measures are derived on the basis of this data as well as national and local laws and guidelines. We monitor the effectiveness of these measures via our key performance indicator platform. Assessments and steering are carried out on a quarterly basis.

Progress, measures and developments 2021/2022

In the reporting period, both absolute and relative water consumption increased due to the addition of our new production sites in Brazil to the scope. With milk powder and cheese, the plants in Brazil have products in their portfolio that consume significantly more water per tonne of saleable goods. Moreover, during 2022, our production volumes were seen to be declining almost everywhere globally, which also led to an increase in the relative values. In the risk areas, this means a minimal 1% reduction relative to the 2019 baseline and in the non-risk areas, a 7% increase relative to the baseline.

Optimisation of the cleaning process in Ostermundigen

Ostermundigen is our largest production site in Switzerland. After the Ostermundigen site was already able to save around 6,700 m³ of water per year in 2020 by optimising the cleaning process, further optimisations reduced water consumption by an additional 16,500 m³ per year in 2021. This improvement was achieved thanks to optimisation of the intermediate rinsing stages. This measure did not require any investment and can be transferred to other locations.

Lácteos de Navarra combines proven water-saving tools

Thanks to comprehensive savings and optimisation measures, our Spanish subsidiary managed to reduce water consumption at its Pamplona plant by around 31% compared to the 2019 baseline. Measures were implemented at various levels in order to achieve this – from simpler repair work, to optimised processes, to measures to increase communication and knowledge. When implementing the measures, those responsible made use of various instruments that have been tried and tested throughout the company as a whole, such as the water toolbox (e.g. water map, pool of experts, best practice examples) and “gemba sprints⁵”.

⁵ Timely optimisation analysis directly in production (gemba = Japanese for place of action).

Emmi Roth USA: saving water as a team and creating a sense of achievement

US speciality cheese manufacturer Emmi Roth, which operates three production sites in Wisconsin – in Platteville, Monroe and Seymour – was able to reduce its water consumption by a total of 43% between 2020 and 2022 (compared to 2019). This was achieved thanks to a well thought-out approach that focused on engaging all employees. An initial step was to install additional measuring devices in order to be able to obtain reliable information about the amount and location of water

consumption. Teams were then set up at all three sites to be responsible for the water-saving measures. The measures implemented in the last three years range from simple pipe repairs to the introduction of a new process that enables the recovery of millions of litres of water.

[↳ Learn more about the water-saving project](#)

Other GRI disclosures

303 Water and effluents¹

303-3 Water withdrawal²

		2019	2020	2021	2022	Δ
Total water withdrawal	m ³	5,883,918 ⁵	5,919,105 ⁵	7,308,195	7,229,862	-1.1%
Intensity rate per t of product ⁴	m ³ /t	5.10	4.93	5.14	5.38	4.7%

Water withdrawal in risk areas³

		2019	2020	2021	2022	Δ
Total water withdrawal in risk areas ³	m ³	944,400	1,012,060	1,162,783	1,094,183	-5.9%
Intensity rate per t of product ⁴	m ³ /t	4.17	3.96	4.03	4.12	2.2%

Water withdrawal in non-risk areas

		2019	2020	2021	2022	Δ
Total water withdrawal in non-risk areas	m ³	4,939,518	4,907,045	6,145,412	6,135,679	-0.2%
Intensity rate per t of product ⁴	m ³ /t	5.32	5.19	5.42	5.70	5.1%

¹ The calculation basis can be found on page 85 under GRI 2-2.

² Water obtained from the respective state water supply or from own wells.

³ Areas at water risk with a high level of water stress: Mahdia, Turlock, Petaluma, Sebastopol, Mexico City and Calera de Tango.

⁴ Product = saleable article.

⁵ Adjustments based on new underlying data.

Material topics

Economic performance

We understand “economic performance” to mean value creation in a social and economic context. From a sustainability perspective, we consider not only our growth, profitability and return on investment targets to be relevant, but also the way we pursue these business goals and the resulting impact on our stakeholders. Economic performance also includes indirect economic impacts, for example through our procurement, the taxes we pay or the income of our employees.

We want to be economically successful in the long term and conduct our business activities in an environmentally and socially responsible manner. For this, our aim is to ensure a financially sound basis. Through this, we can develop our business sustainably and be a reliable partner for all our stakeholders.

3-3 Management approach

Our economic success is based on a focused and proven corporate strategy. While we continue to strengthen our leading position in the Swiss home market, we are also pushing ahead with our international growth. We achieve both of these things by constantly optimising our brand, product and company portfolio. We focus in particular on innovations and strong brand concepts. We also practise rigorous cost management throughout the entire Group, which allows us to invest in sustainable growth and innovation.

[↳ Learn more about Emmi](#)

Balanced diversification strategy

At the core of our proven corporate strategy is a very carefully considered level of diversification in terms of our presences and portfolios:

- Leading in Switzerland
- Strongly positioned in growing international markets
- Innovative pioneer in selected niches

While we want to strengthen our leading position in the Swiss home market, we are also pushing ahead with our international growth. We focus on strengthening our position in the markets in which we have entered or grown strongly in recent years. We also have a particular focus on niches in which we already have leading market positions or are striving to achieve such positions. We aim to ensure long-term profitable growth and added value for all our stakeholders.

We are setting ourselves short- and medium-term goals for economic success. These include set ranges for organic sales development in our divisions and the Group as a whole, and a set range for the operating result (EBIT) and the net profit margin from a Group perspective. Other important objectives related to economic success are those with regard to the return on invested capital.

Medium-term forecasts

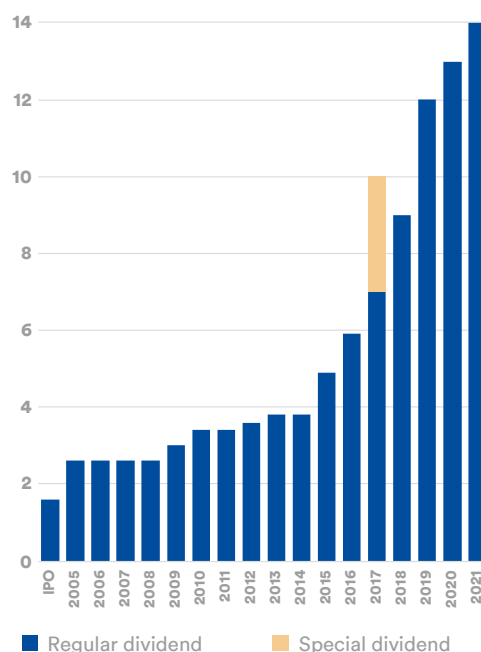
- Organic sales growth Group: 2% to 3%
- Organic sales growth Switzerland Division: 0% to 1%
- Organic sales growth Americas Division: 4% to 6%
- Organic sales growth Europe Division: 1% to 3%
- Net profit margin: 5.5% to 6.0%
- Return on invested capital (ROIC): Improvement trend
- Distribution rate: 35% to 45%

We create value for our investors on two levels. On the one hand, our many years of economic success are reflected in a continuous increase in the share price, and on the other hand, we strive for a steady dividend policy with a payout ratio between 35% and 45%.

ROIC (return on invested capital) is an important indicator. It shows what return is generated on the invested capital. Since 2022, we have communicated our goal of the continuous improvement of the ROIC to our stakeholders.

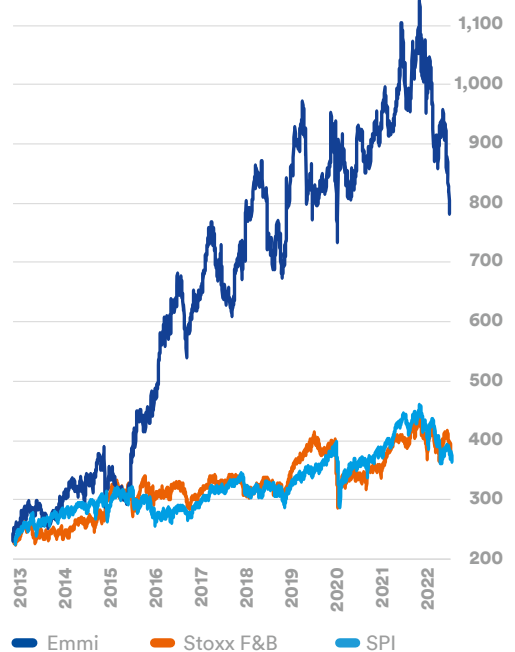
Dividend reflecting strong profit growth

Dividend per share in CHF



Share price significantly beating market

Indices rebased to Emmi share price



Our capital allocation strategy to ensure a strong balance sheet is not only based on investments in fixed assets (CAPEX), but also relies on merger and acquisition (M&A) activities. For CAPEX investments, return on invested capital and strategic growth are central. With M&As, we aim to strengthen or expand our market position in strategically relevant niches.

During the reporting period, a new model integrating strategic and financial management was introduced. Thanks to international expansion and growth in attractive niches – such as chilled premium desserts – we made progress in our portfolio transformation and diversification. With the introduction of a new CAPEX management process, we intend to further optimise our investment processes in the future. For example, we have a framework – consisting of key principles, guidelines, processes, tools and templates – to enable better management of all CAPEX aspects at local and Group level.



203-2

Contribution to the overall economy

The overall economic importance of the global dairy industry is immense. Every year, a good 930 million tonnes of milk are produced worldwide. This is associated with numerous jobs in agriculture and in the processing industry. The world’s 20 largest milk processors alone generate a combined turnover of around CHF 200 billion.

With a turnover of over CHF 4 billion, our impact on the overall economy is not very significant. However, in our immediate environment – for our employees, our milk suppliers, our shareholders and the communities where we are located – our financial contribution is certainly relevant.

We spend over half a billion Swiss francs each year on staff, procure goods and services worth over CHF 3 billion, pay just under CHF 40 million in income taxes and distribute over CHF 75 million as dividends to our shareholders. A substantial part of the dividend goes to our main shareholder ZMP, which in turn distributes it to over 2,800 milk suppliers and thus to farming families in rural areas.

We see the *raison d’être* of our company in this value that we generate for our direct environment.

Progress, measures and developments 2021/2022

Detailed information on business developments in 2021 and 2022 can be found in the following publications:

Further information on the 2022 financial year

[↳ Annual Report 2022](#)

[↳ Annual result media release dated 1 March 2023](#)

[↳ Sales media release dated 25 January 2023](#)

[↳ IR presentation on the 2022 financial year](#)

Further information on the 2021 financial year

[↳ Annual Report 2021](#)

[↳ Annual result media release dated 4 March 2022](#)

[↳ Sales media release dated 26 January 2022](#)

[↳ IR presentation on the 2021 financial year](#)

Responsible sourcing

We understand responsible sourcing to mean the consideration of ecological and social aspects along the production and supply chain of the raw materials¹, semi-finished products and packaging we procure.

Through our procurement policy, we aim to positively influence the upstream environmental and human impacts of our activities. To this end, we take social and ecological criteria into account when selecting raw materials, packaging or semi-finished products. Respect for human rights and the exclusion of child labour are essential and non-negotiable issues [↳ “Governance” on page 78](#). Furthermore, we also see our own conduct as part of responsible procurement. We are therefore committed to treating our suppliers with integrity.

¹ Milk procurement is addressed in the focus topic [↳ “Sustainable dairy” on page 22](#)

3-3 Management approach

In our view, procurement is a central element of our sustainability commitment. On the one hand, this is because the most significant impacts on the environment and people occur in the stages of our value chain that are upstream of our activities. On the other hand, this is also because procurement has a significant influence on our economic success.

We procure goods worth over CHF 2.6 billion every year. The most significant item is milk and dairy products, focus topic [↳ “Sustainable dairy” on page 22](#). Other important agricultural goods are raw materials such as sugar and fruits, as well as various semi-finished products. In addition, there is packaging, logistics services and energy to consider.

Dual organisation

The strategic aspects of supply chain management are regulated at Group level. This allows central management of particularly important elements of the supply chain, thereby optimising the entire value chain in terms of service, quality, compliance and costs. In order to achieve optimal coordination with the divisions, the targets are set in close consultation with the division management. Local conditions and priorities of the surrounding societies are taken into account.

The supply chains of the Group companies are generally organised at the country level, and so responsibility lies with the respective managing directors.

Group-wide code of conduct for suppliers (“Supplier Code of Conduct”)

Responsible sourcing at Emmi comprises five aspects:

- Supplier evaluation and monitoring
- Supplier development
- Criteria in strategic sourcing
- Internal structures and processes
- Transparency and traceability

Central to responsible procurement is a shared understanding of the responsibility we have through our procurement. To this end, we developed a Group-wide sustainable procurement policy in 2022. This policy complements the Group-wide procurement guideline that came into force in 2020, which contains ethical, social and environmental requirements, such as the principle that laws must be observed and rights respected. In addition, topics such as morality, fairness, reliability, discretion and the avoidance of conflicts of interest in cooperation with suppliers are addressed. The sustainable procurement policy sets out standards and procedures for operational and strategic purchasing. This includes, for example, requirements for supplier conduct.

Supplier conduct requirements

Good, trusting relationships with our suppliers are very important to us. Especially with regard to the aspect of sustainable, environmentally friendly production of raw materials, good communication and cooperation with suppliers is essential. One tool we have to communicate our sustainability expectations to our suppliers is the Supplier Code of Conduct introduced in 2022. This comprehensively covers sustainability issues and includes guidelines for ethical conduct, fair working conditions, health, safety and the environment, product quality, governance and management systems.

Our goal is that, in addition to all new suppliers, our existing suppliers also recognise the Code of Conduct for Suppliers and drive forward measures to optimise their sustainability. Each company sets itself an annual target to this end. In addition, we carry out “supply chain mapping” on an annual basis, in which suppliers – in accordance with the new legal provisions in Switzerland – are assessed for their risk of child labour based on their country of origin.

In any case, new suppliers must acknowledge the Supplier Code of Conduct and provide specific information on various standards in the quality, environmental and social categories. In addition, they must accept in writing a framework agreement and the general requirements for raw materials and packaging, respectively.

The decision on and approval of the inclusion of new suppliers is made by an interdisciplinary team consisting of members of the Purchasing department as well as Supplier Quality Management (SQM). The Sustainability department determines whether – and which – environmental and social criteria should be integrated into this decision. In the future, we would like to create a basis for this across all material groups so that the sustainability targets can be taken into account more systematically in the decision-making processes.

In the event of an identified breach of the Emmi Supplier Code of Conduct, an internal committee – consisting of representatives from Purchasing, Sustainability, Quality and Legal – decides on the further course of action. The priority is usually on targeted supplier development in order

to improve the supplier's current situation. In the event of persistent difficulties or a lack of willingness to cooperate on the part of the supplier, a termination of the business relationship will be considered.

Focus on agricultural raw materials

Along our value chain, the most significant impacts on the environment and people come from the raw materials used in our products. In addition to the focus topic [L “Sustainable dairy” on page 22](#), we have a particular focus on non-dairy raw materials such as coffee, chocolate (or cocoa), nuts, fruits and sugar. Specific assessment criteria are developed to evaluate these raw materials in terms of their impact on the sustainability of our products. On the basis of these criteria, a guideline for procurement is developed, against which suppliers can also be assessed uniformly with regard to sustainability. Weighing up individual sustainability criteria against each other poses a challenge. Here, flawless product quality takes priority. A secondary consideration, for example, is whether short transport routes or low water consumption should be given greater weight. Our approach to this is based on each individual case and we closely consider the local circumstances.

In the case of non-dairy raw materials that have to be imported from overseas or the Far East due to a lack of local supply, there is a certain risk of working conditions that do not meet our requirements, as well as water wastage and an impact on biodiversity. For this reason, relevant quality labels are defined as mandatory requirements in addition to the Code of Conduct for Suppliers.

Progress, measures and developments 2021/2022

Added value of Swissness

Oats are a popular milk alternative. A large proportion of the corresponding products is manufactured abroad or in Switzerland using imported oats. In order to set ourselves apart from our competitors and to commit to local value creation and short transport routes, we use Swiss oats for the Beleaf brand oat-based vegan drinks and yogurt alternatives.

Other GRI disclosures

308-1

New suppliers screened against environmental criteria

Potential new suppliers must complete a self-declaration regarding environmental management and environmental risks. Our sustainability team evaluates the responses and prepares a risk assessment. In the case of critical raw materials or regions, it is checked whether the information is consistent with the findings of non-governmental organisations. Any ambiguities or discrepancies are clarified in discussion with potential suppliers. If required, an audit is carried out at the suppliers' production site together with experts.

In the Switzerland division, the document-based self-declaration was integrated into a supplier portal at the beginning of 2022, where suppliers have to provide various details and evidence such as certifications. As part of the supplier qualification process, our suppliers are required to disclose information on their sustainability commitment.

For the year 2022, Emmi's migrated and newly included suppliers in Switzerland were as follows:

- 26 successful qualifications
- 59 ongoing registrations (not yet qualified)
- 19 open invitations (not yet registered)

Comprehensive data on supplier self-declaration is not yet available for the Americas and Europe divisions.

414-1

New suppliers screened against social criteria

The process is identical to that for environmental assessment. Potential new suppliers must describe in a self-declaration how they ensure compliance with labour law and what measures will be taken in the event of any violations.

Product quality

For us, product quality is the result of numerous measures along our entire value chain. It starts with the selection of suitable, high-quality, safe and sustainably produced raw materials. The selection and procurement of suitable packaging is also key. When processing these raw materials, we follow the principles of good manufacturing practice, meet the strict requirements of various quality standards and thus ensure the safety of our food at all times. In addition to this, all legal and regulatory requirements are complied with and the requirements of our customers are integrated as well.

Over the decades, Emmi has built up a reputation as a manufacturer of delicious, safe and high-quality products. In order to meet the associated expectations of consumers and to be in a position to defend and expand our corresponding market position, we insist on the highest product quality.

3-3

Management approach

Consumer confidence in the safety of our brands and products is the basis for our business success. Inadequate product quality and the resulting complaints or recalls damage our reputation as a manufacturer of safe, high-quality and delicious products. Accordingly, food safety and quality management are important to us.

It is therefore at the forefront of our Group-wide [L Code of Conduct](#) and is anchored in our corporate policies.

Management at Group level

It is important to us that our employees around the world have a common understanding of quality and its importance to our long-term business success. The key tool for this is our quality strategy, which is implemented according to local priorities. For this purpose, GAP analyses (maturity analysis of the quality management systems) were carried out in the most important companies in order to identify further potential for improvement in key areas and to formulate goals. From this, individual measures for improvement were developed, the implementation of which is being driven forward locally.

Responsibility for global quality management is anchored in a central Group function. This serves to coordinate, support and complement the country organisations.

416-1

Error costs and complaint rate as central indicators

We measure our goals and requirements in the area of product quality using a range of indicators. The most important key figures are the cost of poor quality (COPQ) and the complaints per million units (CPMU).

At most locations, COPQs are recorded according to standardised criteria and followed up with an investigation of the causes and the development of improvement measures. With the

establishment of this key figure and the process in dealing with error costs, a high level of error cost awareness and corresponding progress could be achieved.

Complaints from consumers and customers are recorded in the respective local companies and reported in the total number and as CPMUs. As with the cost of errors, the handling of complaints has become more professional globally.

Consistent quality management certifications

Food safety at Emmi is based globally on the Hazard Analysis Critical Control Points (HACCP) concept – a methodology consisting of hazard analysis, risk assessment and risk management in food production, distribution and logistics. This methodology is also used for the release of new process facilities and procedures.

Certification of the quality management systems at our locations is based, among other things, on individual market requirements. This means that different standards recognised by the GFSI (Global Food Safety Initiative) can be applied. In the vast majority of cases, this is the FSSC 22000 (Food Safety System Certification) and the IFS (International Featured Standards). In addition, the quality management systems (QMS) at some locations are also certified according to general ISO (International Organization for Standardization) standards. In Switzerland, for example, we operate a QMS certified in accordance with the principles of ISO 9001:2018 in addition to ISO 22000, which is integrated in the FSSC 22000.

Our goal is the universal certification of all production sites according to a GFSI standard. We will close the corresponding gaps in the medium term.

Progress, measures and developments 2021/2022

416-1

Food safety culture evaluated externally

Globally, food safety culture is referred to as “shared values, beliefs and norms that affect mindset and behaviour toward food safety in, across and throughout an organisation.” At Emmi, we endorse this definition.

In order to improve the food safety culture among our employees, we conducted an external evaluation together with our certification partner SGS. In the process, a total of 370 employees (16% of employees in production operations in Switzerland) at our four largest locations were surveyed using a standardised online questionnaire on the focus areas of vision, empowerment, systems and trust. The results help us to derive further targeted measures for improvement.

The target of the SGS questionnaire is 80%, which was exceeded by the participating locations with values between 81.6% and 84.0%. The result shows that we have established a well-developed quality culture. Nevertheless, some potential improvements were identified, especially in the area of systems, and appropriate measures are now being developed.

Food safety sprints in all divisions

The idea of the food safety sprints is based on gemba sprints, in which the process sequences and materials are observed over a longer period of time on site. This allows for a more detailed assessment than an internal audit of the entire quality management system. “Sprint” in this sense refers to a focused action with a clear goal in a limited time frame.

Together with the local quality management teams, cross-functional experts (quality, technology, production/engineering) carry out a joint factory inspection in the central production processes over the course of three to four days. The focus of the inspection is on identifying potential food safety hazards. The “classic” food hazards, such as foreign body contamination, microbiological, chemical or even allergenic sources of contamination are the priority – the team’s interdisciplinary perspective means that existing processes can be scrutinised more broadly. Immediately after the inspection, action plans for improvements are developed. This approach not only leads to an improvement in the quality culture, but also motivates general, continuous improvements. Sprints were conducted at all European production sites and at Quillayes Surlat in Chile during the reporting period.

Preventing food fraud

The issue of food fraud is a requirement of the various GFSI food standards, which we have implemented in almost all our operations. It is expected that food distributors have a system in place to protect consumers from fraud or misrepresentation.

Our risk analysis has shown that the consequences of the pandemic and the disruption of global supply chains can endanger the economic survival of many businesses. Therefore, we have adapted the existing procedure for the risk assessment of raw materials with regard to food fraud. Primarily, the aim of this adaptation was to simplify and globally harmonise the procedure.

Harmonisation of pathogen monitoring

Emmi is revising the existing pathogen monitoring at its sites and harmonises the risk assessments and evaluations used for monitoring. This measure is to further implement the global quality strategy developed in 2019, which was identified during the GAP analyses carried out in the Group’s largest companies.

Procedure for dealing with serious quality incidents

Milk is a natural raw material of animal origin, which is associated with certain risks. Smaller quality deviations that are not problematic for the health of the consumer and are not noticeable in terms of taste can therefore occur. Dealing with incidents of this kind is routine for us. In contrast, quality incidents with a potential for crisis occur extremely rarely with our products or packaging. In order to be prepared for the worst case scenario, we have provided training on the general processes and in particular the conduct in the event of possible quality incidents, both virtually and, at some locations, on site as part of our global crisis management. A total of 27 training sessions were held at 18 of our companies during the reporting period.

Innovation

We understand innovation to mean new ideas and further developments in all areas of the company. Firstly, it is new and further developments of products and product concepts as well as technological innovations, especially in production. Secondly, the term innovation also includes innovative marketing and sales concepts, process optimisations and IT improvements of all kinds.

Technological progress, increasing competition from global and local competitors and the diverse needs of consumers demand innovation in various areas. This makes innovative strength a central factor for our long-term success. We therefore strive for a high level of innovation along our entire value chain. Our corporate structure, with independently organised subsidiaries, gives us the ability to react quickly to any pertinent local conditions and trends. At the same time, this also presents a certain challenge, which we meet pragmatically in order to implement processes uniformly where possible and to launch innovations efficiently and in several companies.

3-3 Management approach

“We are continually developing” is one of our long-standing corporate values. This value anchors and actively encourages the pursuit of innovations and further developments in all areas and in the most diverse issues in all of our employees.

Innovative concepts and products

In the area of product innovation, it is crucial for us as a food manufacturer to continuously bring new products to the market in order to drive forward our categories. We must identify the needs and wishes of consumers at an early stage in order to launch new products with added value for them, resulting in competitive advantages. In doing so, we focus on identified, selected, strategic growth areas.

We drive innovation both at Group level and in our subsidiaries. A central element of innovation management is the revised strategic innovation process, in which sustainability is included as a criterion at an early stage. The process also includes a clear, step-by-step plan for developing innovations, supports international exchange regarding innovations and identifies synergies or possible redundancies.

Growth fields, which are kept up to date and cascaded annually, serve as a strategic basis for new product ideas. These are incorporated into our “innovation funnel”, which we review and evaluate globally on a quarterly basis. Within the framework of the innovation funnel, innovation ideas are first prioritised and then concrete concepts are developed, prototypes created and business cases calculated. The local management teams review their innovation projects on an ongoing basis and the Group Management has an overview of the entire funnel and the most important projects.

Innovations in processes and technologies

Our comprehensive understanding is that innovation is to be strived for in all areas and processes. Accordingly, further innovation issues can be found in various material topics:

[↳ Focus topic “Reducing emissions” on page 27](#)

[↳ Focus topic “Reducing waste” on page 40](#)

[↳ Material topic “Digitalisation” on page 67](#)

Progress, measures and developments 2021/2022

“Clean” recipe taken a step further

Emmi Jogurtpur – an additive-free yogurt made from just three ingredients – has been on the market in Switzerland since 2013. Its success in the volatile fresh produce market proves that consumers value natural foods. For this reason, we have decided to use Rainforest-Alliance-certified coffee and cocoa for the mocha and chocolate varieties.

[↳ Learn more about Emmi Jogurtpur](#)

Innovative fermentation process for oats

Vegan milk alternatives made from oats have grown significantly in popularity in recent years. The development of oat products for our vegan brand Beleaf is therefore one of our innovation focuses in the product area. After extensive development, we were able to launch our first plant-based semi-hard cheese alternative in November 2022. This product is clearly different in taste from other plant-based cheese alternatives. By using vegan bacteria, we produce a lactic acid and other aromatic components that are reminiscent of cheese. The addition of chickpeas and peas also gives the product a protein content of 5.5%, making this vegan cheese alternative comparable to cheese in terms of its nutritional values.

[↳ Learn more about our vegan cheese alternative](#)

Kefir from Quillayes Surlat

Our subsidiary Quillayes Surlat in Chile specialises in the production of kefir-based products and offers drinks in different flavours. Kefir is a food made from fermented milk developed several thousand years ago in the Caucasus Mountains. Kefir contributes to a healthy immune system and has a positive effect on the digestive system thanks to over 10 billion active bacteria (*L. casei*). In keeping with these added health values, the word kefir is also associated with “feeling healthy”.

[↪ Learn more about kefir products](#)

Protein drinks by Kaiku

Because the consumption of protein is believed to have health benefits, the popularity of products with a particularly high protein content is increasing. In response to this trend, Emmi offers a wide variety of protein-rich products. The Spanish subsidiary Kaiku, for example, produces protein drinks made from high-quality whey protein. The drinks contain 30g of protein, nine essential amino acids and no added sugar. Currently, the drinks are available in the flavours strawberry and vanilla and chocolate and hazelnut.

[↪ Learn more about protein drinks](#)

Other examples from the reporting period

[↪ Focus topic “Reducing emissions” on page 27](#)

[↪ Focus topic “Reducing waste” on page 40](#)

[↪ Material topic “Digitalisation” on page 67](#)

Digitalisation

Digitalisation is the conversion of analogue processes and documents to digital systems. Relevant processes are used along our entire value chain, meaning that our view of this topic is correspondingly comprehensive. We always keep a look out for opportunities (e.g. increasing efficiency) and risks. Important aspects in this context for us are ensuring data protection (e.g. customer data) and business continuity (e.g. cybercrime).

Digitalisation is not changing the core of milk processing, but relevant processes within and outside our company are nevertheless being transformed. It is changing both internal processes and the way we interact with our stakeholders – especially business partners and consumers. Digitalisation also means change for the work we do at Emmi, and for our corporate culture. We want to make the best possible use of the numerous opportunities that digitalisation offers us. However, we are aware of the significant investments, the risks and especially the demands associated with prudent change management – especially where digitalisation affects our employees. All of these aspects form the basis of our digitalisation strategy.

3-3 Management approach

Production and logistics

Where it is technically possible and makes sense, we automate production steps in our plants. The central digitalisation step for our global production and logistics is the introduction of digital enterprise resource planning (ERP) software. LeanERP was developed by an international team of internal and external specialists to improve and comprehensively map business processes digitally. The greatest challenge in the development of this lean solution was the heterogeneity of the locations with regard to their requirements for an ERP system because they maintain their business processes in different ways.

Intelligent software enables Emmi to optimise the flow of goods. We synchronise inventory levels with production across multiple geographic storage locations to optimally define production timing and quantity.

Integrating customers and suppliers in planning should be achieved through improved communication between machines and lead to a new level of automation and efficiency. We use collaborative planning, forecasting and replenishment (CPFR) to exchange sales and inventory information directly with our trading partners. In this way, we can balance out strong fluctuations – such as those caused by the pandemic lockdown – more quickly and ensure supply.

Marketing and sales

State-of-the-art marketing technology allows us to simplify and professionalise our processes, for example “consumer journeys” – the prototypes of consumer behaviour. We can now design these digitally in a much more comprehensive and complex way and manage them with automated processes. Insights from this type of digital marketing also flow into product development. We are working to develop digital data expertise more and more in the areas of product development and market research. We strive for further development in the sensible linking of our digital platforms, in cross-divisional cooperation with new marketing technologies and in the stability of these technologies.

Corporate development

Thanks to constant investment in modern, digital work infrastructure and employee training, we work effectively and efficiently together. We use digital tools across the Group for communication, collaboration and the exchange of information and knowledge. We use e-learning to support our employees in their ongoing development in digital communication and collaboration. In addition, they have access to a central Help Center, personal counselling and help to help themselves.

Progress, measures and developments 2021/2022

Production and logistics

Real-time production data always in view

In the last two years, the use of dashboards in production has increased significantly. At our medium to large sites in Switzerland, we have started to install digital dashboards with real-time production data in recent years. These replace the previous analogue whiteboards, on which figures were compiled manually and printouts on production-relevant topics were collected. Through digitalisation, for example, downtimes can be analysed more quickly and dynamically, which enables a rapid response and thus continuously improves production.

Marketing and sales

Website harmonisation in Switzerland and Europe

Although the importance of social media for the marketing of consumer products has risen sharply in recent years, other online communication channels continue to be relevant. Consumer media use and information behaviour varies from country to country, but websites are nevertheless important for many markets when it comes to providing comprehensive information about companies, brands and products.

We want to provide our stakeholders with information specific to each target group. This approach has led to an extensive landscape of websites. The management of these websites requires a lot of effort. We have therefore decided to harmonise the websites. Our focus is on the websites of our brands. We were able to achieve key improvements by migrating these brand websites to a central content management system (CMS). On the one hand, we can now centrally ensure compliance with the requirements of the General Data Protection Regulation (GDPR), and on the other we have trained our staff on this CMS so that the maintenance of the websites no longer has to be done by various external agencies. Significant savings can be made as a result.

Social media insourcing

Emmi Caffè Latte is one of the most important brands in our Group. Since 2004, we have been offering chilled milkshakes and vegan coffee drinks in Switzerland and six other countries. In addition to the characteristics of the product, marketing is also a significant success factor for this brand. We rely on a combination of internal and external, global and local marketing experts.

After entrusting external agencies with the social media and community management of this brand in recent years – for reasons based on resources and expertise – we decided to create an internal position for its management. This reduces dependence on agencies and cuts costs, while also enabling the content produced to be used across countries thanks to our global marketing organisation.

Corporate development

Employees without a PC workstation

In Switzerland, approximately two thirds of our employees work in production or in production-related areas. Of these employees, around one third do not have a personal IT workstation. Not having access to the digital Emmi world poses a challenge, especially for administrative and communication work, as services for employees are offered in both digital and analogue formats. For this reason, employees without a PC workstation in Switzerland have been able to access centralised, digitally provided information – for example on the intranet or on the internal HR platform – since autumn 2021. This information can be accessed via employees' personal mobile phones and is secured with two-factor authentication.

Comprehensive cybersecurity programme in Switzerland

Digitalisation offers numerous opportunities within Emmi's business model, but it is also associated with significant risks in various topics. In IT, cybersecurity is a foundation on which further digitalisation can be built. Only with a solid foundation can digitalised processes be carried out in a secure environment. Following an external assessment, the Emmi cybersecurity programme was launched in 2020 and has significantly increased the sophistication of Emmi's cybersecurity in Switzerland in recent years. Multi-layered safety aspects were considered and optimised in a total of 30 projects. Among other things, a security operation centre was integrated, which monitors Emmi's IT in real time and detects possible attacks at an early stage.

More efficient and lower-consumption data centre in Switzerland

In 2021, one of the two data centres was moved to a new location as part of a hardware lifecycle project. Thanks to this move, the efficiency of the data centre doubled and electricity consumption was even slightly reduced. In addition, cost savings have been achieved since the move thanks to the higher proportion of services provided in-house by Emmi IT.

Central product information and digital asset management (PIM/DAM) in Switzerland

In the reporting period, Emmi developed a common data platform that is accessible to all employees in the relevant specialist areas (e.g. Product Development, Marketing, Sales). The product information management (PIM) and digital asset management (DAM) system helps to centrally manage all product information and organise digital assets such as images, videos and documents. This enables efficient use and distribution of data and thus improves product presentation and marketing.

After the project started in 2021, the first phase of the PIM/DAM project was able to be completed at the end of 2022.

Digitalisation has connected processes end-to-end, leading in particular to a significantly reduced error rate in production.

Global cyber initiative

From January 2021 to October 2022, the first phase of the global cyber initiative was carried out, in which 24 subsidiaries of the Emmi Group participated. The aim was to significantly improve cybersecurity and establish cybersecurity standards to expand global cooperation within the Emmi Group. The current status was determined based on an assessment and a total of 173 projects were derived from this. As an accompanying measure, a cyber resilience campaign was also carried out to build Emmi employees' knowledge and skills in this area. Attention was drawn to the dangers of cyberattacks and rules of conduct were explained on how to deal with these risks.

Nutrition

In the context of our commitment to sustainability, we understand the topic of nutrition to mean our responsibility for the health aspects of nutrition that we can influence. Specifically, this includes ensuring impeccable product quality and safety, our contribution to a balanced diet through the nutritional composition of our products, the targeted avoidance of additives and the handling of allergens.

Identifying and addressing current food preferences and trends is central to our business success. When developing new products and optimising existing recipes, the focus is therefore on the needs of consumers. We are aware that we have an influence on nutritional health through our products, but believe that nutrition must always be considered in the context of the individual lifestyle. As a food company, we therefore see it as our responsibility to enable and promote healthy nutrition with our products, but also with our communication.

3-3 Management approach

More and more people are paying attention to what they eat and learning about the possibilities of a balanced diet. There is growing demand from consumers for natural, healthy, regional and sustainable products. Products with additional nutritional benefits – such as lactose-free dairy products, probiotic yogurts and high-protein products – are also gaining in popularity. In addition, plant-based milk alternatives are increasingly in demand.

Country-specific development priorities

As a food company, we see it as our responsibility to support these developments – insofar as they contribute to a healthy diet. Our product development therefore takes into account the latest nutritional findings both in the development of new products and in the optimisation of our existing ranges.

Depending on the country, we set different priorities in the area of nutrition, based in particular on the political framework conditions of the respective countries. While fat and sugar taxes apply in some countries (e.g. the UK), others rely on voluntary commitments by industries and companies (e.g. Switzerland).

In Switzerland, our most important market, product development is influenced by the federal government's nutrition strategy. This aims to provide all consumers with a healthy, balanced diet and promotes the reduction of sugar, fat and salt content in food. We reaffirmed this ambition in 2015 by signing the "Milan Declaration". By 2024, we will reduce the added sugar in our products by 10%. For existing products, we are gradually reducing the sugar content in order to keep the change in taste acceptable to consumers. We are already developing new products with lower sugar content.

Transparent communication and product declaration

To make it easier for consumers to make healthy nutrition choices, Emmi provides clear and transparent information about the composition of its products. We provide up-to-date information on nutrition-related through various channels. In Switzerland, we even have our own nutrition advice centre for consumers, customers and the general public. This also supports internal training courses, projects and product development.

Aware that purchasing decisions can be made spontaneously at the store, we also looked at the advantages and disadvantages of different food traffic lights and comparable guidance aids for consumers. We came to the conclusion that none of the existing models can reduce the complexity of healthy nutrition in a target-oriented way. We have therefore decided against a nationwide introduction of a food traffic light or a similar model. We are constantly monitoring and analysing further developments.

Up to date thanks to research work and association memberships

The company supports and works on various research initiatives, both in-house and external, in relation to nutrition, eating habits, alternative proteins and dairy alternatives. Part of this work is carried out by Emmi in cooperation with universities. In Europe – where we have a certain significance in the field of nutrition due to our size – we are a member of various commissions and associations (e.g. Milchindustrieverband, MIV; Research Association of the German Food Industry; Föderation der Schweizerischen Nahrungsmittel-Industrien, FIAL). These institutions organise and promote both country-specific and transnational research projects, especially in cooperation with universities (e.g. ETH Zurich, Weihenstephan, Hohenheim) and academic institutes (e.g. Robert Koch Institute (RKI), Agroscope). In most cases, these projects are pre-competitive and are made accessible to the entire food industry.

Progress, measures and developments 2021/2022

Pilot trials with Nutri-Score nutrition label

At Emmi, we decided to test the acceptance of the Nutri-Score nutrition label with our ready-to-drink coffee-milk drink Emmi Caffè Latte. The current state of our knowledge is that the Nutri-Score, which is clearly visible on the packaging, has no significant influence on consumer behaviour with these products.




















We are currently sceptical about extending the Nutri-Score to other products, especially to cheese, as the existing calculation allows for very little differentiation within a product category and thus does not generate any benefit for consumers. We have reported this assessment to the responsible authorities and made suggestions for improvement. We welcome the adaptation of the Nutri-Score 2023 algorithm. As soon as the changes are known, we will reassess the situation.

Gradual sugar reduction continued

Through the “Milan Declaration”, together with other food manufacturers and under the direction of the Swiss Federal Food Safety and Veterinary Office (FSVO), we have committed to reducing the sugar content in our yogurts (compared to 2019), quarks and milk-based drinks (compared to 2021) by 10% by 2024. In the meantime, we are well on track and already achieved a reduction of around 5% in yogurts as at the end of 2021. For quark and mixed milk drinks (as part of the extension of the Milan Declaration in mid-February 2023), trials have already been carried out for the first products, and potential identified.

In the case of Emmi Caffè Latte – our most important branded product – we continuously adjusted the added sugar over the years and have already reached the target value for 2024. In addition, we have supplemented our range of this brand with both artificially sweetened and completely unsweetened options.

Emmi products with added benefits

										
	Emmi Caffè Latte	Emmi Energy Milk	Porto Alegre Zero Lac	Quillayes Surlat	Kaiku Begetal	Emmi Aktifit	Onken	Beleaf	Green Valley	Emmi Benecol
	Switzerland Austria UK France Belgium Spain	Switzerland	Brazil	Chile	Spain	Switzerland	UK	Switzerland	USA	Switzerland
 Unsweetened ¹	✓		✓			✓				
 No added sugar ²	✓	✓	✓	✓		✓			✓	✓
 Lactose-free	✓	✓	✓	✓	✓	✓		✓	✓	
 Gluten-free	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
 High protein		✓		✓						
 Low fat		✓	✓			✓	✓			✓
 Additional benefit of vitamins		✓				✓	✓			✓
 Helps reduce cholesterol										✓
 Vegan					✓			✓		

¹ No added sweeteners.

² No added sugar to the already naturally contained sugar from raw materials, such as milk and fruit.

The products are representative of other products with added benefits from all Emmi divisions (Switzerland, Europe, Americas).

Occupational health and safety

In essence, occupational health and safety means all measures that contribute to ensuring that our employees have working conditions free of health hazards, accidents or injuries. For us, occupational health includes framework conditions that ensure a balance between work and private life.

We are committed to providing a safe working environment for our employees and those working on our behalf from third-party companies. The aim of a good and comprehensive health and safety organisation is to protect people from harm and to ensure the company's ability to function at all times.

[3-3](#) | [403-1](#) | [403-2](#)

Management approach

Emmi's health and safety management is based on laws, provisions and private-law agreements. The occupational safety organisation of individual locations as well as that of the entire Switzerland division are aligned with ISO 45001. Our health and safety management and related prevention measures are based on the following principles:

- We ensure passive safety through appropriate conception, design and execution, especially of infrastructures.
- We emphasise active safety in the handling and controlling of our processes and systems.
- We support our employees in their efforts to live and work in a safe and healthy way.
- All employees have the right to information and to have a say in all matters of occupational health and safety.
- All employees must follow the instructions and company rules regarding their health and safety.
- Employees must immediately remedy or report any circumstances or faults that affect health or safety.
- We take precautions by communicating information about known dangers and ensuring active training.
- We have established emergency response organisations to deal with incidents.
- We carry out risk analyses in all relevant areas and on all relevant topics on a regular basis in order to determine the potential hazards and take targeted and economically viable precautions.
- Through suitable preventive, active, passive and incident-managing measures, we protect the safety of our employees and third parties at their workstations and on our premises.

Dual organisation

Health and safety management is of strategic importance to Emmi, and is accordingly subject to targets set by Group Management.

Health and safety management, which is centrally based at Group level, is responsible for strategic control and Group-wide coordination. The implementation of the measures geared to specific priority issues is decentralised to the individual locations.

Our health and safety management maintains a comprehensive system of key figures to identify potential for improvement and to check the effectiveness of the measures taken. Safety management is continuously adapted and improved. Incidents and near misses are analysed. The Group-wide sharing of knowledge on occupational health and safety is ensured by the use of Sharepoint.

In the Switzerland division, the following tools are used to support health and safety management:

- SharePoint (EmmiNet/intranet) simplifies safety and environmental management and includes functions for efficient, safe and targeted handling of emergencies and crises.
- IQ Soft can be used for planning and tracking audits. In addition, the system allows the implementation of measures to be monitored and ideas for improvement to be collected.
- In UKA, a software package for accident, illness and absence recording, all relevant data relating to employee accidents and illnesses are collected and evaluated.

Progress, measures and developments 2021/2022

BeSafe

The BeSafe project raised awareness and strengthened the safety-conscious conduct of managers in their position as role models in order to enable a sustainable reduction of occupational accidents. Within this framework, new training on health-conscious leadership for managers was designed and implemented in 2022. This training is also to be offered at locations outside Switzerland in the coming years.

Fewer occupational accidents at Schoepfer thanks to safety training courses

Schoepfer, based in Avignon, France, specialises in cheese packaging and employs 95 people. The employees portion and pack cheese, often manually. In 2022, safety training courses were conducted in order to promote a culture of safety. In addition to awareness-raising measures and targeted training, teams set about optimising their workplaces in terms of occupational safety. Safety rules were communicated on a daily basis in order to maintain employee awareness. Thanks to these measures, a satisfactory reduction in the number of work-related accidents from eight in 2021 to two in 2022 was achieved.

Occupational health and safety management system of Tunisian Centrale Laitière de Mahdia certified according to ISO 45001

With 865 employees, the Tunisian Centrale Laitière de Mahdia is one of Emmi's largest production sites. The site is certified according to ISO 45001 and ISO 14001. In 2022, a combined system for the identification and analysis of occupational safety risks was introduced. This can be used to identify causes of occupational accidents. The relevant training for staff was also provided. This system should reduce the absence rate in the future and make the working environment safer.

Reducing barriers to reporting near misses

One of the most important measures to prevent accidents at work is to analyse the near misses and draw the right conclusions from them. In the tightly scheduled daily production routine, however, the reporting of such incidents often is not given the appropriate priority. At various locations, we offer employees the opportunity to report near misses with minimal effort.

Other GRI disclosures

403-4

Worker participation, consultation, and communication on occupational health and safety

Emmi regularly evaluates its safety management with audits. In these audits, systems, procedures, processes and products are reviewed and the fulfilment of specifications and evidence is assessed. These audits are part of Emmi's continuous improvement process and are carried out by internal and external bodies.

403-5

Worker training on occupational health and safety

With the aim of supporting the health of the employees, relevant introduction programmes as well as legally mandatory training courses are carried out. Refresher courses are also offered for particularly challenging activities. Other courses and training sessions relate to occupational health, first aid, evacuation training or working at heights. In addition, the individual locations implement training with the aim of supporting health, such as training in health-conscious leadership.

403-6

Promotion of worker health

Emmi's managers are empowered through various Excellent Leadership programmes to lead employees in a health-oriented manner. The employees themselves are offered various learning modules, e.g. to strengthen resilience or to deal with stress. Employees are also made aware of health-related issues through regular publications. We also regularly support participation in sports activities such as Bike to Work, running events and the like.

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

As part of the supplier evaluation process, we ask whether the supplier meets the criteria for occupational health and safety and meets its responsibilities in this regard. In this way, the risk of working conditions that violate occupational health and safety can be reduced as much as possible. In addition, our suppliers are encouraged to sign the Supplier Code of Conduct.

403-8 Employees covered by an occupational health and safety management system¹

In 2022, 99% of employees were covered by an occupational health and safety management system (2021: 99%).

¹ Excluding Gläserne Molkerei GmbH.

403-9 Work-related injuries¹

	2019	2020	2021	2022	Δ
Number of deaths due to work-related injuries	0	0	1	0	-100%
Rate of deaths due to work-related injuries	0	0	0	0	0%
Number of work-related injuries with serious consequences	2	2	0	0	0%
Rate of work-related injuries with serious consequences	0	0	0	0	0%
Total number of work-related injuries (incl. injuries with serious consequences)	311	233	327	340	4%

403-10 Work-related ill health¹

	2019	2020	2021	2022	Δ
Number of deaths due to work-related ill health	0	0	0	0	0%
Rate of deaths due to work-related ill health	1	1	0	0	0%

¹ The calculation basis can be found on page 85 under GRI 2-2.

Governance

For us, governance is the regulatory and operational framework for the overall management and supervision of the Emmi Group. Governance implies management structures, processes and practices that contribute to fairness, transparency and accountability and ensure corporate management in accordance with the best interests of Emmi in the long term.

With the growing size of our Group, we are aware of our responsibility towards all our stakeholders – employees, farmers, suppliers, shareholders, customers, consumers – as well as the local environment surrounding our locations.

The Emmi Group is committed to openness and transparency in its corporate governance. Our corporate governance is based on the requirements of SIX Swiss Exchange as well as national and international best practice. Ethical and responsible business practices are implemented at all levels of the company, both internally and externally.

3-3 Management approach

Governance

The Emmi Group is listed on the Swiss stock exchange through its holding company Emmi AG. The holding company of the Emmi Group is a public limited company under Swiss company law. Accordingly, the General Meeting of Shareholders is the highest body of Emmi AG. It is essentially responsible for the Articles of Association, the election of the Board of Directors and the auditors, the approval of the annual report and the consolidated financial statements as well as the appropriation of the annual profit and the determination of the dividend.

The Board of Directors is responsible for the overall management of the company and the Group, as well as for monitoring the management of the company in accordance with the Swiss Code of Obligations. On this basis, it discusses and decides on issues on certain matters. All other areas of management are delegated in full by the Board of Directors to the Chairman of the Board of Directors, the CEO and Group Management.

[↳ Corporate Governance Report](#)

Internal guidelines and directives

Trust is a company's most important asset. Sustainable and wide-ranging trust is created and maintained by ensuring proper and responsible corporate governance through various principles and regulations.

For Emmi, responsible corporate governance includes a conscientious approach to customers, employees, society and other stakeholders, as well as to the environment. These groups are of major importance for the economic and sustainable development of the company. The internal basis for this is provided by the Articles of Association of Emmi AG and the Organisational Regulations.

[↳ Emmi AG Articles of Association](#)

[↳ Emmi AG Organisational Regulations](#)

Our corporate values and associated guidelines for action are set out in our Code of Conduct. Alongside compliance with the law, this encompasses our understanding of quality, health and safety standards, environmental protection, fair working conditions, equality and integrity. The Code of Conduct applies to all employees of the Emmi Group worldwide and supplements the applicable general terms and conditions of employment.

[↳ Emmi Group Code of Conduct](#)

As a globally active company, we also recognise the responsibility for human rights assigned to us based on the UN Guiding Principles on Business and Human Rights. For example, we are committed to ensuring that neither we nor any part of our supply chain are involved in slavery or human trafficking, and have set out this commitment in a statement to this effect.

[↳ UN Guiding Principles on Business and Human Rights](#)

[↳ Emmi Modern Slavery Act Statement](#)

Country-specific governance

The Emmi Group and its subsidiaries are active in 14 countries. The governance requirements of Emmi and its respective companies vary from country to country. In compliance with our central, Group-wide principles and regulations (Articles of Association, Code of Conduct, Modern Slavery Act), we align the governance of our subsidiaries with local conditions and challenges. Many guidelines and regulations exist at both Group and country level. In operational terms, these are implemented through Group-wide guidelines – for example on quality management and food safety, the safety of people and infrastructure, environmental protection and sustainability and the handling of raw materials from critical countries of origin.

Control and complaints mechanisms

Compliance with laws and guidelines is ensured through our internal control system as well as internal and external audits.

Shareholders who alone or jointly represent at least 0.5% of the share capital can request that an item be placed on the agenda at the General Meeting. All other shareholders have the opportunity at the Annual General Meeting to express their views on a subject of their choice and to raise any complaints without prior notice. Appropriate votes are duly recorded. The minutes are available to the public.

[↳ Minutes of the Emmi General Meetings](#)

Employees and suppliers can anonymously report complaints about business conduct via the external whistleblowing platform SpeakUp.

In Switzerland, we offer our employees at locations with more than 50 employees an upstream, first point of contact in the form of the employee committees or works councils. These committees are made up of employees and are elected by the workforce for a term of four years. We guarantee that members will not be dismissed or suffer any other disadvantage as a result of the orderly activities they carry out within the framework of workplace participation.

Compliance with laws and standards

Emmi requires all employees to comply with applicable laws and the company's values and standards in their work at all times.

We take a zero-tolerance approach to our contractors when it comes to slavery and human trafficking. We expect them to comply with our values and standards. The terms of the contract reserve the right to terminate the relationship if our values and standards are violated.

Legal disputes

Emmi's subsidiaries report significant legal disputes against Emmi to the central legal department, which in turn reports them to the Board of Directors. Provisions are made where necessary.

Progress, measures and developments 2021/2022

Development of new Organisational Regulations

The Organisational Regulations were issued on the basis of the Swiss Code of Obligations (CO) and are supplemented by our Articles of Association. They govern the organisation, duties and authorities of the bodies and functions of Emmi AG, and serve as an important guideline for the Board of Directors and the Group Management.

Regulations are reviewed and confirmed once a year by the Board of Directors, as are the Organisational Regulations.

The changes for 2023 were largely necessary due to the new company law that came into force at the beginning of 2023.

Steering 2.0

With Steering 2.0, a new model integrating strategic and financial management was introduced. As a consequence of this new steering model, the Board of Directors discusses and decides on: a) the financial ambitions of the strategy period of the Group companies and the Group; b) the target rule system, on the basis of which the annual financial targets are determined; c) the annual financial targets of the Group companies and the Group; as well as d) the total investment amount for the following year.

Community engagement

Community engagement encompasses activities and programmes for the benefit of local communities in the vicinity of our locations, as well as the support of selected organisations associated with our core business.

As a successful company whose business model is characterised by close relationships with people and society, we feel committed to the social common good and also strive to create social added value. With our community engagement, we primarily aim to improve the living and economic areas of local communities. In addition, we support selected organisations related to our core business.

3-3 Management approach

“Dairy business is a local business.” This aspect of our business model is also reflected in our community engagement. This is entirely the responsibility of our subsidiaries and the individual locations. We expect them to consciously focus their social engagement on their environment, create social added value in this context and strengthen their central partnerships. Another intended positive side effect of this commitment is Emmi’s positioning as a responsible and broadly committed employer.

Our community engagement generally includes support in the form of donations in kind or financial contributions to cultural, sporting and social events, as well as support for local initiatives or the targeted promotion of projects from and for the workforce.

Progress, measures and developments 2021/2022

Extension of collaboration with WWF

In 2021, Emmi and WWF extended the partnership initiated in 2016 for a further three years. The basis of this collaboration is the shared vision of a food system that respects the Earth’s ecological boundaries. WWF will continue to provide us with strategic support in our efforts to achieve our targets in the areas of climate and energy, food waste and ensuring a more sustainable dairy industry.

[↳ Learn more about the extension of the collaboration with WWF](#)

Actively doing good

The limited freedom of movement during the COVID pandemic made many people aware of how valuable and important regular exercise is. However, for many it was difficult to find the motivation to exercise without their usual community. This gave rise to the “Let’s move” campaign, in which Emmi promised to donate 10 centimes to a good cause for every kilometre travelled on foot or by bicycle within a month. This incentive to do something for a good cause through exercise really struck a chord at that time. Around 1,200 employees in 13 countries travelled more than 170,000 kilometres over the course of four weeks.

The donation of CHF 21,121 went to the global children’s charity “Right To Play”. This charity uses play in all its forms to provide sustainable and active learning experiences both inside and outside the classroom.

[↪ Learn more about “Right To Play”](#)

“Tag der guten Tat” from Coop

As part of the Coop “Tag der guten Tat” (good deeds day) campaign, Emmi’s Marketing team in Switzerland did their bit for wild bees and to protect larger, connected habitats, not to mention typical plants and animal communities in Switzerland. To this end, they built around 70 bee hotels, which are now being put to good use.

[↪ Learn more about the “Tag der guten Tat”](#)

Donation to SOS Children’s Villages

Emmi followed the example set by Swisscom and SOS Children’s Villages Switzerland and collected mobile phones for children in need. 218 devices were collected as part of this initiative. By donating an extra CHF 1,000, we provided children in Nicaragua with around 1,000 hot meals.

[↪ Learn more about “Swisscom Mobile Aid”](#)

Aid for Ukraine

In 2022, we set ourselves the task of providing direct aid to those affected by the war in Ukraine. For example, in March 2022, an aid consignment of around 20,000 litres of milk was organised from Switzerland to the Poland-Ukraine border region.

Social commitment forms part of our corporate DNA

Laticínios Porto Alegre – a Brazilian company – is one of the largest milk processors in Minas Gerais, the state with the largest milk producer in the country. The company is more than just a key partner to the region’s dairy farmers; it is also a major employer and economic enterprise with a workforce of around 1,250 employees and a turnover of several hundred million Brazilian reals.

Laticínios Porto Alegre believes it is important to create social and environmental added value. The company sees it as its duty not only to be directly involved in sustainability matters, but also to educate those around it on the topic. To that end, the company organises regular Environmental Weeks among other things, and financially supports an environmental education centre in a nature reserve in the town of Ponte Nova.

[↪ Learn more about Laticínios Porto Alegre](#)

Commitment to food security for families affected by poverty

At Emmi Roth in the USA, the Giving & Caring Committee is responsible for activities that generate added value to society. Food security has always been an important issue, and the Giving and Caring Committee is devoting its energies to safeguarding it. As a result of the pandemic, many poverty-stricken families in the USA do not even have a sufficient supply of staple foods. In 2021, Emmi Roth donated around 170 tonnes of cheese and USD 25,000 to support these families.

General Disclosures

The organisation and its reporting practices

2-1 Organisational details

- a) Legal name
- b) Legal form
- c) Location of the company headquarters

[↳ Emmi Annual Report 2022: Corporate Governance Report > 1.1 Group structure](#)

- b) Nature of ownership

[↳ Emmi Annual Report 2022: Corporate Governance Report > 1.2 Significant shareholders](#)

- d) Countries in which Emmi operates

Emmi is the largest milk processor in Switzerland in terms of sales and volume of milk processed. The company can trace its roots back to the Milk Association in Lucerne (MVL), which was established in 1907 by dairy farmers from the cantons around Lucerne. Internationalisation of the business model went through various stages of development: the traditional export of Swiss cheese, supplemented from the 1990s onwards by a global network of licence partners, which was then replaced from the 2000s onwards by investments in, or acquisitions of, production companies.

Today, Emmi sells its products in some 60 countries worldwide, having made them at over 50 of its own production sites in 11 countries. With a workforce of more than 9,000 employees, around 70% of whom work outside Switzerland, the Emmi Group generated CHF 4.2 billion in sales in 2022.

A summary of all the consolidated companies and their registered offices can be found in the Annual Report.

[↳ Emmi Annual Report 2022: Consolidated financial statements of Emmi Group > 30. Summary of consolidated companies, associates and joint ventures](#)

2-2 Entities included in the organisation's sustainability reporting

a) Entities included in the Sustainability Report

b) Differences between the entities included in financial reporting and in the Sustainability Report

The Sustainability Report essentially includes all the consolidated companies. Exceptions are listed in the table below.

[↳ Emmi Annual Report 2022: Financial report > Notes to the consolidated financial statements > 30. Summary of consolidated companies, associates and joint ventures](#)

Consolidated subsidiaries that are not or are only partly included in the Sustainability Report

Company	Report in general	Data relating to waste, energy and water	Data relating to milk volumes	Data relating to employees
Chäs Hütte Zollikon	x	x	nr	x
Emmi Dessert USA	x	x	nr	x
Kaiku San Sebastián		x	nr	
Trading companies		nr	nr	

Abbreviations: **x** = not included, **nr** = not relevant

2-3 Reporting period, frequency and contact point

a) Reporting period and frequency of sustainability reporting

1 January 2021 to 31 December 2022

Emmi has been publishing a Sustainability Report every two years since 2011.

b) Reporting period of financial reporting and justification for deviation from sustainability reporting

Emmi publishes a comprehensive Annual Report every year.

The information contained in the Sustainability Report – particularly relating to strategy, organisation and management approaches – is generally valid for several years, which is why Emmi publishes a Sustainability Report every two years. The company also regularly publishes information about current measures and projects connected to its sustainability commitment on various communication channels.

c) Date of publication of this Sustainability Report

5 June 2023

d) Contact for questions about the Sustainability Report

sustainability@emmi.com

2-4 Restatements of information

Deviations and adjustments based on new data are indicated in the relevant sections.

2-5 External assurance

The Compensation Report and the consolidated financial statements of Emmi AG are audited by the external auditors KPMG AG.

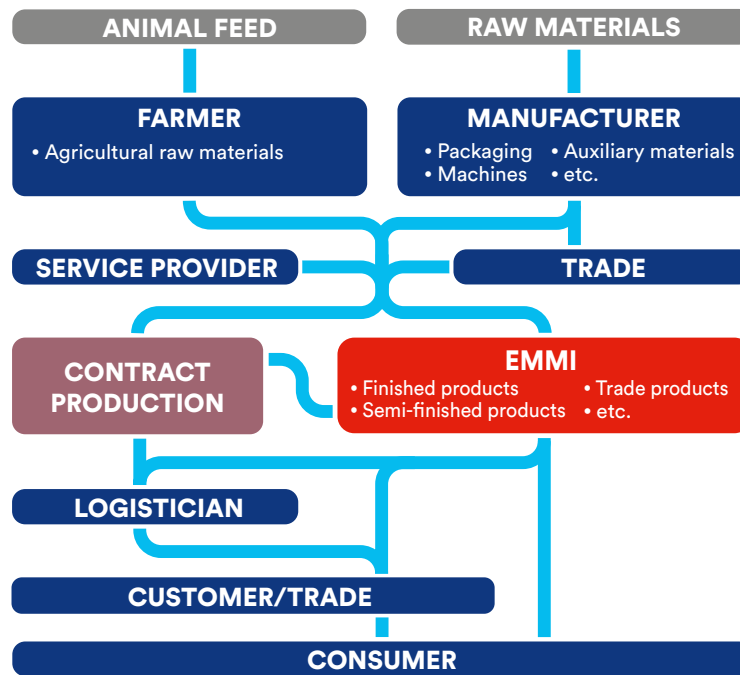
The environmental figures published in the Sustainability Report relating to [↳ “Energy” on page 35](#), [↳ “Water and effluents” on page 52](#), [↳ “Waste” on page 42](#) and [↳ “Food waste” on page 44](#) were audited by the testing, inspection and certification company SGS.

Activities and workers

2-6 Activities, value chain and other business relationships

- Industry
- Value chain
- Relevant business relationships

The Emmi Group specialises in the production and distribution of dairy products, dairy alternatives and dairy-related foods. Each company belonging to the Emmi Group has its own individual value chain (see graphic below).



d) Major changes compared to the previous reporting period

None

2-7 Employees

Key figures relating to our employees are provided in the focus topic [“Developing employees” on page 17 to 18.](#)

2-8 Workers who are not employees

There is currently no comprehensive information available about workers who are not employees. The relevant information and data are currently being collated.

Governance

2-9 Governance structure and composition

a) Governance structure, including committees of the highest governance body

b) Committees with ESG tasks

The highest governance body of the company is the Board of Directors. This mandates the CEO as Chair of Group Management with management of the company.

The Board of Directors also bears responsibility for the sustainability strategy, but delegates preparatory and operational tasks to Group Management.

[↳ Emmi Annual Report 2022: Corporate Governance Report > Board of Directors > 3.6 Definition of responsibilities between the Board of Directors and Group Management](#)

The duties in the Emmi Board of Directors are allocated through membership of the three committees (Audit Committee, Market Committee, and Personnel and Compensation Committee) and the Agricultural Council. Sustainability issues form an integral part of the tasks in all of these bodies.

d) Composition of the highest governance body and its committees

Emmi's Board of Directors is made up of nine non-executive members. They were not members of Emmi Group Management or the management team of one of the subsidiaries during the reporting period (2021/2022).

Thomas Grüter is Chair and Hubert Muff a member of the Board of the Central Switzerland Milk Producers Cooperative (ZMP), which supplies a large proportion of its milk to Emmi. Werner Weiss is a member of the Board of Directors of ZMP Invest AG (based in Lucerne). ZMP, via its Lucerne-based subsidiary ZMP Invest AG, holds a majority stake in Emmi.

[↳ Emmi Annual Report 2022: Corporate Governance Report > 3. Board of Directors](#)

2-10 Nomination and selection of the highest governance body

The basis for nomination as a member of the Board of Directors is the fulfilment of a specific profile of requirements, which reflects the relevant expertise for Emmi's strategic long-term development and seeks to achieve balance across the Board.

The nomination process is usually managed by an external recruitment company, which draws up a list of candidates based on the required skills. Relevant areas of expertise for the Emmi Board of Directors include agricultural policy and agriculture, finance and governance, and market knowledge. Independence is also mandatory. Additionally, the aim is to achieve the broadest possible degree of diversification in terms of various criteria – including knowledge, age and gender.

2-11 Chair of the highest governance body

[↳ Emmi Annual Report 2022: Corporate Governance Report > Board of Directors](#)

2-12 Role of the highest governance body in overseeing the management of impacts

Emmi's full Board of Directors receive once a year a comprehensive report from the Head of Group Sustainability about all strategically relevant sustainability issues. Every year, the Market Committee holds a meeting that focuses on sustainability. Various topics involving sustainability issues are dealt with in the Personnel Committee as standard. Strategically relevant sustainability issues are dealt with by the Board of Directors on a situational basis.

The Board of Directors also bears responsibility for the sustainability strategy, but delegates preparatory and operational tasks to Group Management. Seven members of Group Management – together with the Head of Group Sustainability and the Head of Corporate Communications – form the Sustainability Steering Committee. This body is responsible for environmental, social and governance (ESG) issues. The Chief Supply Chain Officer – who is responsible for Group Sustainability Management – submits the Sustainability Steering Committee's proposals to Group Management or delegates them directly to the Head of Group Sustainability.

2-13 Delegation of responsibility for managing impacts

The Board of Directors is responsible for the sustainability strategy. The Sustainability Steering Committee is responsible for the implementation of the strategy and acts as a decision-making and approval body.

[↳ Emmi sustainability governance model](#)

2-14 Role of the highest governance body in sustainability reporting

The Chair of the Board of Directors reviews the Sustainability Report in detail. The report is released by the full Board of Directors as part of an agenda item for an ordinary meeting.

2-15 Conflicts of interest

a) Process to avoid or mitigate conflicts of interest

Any conflicts of interest are discussed and resolved by the Board of Directors.

b) Process to disclose conflicts of interest

As part of its annual reporting activities, Emmi publishes transparent information about the composition of the Board of Directors and how individual members are linked to related organisations.

[↳ Emmi Annual Report 2022: Corporate Governance Report > Board of Directors > 3.2 Professional background and other activities and interests](#)

[↳ Emmi Annual Report 2022: Corporate Governance Report > Board of Directors > Group Management > 4.2 Professional background and other activities and interests](#)

2-16 Communication of critical concerns

Any strategically relevant critical issues are reported to the Board of Directors and are included on the agenda for ordinary meetings (in meetings of the full Board of Directors or in the Committee of the Board of Directors with the appropriate agenda).

2-17 Collective knowledge of the highest governance body

Emmi's full Board of Directors receives a comprehensive report from the Head of Group Sustainability about all the strategically relevant sustainability issues once a year.

2-18 Evaluation of the performance of the highest governance body

Sustainability issues do not form part of the performance review of Emmi's Board of Directors.

2-19 Remuneration policies

a) Remuneration policy for members of the highest governance body and managers

The remuneration of the Emmi Board of Directors and the Agricultural Council is fixed remuneration. The remuneration of Emmi Group Management comprises a fixed and a variable component.

According to Article 29b of the Articles of Association of Emmi AG, the company can issue equity securities, conversion or option rights, or other rights to equity securities to members of the Board of Directors, the Agricultural Council and Group Management as part of their remuneration. Emmi currently does not have any share or option plans or other share ownership programmes in place. This is intended to ensure that the remuneration system remains straightforward and transparent.

Details of the remuneration of the Board of Directors:

[↳ Emmi Annual Report 2022: Compensation Report > 2. Remuneration system > 2.2 Remuneration of the Board of Directors and the Agricultural Council](#)

Details of the remuneration of Group Management:

[↳ Emmi Annual Report 2022: Compensation Report > 2. Remuneration system > 2.3 Remuneration of Group Management](#)

b) Sustainability issues in the remuneration policy

Sustainability issues do not form part of the remuneration policy for the Board of Directors or Group Management. The remuneration of the Chief Supply Chain Officer and the Chief Human Resources Officer are exceptions to this rule, since their area of responsibility includes relevant sustainability issues.

2-20

Process to determine remuneration

a) Process to structure remuneration policy and determine remuneration

Article 29e of the Articles of Association of Emmi AG defines the approval model. Each year, the General Meeting approves in a separate and binding manner the proposals put forward by the Board of Directors with regard to:

- the maximum total amount of remuneration of the Board of Directors and the Agricultural Council for the current financial year
- the maximum total amount of fixed remuneration for Group Management for the following financial year
- the total amount of variable remuneration for Group Management for the previous financial year.

The following approval model clarifies which remuneration components and for which period the shareholders will vote on at the 2023 Ordinary General Meeting.

Approval model for the General Meeting 2023



[↳ Emmi Annual Report 2022: Compensation Report > 3. Responsibilities and definition process](#)

b) Outcome of stakeholder votes on the remuneration policy

The remuneration issues mentioned above are to be approved annually by the General Meeting. The results of these votes can be found in the minutes of the General Meetings:

[↳ Minutes of the Emmi 2023 General Meeting: emmi.com > Media & Investors > Reports & Downloads > General Meeting](#)

2-21

Annual total compensation ratio

Due to incomplete data, it is not currently possible to report the ratio between the annual total compensation of the highest paid person at the Emmi Group (CEO) and the average (median) annual total compensation for all employees. The relevant data is currently being collated.

A detailed summary of the remuneration of the Board of Directors and Group Management can be found in the Compensation Report.

[↳ Emmi Annual Report 2022: Compensation Report > 6. Remuneration for the year under review](#)

Strategy, policies and practices

2-22 Statement on sustainable development strategy

[↳ “Foreword” on page 3 to 4](#)

2-23 Policy commitments

See GRI 2-24.

2-24 Embedding policy commitments

We are aware of the responsibility we have towards all our stakeholders that comes with our company’s increasing size. That is why we attach a great deal of importance to compliance with laws.

Code of Conduct

In our Group-wide Code of Conduct, we highlight the importance of the points relating to anti-corruption, insider trading, antitrust violations and other applicable laws, etc. Additionally, treating all our stakeholders fairly, respecting human rights as defined by the UN Guiding Principles and the defined quality of our products are critically important to the way we run our business. The defined guidelines apply to all employees of the Emmi Group worldwide.

The Code of Conduct is physically handed out to all new employees. It is also available online on both the intranet and the Internet.

Violations of the Emmi Group Code of Conduct will be sanctioned.

[↳ Emmi Group Code of Conduct](#)

[↳ Material topic “Governance” on page 78](#)

Statement on the Modern Slavery Act

With our statement on the Modern Slavery Act, we are reaffirming our efforts to prevent modern slavery (e.g. forced labour) or human trafficking along our entire value chain.

[↳ Emmi Modern Slavery Act Statement](#)

Supplier Code of Conduct

Our Supplier Code of Conduct is an expression of our commitment to conducting business with integrity and reinforces our efforts to achieve sustainable procurement in cooperation with our partners and suppliers.

[↳ Emmi Supplier Code of Conduct](#)

[↳ Material topic “Responsible sourcing” on page 57](#)

Whistleblowing regulations

In January 2022, we introduced whistleblowing regulations throughout the Emmi Group that all legal entities within the Emmi Group had to implement in full by July 2022.

These regulations set out a minimum internal whistleblowing policy that applies to all legal entities belonging to the Emmi Group and all their employees worldwide (whether they are temporary or full-time, internal or external).

The whistleblowing policy includes reporting processes for employees and other stakeholders and details of the whistleblowing hotline for employees and suppliers. It also upholds the ban on retaliatory measures.

Emmi's whistleblowing policy is not available to the public.

2-25

Processes to remediate negative impacts

Avoiding or mitigating negative impacts systematically caused by our business model is a central pillar of our sustainability commitment. We have a global crisis management organisation at our disposal, thanks to which potential crises and their negative consequences can be eliminated or mitigated.

There are no retroactive obligations or voluntary commitments to eliminate negative effects.

In the context of our products, our day-to-day business operations could potentially have a negative impact on our consumers' health or wellbeing. Avoiding this is the primary responsibility of our Quality Management department, which has set up appropriate processes for product recalls and the like.

2-26

Mechanisms for seeking advice and raising concerns

Internal and external stakeholders can contact Emmi directly with relevant concerns or questions – either by going through central bodies or by approaching Group Management or the Board of Directors directly. Alternatively, a whistleblowing hotline is available to employees and suppliers for making anonymous reports.

There are contacts available to employees at various levels. Line managers are the first point of contact. There are also employee representatives at various larger sites.

[↳ Material topic “Governance” on page 78](#)

2-27 Compliance with laws and regulations

[↪ Material topic “Governance” on page 78](#)

2-28 Membership associations

Emmi or its subsidiaries are members of the following associations and interest group organisations:

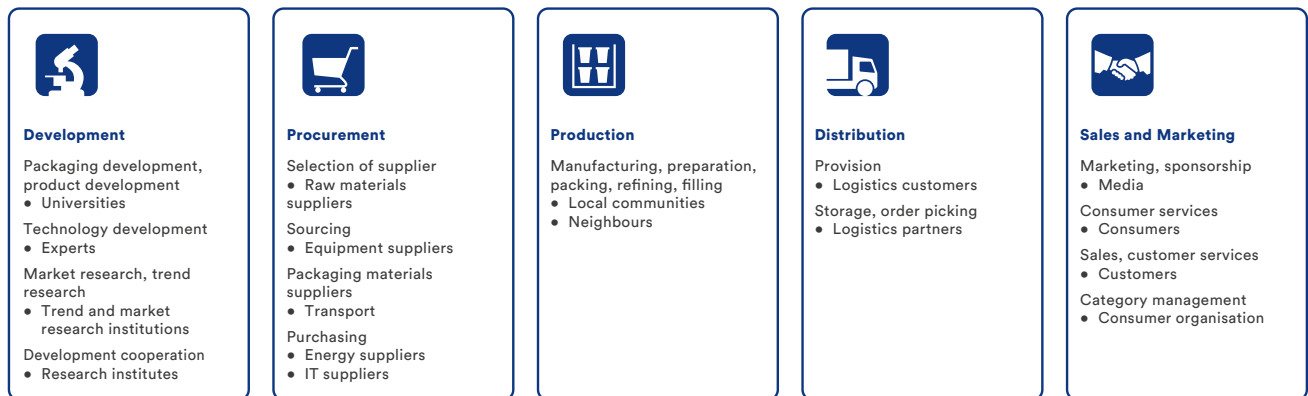
Switzerland	AgroCleanTech, KOMETIAN, Swiss Milk Sector Organisation (BOM), Federation of Swiss Food Industries (fial), PET-Recycling Schweiz, PRISMA, Promarca, Soy Network Switzerland, Swiss Dairy Industry Association (VMI), Drehscheibe Kreislaufwirtschaft
Austria	ARGE Gentechnik-frei, ARGE Heumilch
Brazil	Sindicato da Indústria de Laticínios do Estado Minas Gerais (Silemg), Associação Brasileira das Indústrias de Queijo (ABIQ), Viva Lácteos – Associação Brasileira de Laticínios
Canada	International Cheese Council of Canada
Chile	Cámara Chileno Suiza de Comercio A.G. (CCHSC), Asociación de Exportadores de Productos Lácteos (ExporLac)
France	ECOCERT
Germany	Association of the German Dairy Industry, Mittelständische Lebensmittel-Filialbetriebe e.V. (MLF), MMM Club e.V., Bioland e. V., Demeter e.V., Gäa e.V., Naturland e.V.
Holland	GemZu, Vereniging van Nederlandse Fabrikanten van Kinder-en Dieetvoedingsmiddelen (VNFKD) inkl. Federatie Nederlandse Levensmiddelen Industrie (FNLI), Nederlandse GeitenZuivel Organisatie (NGZO), Via NGZO Mitglied der Plattform Geitenhouderij
Italy	Assolatte, Centromarca
Mexico	Cámara Suizo-Mexicana de Comercio e Industria A.C.
Spain	Federación Nacional de Industrias Lácteas (FeNIL)
Tunisia	Chambre syndicale des industries du lait, Confédération des Entreprises Citoyennes de Tunisie (CONNECT), Groupement Interprofessionnel des Viandes Rouges et du Lait (GIVLAIT), Fondation Vitalait (association pour assister les petits éleveurs de la région dans l'alimentation bovine, le bien-être animal et la formation technique)
UK	Recycle Pal, Paper Round, On-Pack Recycling Label (OPRL)
USA	American Cheese Society (ACS), American Dairy Products Institute (ADPI), American Dairy Goat Association (ADGA), California Artisan Cheese Guild (CACG), Cheese Importers Association of America (CIAA), International Dairy Deli Bakery Association (IDDBA), International Dairy Foods Association (IDFA), Naturally North Bay (FIG), Wisconsin Cheese Makers Association (WCMA)

Stakeholder engagement

2-29 Approach to stakeholder engagement

We believe that responsible corporate governance not only includes environmental protection, but also taking a conscientious approach to customers, employees, society and other stakeholders. These groups are of major importance for the economic and sustainable development of the company. We define the key stakeholder groups through our business model. Regular dialogue with these stakeholders is essential for Emmi's economic performance. Due to their importance in Emmi's business model, stakeholder groups also have a significant influence on the development of the sustainability strategy, from the definition of key issues to the future orientation of the company.

External framework conditions



Internal framework conditions



2-30 Collective bargaining agreements

	2020	2021 ¹	2022 ¹
Percentage of employees covered by collective bargaining agreements	31%	53%	53%

¹ Excluding subsidiaries of Mexideli 2000 Holding S.A. de C.V. and Quillayes.

The subsidiaries comply with the legal requirements of the country in question when dealing with trade unions. In Switzerland, Emmi is not party to any collective bargaining agreements (CBAs).

GRI Content Index

The Emmi Group has produced its report for the period 1 January 2021 to 31 December 2022 in accordance with the GRI Standards. As part of the Content Index – Essentials Service, GRI Services reviewed whether the GRI Content Index had been presented clearly and in accordance with the GRI Standards, and whether the references for disclosures 2-1 to 2-5, 3-1 and 3-2 matched the relevant sections in the main part of the report. This service was performed for the German version of the report.

GRI 1	GRI 1: Foundation 2021
Sector Standard applied	None

General Disclosures

GRI Standard/ other source	Disclosure	Reference*/ information	Omission (requirement, reason, explanation)
The organisation and its reporting practices			
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	2-3	Reporting period, frequency and contact point	85
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Activities and workers			
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	87
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*Page numbers relate to the Sustainability Report 2021/2022 unless stated otherwise. AR 2022 = Annual Report.

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GRI Standard/ other source	Disclosure	Reference*/ information	Omission (requirement, reason, explanation)
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Reducing waste (waste)

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Reducing waste (packaging)

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Community engagement

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