



# Best dairy moments

Annual Report

2024

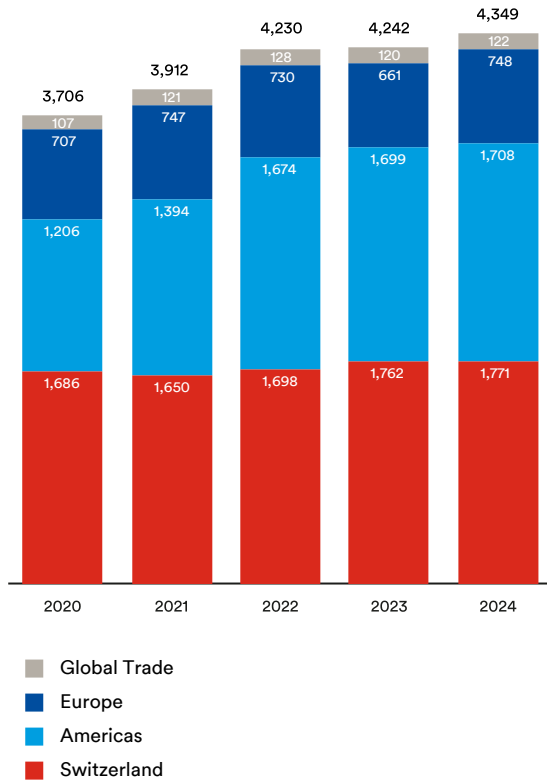
# Key figures Emmi Group

in CHF million	2024	2023	2023 adjusted <sup>1)</sup>
<b>Net sales</b>	<b>4,349</b>	4,242	
<b>Sales development in %</b>	<b>2.5</b>	0.3	
Net sales increase in organic terms in %	2.4	3.5	
Acquisition effect in %	2.5	-1.0	
Currency effect in %	-2.4	-2.2	
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>430.6</b>	375.8	413.0
as % of net sales	9.9	8.9	9.7
<b>Earnings before interest and taxes (EBIT)</b>	<b>302.7</b>	258.2	295.4
as % of net sales	7.0	6.1	7.0
<b>Net profit</b>	<b>220.3</b>	186.3	212.4
as % of net sales	5.1	4.4	5.0
<b>Investment in fixed assets (excl. acquisitions)</b>	<b>132.0</b>	145.1	
as % of net sales	3.0	3.4	
<b>Headcount (full-time equivalents) as at 31.12.</b>	<b>12,232</b>	9,346	
<b>Headcount (full-time equivalents) at yearly average</b>	<b>10,280</b>	9,337	
	<b>31.12.2024</b>	31.12.2023	
<b>Total assets</b>	<b>3,360</b>	2,715	
of which shareholders' equity incl. minority interests	1,130	1,415	
as % of total assets	33.6	52.1	
<b>Market capitalisation</b>	<b>3,937</b>	4,874	

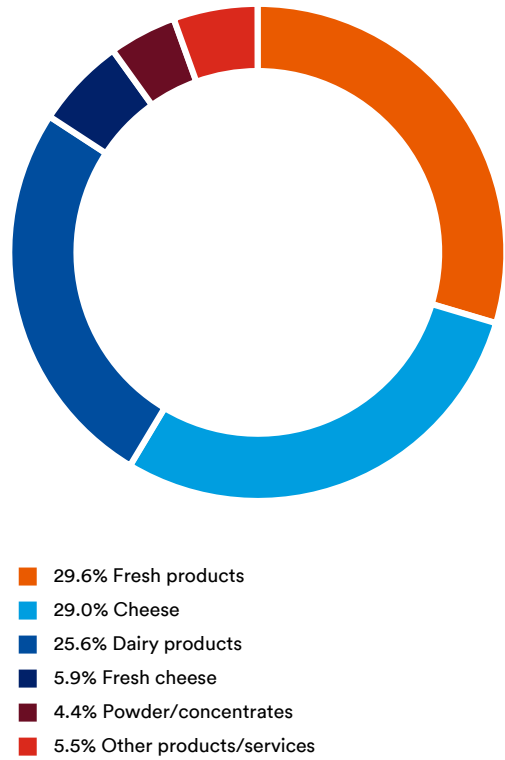
<sup>1)</sup> Adjusted for non-recurring effects of CHF 37.2 million at EBITDA and EBIT level and CHF 26.1 million at net profit level. In the previous year, these resulted from the sale of Gläserne Molkerei and the sale of the minority stake in Ambrosi S.p.A.

## Net sales

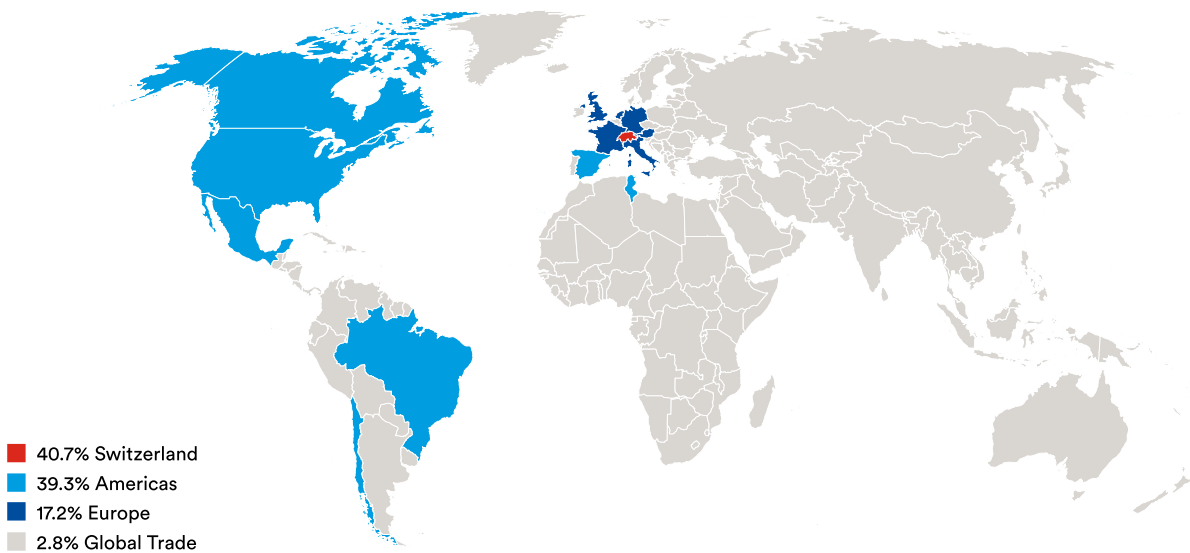
in CHF million



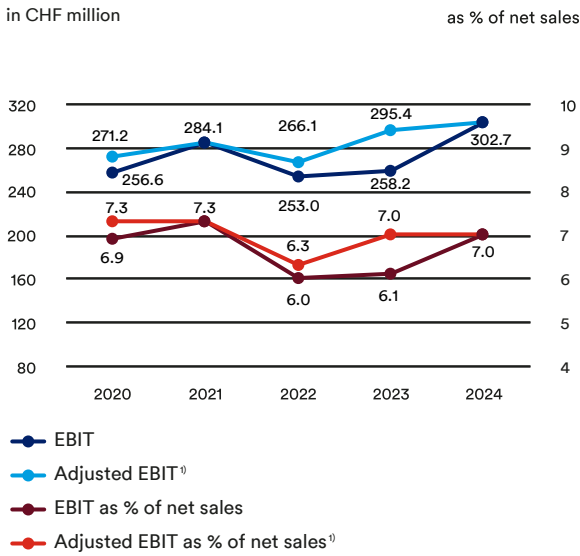
## Net sales by product group



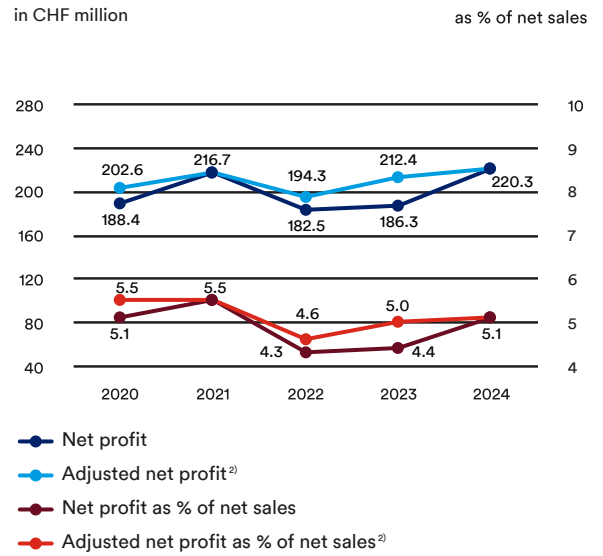
## Net sales by division



## EBIT



## Net profit

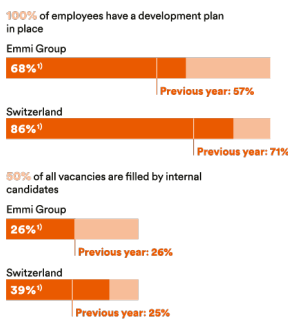


<sup>1)</sup> The adjustment effect in 2023 relates to the loss from the sale of Gläserne Molkerei. The adjustment effect in 2022 related to an impairment of non-current assets at Gläserne Molkerei. The adjustment effect in 2020 related to the loss from the sale of the majority interest in Lácteos Caprinos S.A.

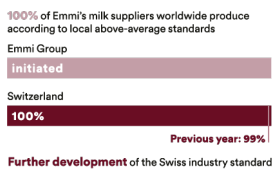
<sup>2)</sup> The matters mentioned in footnote 1 also resulted in adjustment effects at net profit level. In addition, profit from the sale of the minority interest in Ambrosi S.p.A. led to a further adjustment effect at net profit level in 2023.

## Emmi sustainability targets with a 2027 time horizon

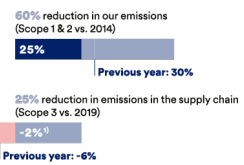
### Developing employees



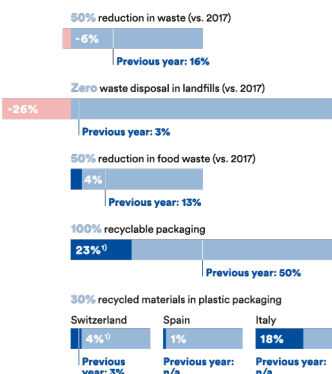
### Sustainable dairy



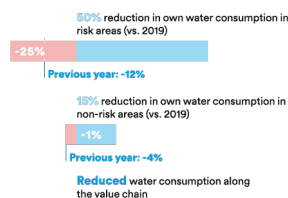
### Reducing emissions



### Reducing waste



### Reducing water use



Target achievement levels as of 31.12.2024. The target achievement relates to the base year for the 2027 time horizon. The same applies to the previous year's figure.

Emmi Dessert USA included for the first time in 2024, not included in previous years.

Calculations for all key figures: [Methodology for non-financial figures 2024](#).

<sup>1)</sup> Fluctuations compared to previous years due to data and/or calculation adjustments.



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# Letter to Shareholders



Ricarda Demarmels, CEO and Urs Riedener, Chairman of the Board of Directors

## Dear Shareholders,

In 2024, we continued to operate in a challenging environment with geopolitical tensions, persistent inflation and advancing climate change, which continues to place great demands on us as individuals, as a society and as a company.

This makes it even more crucial to have a shared set of values, a proven strategy and strong partnerships across the entire value chain that we can rely on at Emmi. Once again this year, they form the foundation of our business success and our ongoing development. Guided by our strategy and values, we have successfully grown our business through our expertise, innovations and agile approach, all while staying focused on our purpose: “Together, we create the best dairy moments – today and for generations to come”. Our carefully crafted products create moments of joy for millions of people around the world. Since 1907, we have taken responsibility as a manufacturer of high-quality food, both for today and for future generations.

## We are Emmi

### Robust business model

In the 2024 financial year, the Emmi Group increased its annual sales to CHF 4,348.8 million. At 2.4%, this strong, fully volume-driven organic growth exceeds our guidance. All divisions of the Emmi Group contributed to this strong organic growth, despite ongoing market challenges. The broad-based growth across countries and product groups reflects the consistent implementation of our strategy and shows that we can further expand our strong market positions with innovative brands and concepts in strategic market niches as well as our balanced geographical presence with an attractive product and customer portfolio. Above all, it highlights the tremendous dedication of our global teams, who put our customers at the heart of everything they do.



**“Thanks to broad-based acceleration in the second half of the year, the Emmi Group achieved strong organic growth in 2024. The volume-driven organic growth reflects the consistent implementation of the strategy and strong market positioning with innovative brands and concepts in attractive market niches. And above all, the exceptional performance of our teams, who put our customers at the heart of everything we do, every day.”**

Ricarda Demarmels

### Acceleration in growth in the second half of 2024

In its home market of **Switzerland**, Emmi achieved volume-driven organic growth of 0.3% in line with its own expectations, with sales of CHF 1,771.4 million (previous year: CHF 1,762.0 million). Innovative brand concepts such as Emmi Caffè Latte, Emmi Energy Milk, Aktifit and Luzerner Rahmkäse made a significant impact on the market and made a positive contribution to revenue growth, as did higher sales of milk powder for industrial customers. Together with our partner Coop, we launched recyclable PET packaging for dairy products. This sustainable packaging innovation marks another step on our journey towards achieving our sustainability goals within the circular economy, and we are making a difference here in Switzerland.

#### The dairy leader in Switzerland

Division **Americas** exceeded sales of CHF 1,707.7 million (previous year: CHF 1,698.8 million) and organic growth of 3.7%. The key markets of Brazil, Chile, Mexico and the USA in particular contributed to the strong growth. A significant contribution in the USA came from locally established businesses such as US feta market leader Athenos, goat's milk products from the only nationwide brand in the USA, Meyenberg, as well as speciality cheeses imported from Switzerland. However, sales of premium desserts by Emmi Dessert USA also rebounded in the second half of the year following the expected decline in the first half of the year. Sales in the strategic niche of ready-to-drink coffee from the Kaiku Caffè Latte brand in Spain also performed very well.

In May 2024, Laticínios Porto Alegre, Emmi's Brazilian subsidiary, acquired a majority stake in Verde Campo in the state of Minas Gerais. The innovative Verde Campo brand enables Emmi to strengthen its existing market position in the key market of Brazil with functional premium dairy products made from high-quality protein, in which it is considered a pioneer.

Division **Europe** sales increased by 13.1% to CHF 747.7 million (previous year: CHF 661.4 million). This significantly exceeded expectations, with strong organic growth of 5.5%. Emmi Caffè Latte, Italian speciality desserts and Kaltbach speciality cheese delivered a strong performance. Sales of goat's milk powder and fresh cheese in the Netherlands also increased significantly.

#### A strong international market player

## Strengthening strategic niches and leading brands

Emmi celebrated a historic dairy moment in 2024. Exactly 20 years ago, Europe's first ready-to-drink coffee, Emmi Caffè Latte, came onto the market. This popular, iconic drink is representative of the innovative strength with which Emmi has developed its brands and business over the years. The acquisition of the renowned Lucerne-based coffee roastery, Hochstrasser, enabled Emmi to strengthen its coffee expertise and the innovative advancements of its iconic Emmi Caffè Latte brand in the year under review.

The acquisition of the leading French specialist in premium patisserie, Mademoiselle Desserts Group, was completed in October 2024, enabling Emmi to take a decisive step towards becoming a "category captain" in the dessert category. The newly created dessert division, consisting of all Emmi dessert companies in the Group, is allowing Emmi to double its sales in the strategic niche that it has built up over the past ten years, enabling the Group to occupy a leading position in this growing market.

### An innovative leader in selected niches

## Strong results in a challenging market environment

Profitable broad-based volume growth, combined with continuous and systematic efficiency programmes and strict cost discipline, led to higher operating results and margins. The significant increase in personnel costs was expected due to inflation. Even though this weakened growth at the gross profit margin level, overall margin improvements were pleasing at all levels thanks to further significant operational progress in the international business.

### Excellent in what we do

The operating result at EBIT level amounted to CHF 302.7 million, thus exceeding the 300 million mark for the first time. As expected, the pleasing operating results of Mademoiselle Desserts were more than offset by non-cash and one-off purchase price allocation effects. Excluding Mademoiselle Desserts, EBIT was expected to be CHF 308.8 million compared to EBIT adjusted for the loss on the sale of Gläserne Molkerei of CHF 295.4 million in the previous year. Net profit amounted to CHF 220.3 million and the net profit margin was 5.1% (previous year adjusted: 5.0%), CHF 227.6 million and 5.4% excluding Mademoiselle Desserts. Both at EBIT level and in terms of the net profit margin, the Emmi Group managed to meet the expectations communicated in February 2024 at the upper end of the range.

In view of the strong balance sheet and good results, the Board of Directors is proposing, as part of a consistent payout policy and dividend growth, to increase the dividend by 6.5% to CHF 16.50 per share (previous year: CHF 15.50).

## Acting responsibly

Taking responsibility and shaping the future of the company consciously and successfully is a top priority for the Emmi Group. True to our heritage, sustainability is an integral part of our business model and strategy. Our purpose underscores our belief in creating the best dairy moments together – today and for generations to come.

Sustainable, profitable growth requires a long-term perspective that takes into account economic, social and environmental aspects. In doing so, Emmi focuses on the strategic pillars: people, communities and planet. During the year under review, Emmi continued to press ahead with its sustainability efforts and made important progress.

**“Sustainable, profitable growth requires a long-term corporate strategy that fully integrates sustainability. As a strong, reliable partner, Emmi assumes responsibility within the value chain to shape our future together and achieve long-term success.”**

Urs Riedener

Since February 2024, 100% of our milk suppliers in Switzerland have been meeting the Sustainable Milk industry standard and producing according to standards that exceed the local average. In addition, the pioneering “KlimaStaR Milk” project made a significant contribution to advancing climate- and resource-friendly milk production in Switzerland and made a strong impact in the industry and beyond national borders. In the second year of the project, we were able to compile a successful interim assessment of the reduction of greenhouse gas emissions and the reduction of feed-food competition and land competition.

[Sustainability objectives](#)

[A role model in sustainability](#)

[Sustainability Report](#)

## Continuity in supervision and leadership

Emmi’s Board of Directors, chaired by Urs Riedener since April 2023, will see three changes at the helm at the 2025 General Meeting. At the General Meeting held on 10 April 2025, the Board of Directors of Emmi AG will propose Rebekka Iten and Christian Troxler to replace Diana Strebel and Werner Weiss, neither of whom will stand for re-election at the upcoming General Meeting. The Board of Directors would like to thank Diana Strebel for her significant contribution to Emmi over the past 13 years. In addition to her duties as a member of the Board of Directors, she successfully chaired the Market Committee for a number of years and played a key role in shaping Emmi’s strategic direction. We would also like to thank Werner Weiss for his unwavering dedication. He will no longer be able to contribute to the Emmi Board of Directors in future due to the term of office limitation rule set by ZMP.

Rebekka Iten is a seasoned international executive with broad experience in consumer goods, strategy, marketing, sales, innovation management, M&A, the transformation of large organisational units and digitalisation. Her expertise in Emmi's key target markets will add significant value to the Board of Directors.

Christian Troxler is an independent agricultural expert and milk producer. He manages a modern farm, has been a member of the ZMP Board of Directors since 2023, is also a member of the Board of Directors of the brand association Emmentaler Switzerland and performs other managerial tasks in the agricultural sector. His activities have enabled him to build a strong political network and an in-depth understanding of the dairy and agricultural industries.

With great sadness, the Board of Directors also announces the death of Board member Christina Johansson. Board member Dominik Bürky will take over as Chairman of the Audit Committee on an interim basis. The Board of Directors will provide information in due course on the nomination of her successor, who will be proposed for election at the General Meeting on 10 April 2025.

Oliver Wasem took over the role of CFO on 1 July 2024 within the eight-member Group Executive Management, which has been headed by Ricarda Demarmels as CEO since the start of 2023.

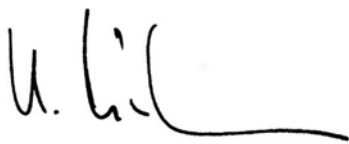
## Outlook

The Emmi Group expects the economic conditions – shaped by a strong Swiss franc, geopolitical tensions, high input costs and subdued consumer sentiment – to continue in 2025. The Group will therefore continue to act with foresight and remains committed to its strict cost discipline and Group-wide efficiency programmes. In addition, Emmi will continue to convince with its well-diversified product portfolio and innovative brand concepts.

For the 2025 financial year, Emmi expects organic sales growth of 1.5% to 2.5% at Group level. Growth in Switzerland is expected to be between 0% and 1%. In the international business, sales growth of 3% to 5% is expected in division Americas and of 1% to 3% in division Europe.

At EBIT level, Emmi expects a result of CHF 330 million to CHF 350 million and a net profit margin of between 4.8% and 5.3%.

Dear Shareholders, Thank you for the trust you have placed in us. We would also like to thank our more than 12,000 employees for their outstanding dedication and creative drive. They make Emmi what it is and are committed to delivering "heartfelt indulgence" every day.



**Urs Riedener**  
Chairman of the Board of Directors



**Ricarda Demarmels**  
CEO

# Driving economic success

Our responsible business model, geared towards long-term profitable growth, and our focused strategy help us to do the right thing and remain economically successful. Our approach is based on unique, innovative brand concepts, a diversified portfolio and a highly agile, locally anchored organisation.



## The dairy leader in Switzerland

Our roots are in Switzerland, where we are number 1. We want to consolidate this strategically central position in the long term. We will achieve this through innovative concepts, excellent customer service and, when reasonable, new business areas.



## A strong international market player

All companies of the Emmi family play their part in achieving our common goals. We are now focusing on strengthening our position in those markets where we have established a stronghold or have seen solid growth in recent years.



## An innovative leader in selected niches

We aim to get even closer to our consumers and stand out from our competitors with sophisticated innovations. Our particular focus is on niches where we already have leading market positions or are striving to achieve these.



## Excellent in what we do

Through excellent cross-functional action and leadership, we are developing into the benchmark for our industry in selected areas.



## A role model in sustainability

Building on our tradition, sustainability is an integral part of our business model and our strategy. We strive to achieve long-term profitable growth and to create added value for all our stakeholders.

# We are Emmi – a heritage that makes us unique

Our roots go back to 1907. Building on our heritage in producing high-quality dairy products and our responsible business model, we have evolved from a regionally rooted organisation into an international group.

Today, Emmi is a leading manufacturer in Switzerland and, with a presence in a total of 15 countries, is also well positioned internationally. Our strengths lie in our leading local market positions, our powerful brand concepts and our diversified product portfolio.

## Our vision

Our teams dedicate themselves wholeheartedly and with their expertise to turning the best dairy experiences into Emmi moments. Our passion for creating the best dairy moments is reflected in our high-quality, delicious products, as well as in our value-based, collaborative way of working within the Emmi Group. Each and every one of us makes a valuable contribution to the sustainable development of our heritage, our responsible business model and our brands.

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## Our purpose

A deep commitment to taking long-term responsibility has defined us from the very beginning. This is reflected in our purpose: “Together, we create the best dairy moments – today and for generations to come.” Together with our vision, values and strategy, and supported by our unique culture here at Emmi, our purpose guides how we act and how we work together – now and in the future.

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



## Our ambition for the future

Our purpose, proven strategy and strong partnerships along the entire value chain are the foundation on which we will continue to develop the Emmi Group in a targeted and successful manner over the long term.

Through our craftsmanship, expertise and placing the needs of our consumers at the heart of our business model, we aim to create the best moments of joy through our innovative brand concepts. In doing so, we focus on five strategic priorities.

While we operate our business in an agile, sustainable and profitable manner and are increasingly oriented internationally, our Swiss roots and our high quality standards remain untouched.

## **The dairy leader in Switzerland**

Our roots are in Switzerland. As Switzerland's leading manufacturer of high-quality dairy products, Emmi will continue to consolidate its strategic leadership in the domestic market with innovative brand concepts and excellent customer service.

It's the satisfying sip of milk in the morning, the feeling of happiness over a bite of cheese, the "mmm" with the first spoonful of yogurt. It is precisely these moments of joy that Emmi wants to bring to every table with its wide range of high-quality dairy products – with heartfelt indulgence.

As an employer at 25 production sites in Switzerland, Emmi also makes a significant contribution to the economy and provides training for junior staff, helping to address the shortage of skilled workers.

## **A strong international market player**

In addition to the must-win market of Switzerland, Emmi has a strong international presence. With their agile local organisations, all companies contribute to the achievement of common goals and to stable earnings and sales performance. At the same time, we are focussing on the other must-win markets in the USA, Chile and Brazil. We are focusing on growth in these markets and are continuously strengthening our position by implementing market strategies that are aligned with local conditions.

## **An innovative leader in selected niches**

Emmi is focusing on the expansion of the following selected strategic niches in which it is already a market leader: ready-to-drink coffee, speciality cheeses, premium desserts and plant-based milk alternatives. With a clear focus on the needs of consumers in these niches, Emmi leverages relevant trends and differentiates itself as an innovative pioneer in the market through well-thought-out brand concepts.

## **Excellent in what we do**

Emmi aims to set the industry benchmark for excellence through cross-functional collaboration, outstanding leadership and a strong focus on cost-effectiveness. Ongoing Group-wide optimisation of the product portfolio provides the foundation for the focused advancement of our collective strengths for sustainable, profitable growth and long-term business success.

## A role model in sustainability – committed to taking responsibility

Emmi is committed to sustainable, profitable growth and a responsible business model in order to continue to create value for all stakeholders in the future while respecting the planet's resources.

In line with its heritage, sustainability is an integral part of its responsible business model and corporate strategy. In doing so, Emmi focuses on the three strategic pillars: people, communities and planet.



As a key player in the dairy industry, we want to continue to positively influence our sector by harmonising economic, social and environmental aspects and promoting sustainable practices beyond our internal sphere of influence. We are committed to science-based targets (SBTi) and a netZERO 2050 vision to limit global warming in line with the goal of the UN Paris Agreement.



# Sustainability and responsibility

## Code of Conduct

The Emmi Code of Conduct sets out the values and principles according to which we assume our responsibility towards our stakeholders.

## Corporate Governance

Committed to the principle of good and transparent governance and based on the requirements of the SIX Swiss Exchange as well as national and international best practice, we have a clear framework of values, principles, rules and regulations in place. These specify how Emmi is managed and developed as a company.

## UK Modern Slavery Act

We also fulfil our responsibility with regard to fundamental human rights.

## Sustainability Report (GRI)

Since 2011, we have been providing transparent information about our sustainability commitments and progress by reporting in accordance with the Global Reporting Initiative (GRI) guidelines.

## Emmi sustainability model

Our long-standing commitment and our ambitious targets are reflected in a comprehensive framework.

## Materiality matrix

Our sustainability model focuses on topics that are of particular relevance to us and our stakeholders and where we can achieve the greatest positive impact for the planet and communities.

## Stakeholder approach

We take account of the diversity as well as the differing needs and demands of our stakeholders using a differentiated approach: from active engagement with social groups to regular dialogue and institutionalised exchanges.

## netZERO 2050 roadmap

We pursue science-based reduction targets (SBTi) along the entire value chain aligned with our netZERO 2050 vision. A CO<sub>2</sub>-reduction path with clear interim targets serves as a binding guideline.

## Emmi Supplier

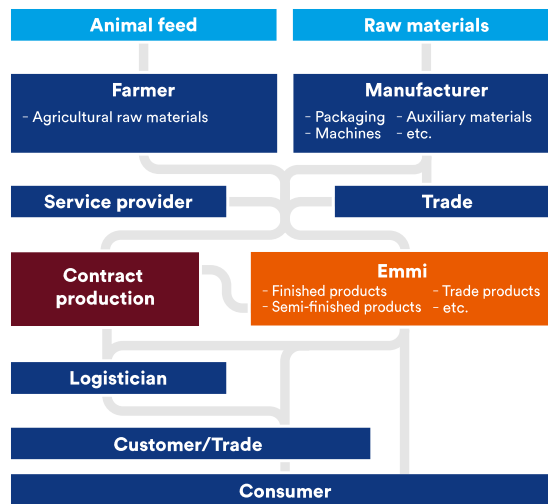
### Code of Conduct

The Emmi Supplier Code of Conduct is evidence of our commitment to managing the company with integrity, and reinforces our efforts to achieve sustainable procurement together with our partners and suppliers. In this way, we can minimise risks together and build trust among our stakeholders.

## Whistleblowing hotline

An open culture of dialogue in line with our corporate values coupled with a high level of professionalism and integrity is of central importance for Emmi. The Emmi whistleblower hotline enables grievances and rule violations to be reported anonymously from anywhere in the world.

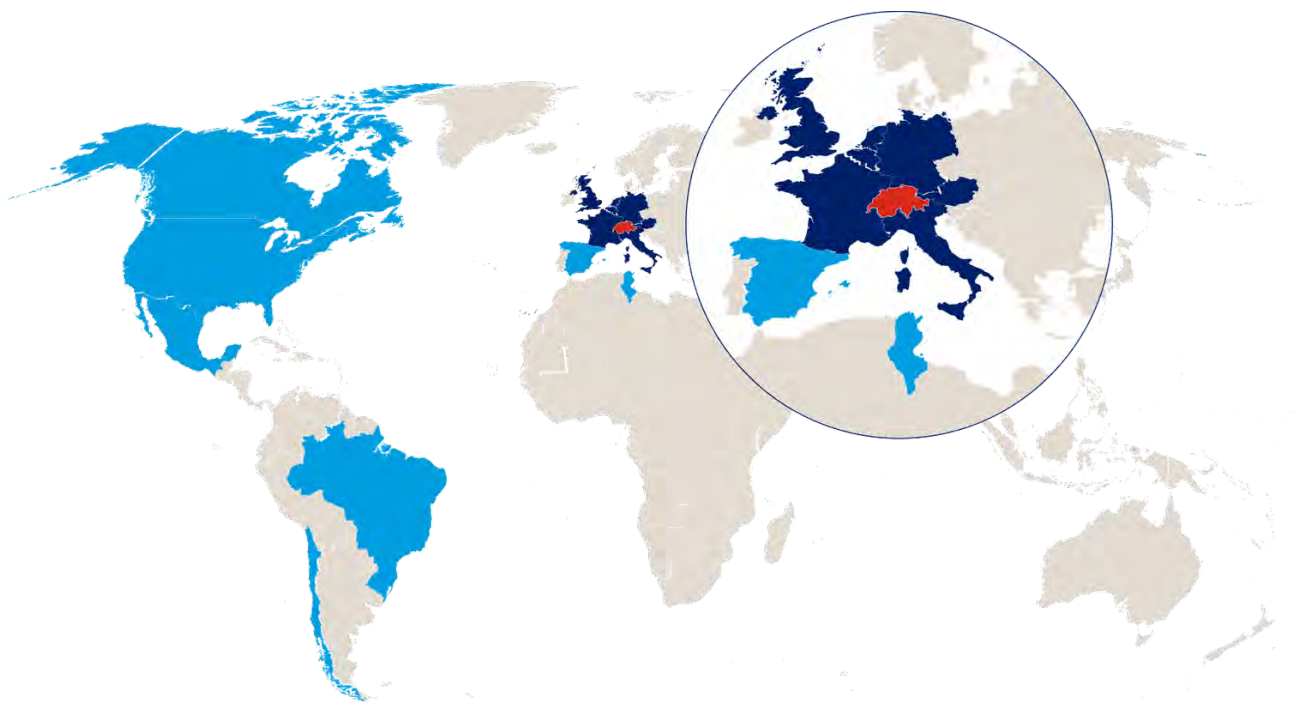
The graphic depicts all stages of the Emmi Group’s value chain. The Group procures milk either directly from milk suppliers or through relevant organisations. Emmi processes these into high-quality dairy products at its 72 production sites around the world in 13 countries. These products are sold to customers in around 60 countries, which include retail, food service and industrial customers, and in some cases, direct consumers.



# Our presence: Local roots, international reach

Close to the market, with a network of global collaboration – these are the principles at the heart of our organisation's success.

Our quality products are exported from Switzerland to some 60 countries around the globe so that millions of people can rely on us each day to find what they need to live: high-quality and delicious food. From a regionally based organisation in Switzerland, we have developed into a successful group on the international stage. Today, we are the dairy leader in Switzerland with an established presence in 15 countries. The Emmi Group operates 72 production sites of its own.



# Combining tradition and innovative strength for a successful future

Emmi is Switzerland's leading milk processor. The company creates the "best dairy moments" through its innovative, high-quality products.

The innovative strength that defines Emmi has been a consistent thread running through its more than 100-year existence. Throughout its history, it has pioneered numerous new products and brands. This reflects an immense wealth of expertise in processing milk as a natural product. Every recipe development reflects a passion for traditional craftsmanship and a commitment to high quality, always centred around the needs of our consumers.

## Strong regional roots and proximity to consumers make all the difference

A key driver of our success is our strong regional presence, which ensures we stay close to our consumers. Eating habits are strongly influenced by regional and family traditions as well as individual preferences. When living and working situations change, preferences and needs often also change, whether temporarily or permanently. Societal and nutritional trends can also have a strong impact. Emmi's proximity to its consumers and the constant monitoring of market trends enable us to identify new needs quickly and to respond to them in an agile and targeted manner.

## Successful new products

Emmi harnesses its expertise to celebrate the value of milk as a natural product through innovative brand concepts. The new products launched in the 2024 financial year demonstrate the enormous versatility of this natural product and the Emmi Group's passion for traditional craftsmanship and the production of high-quality dairy products.

# Strong local presence as a driver of success

Over the decades, Emmi has developed into an internationally successful Group that has continuously strengthened its portfolio through strategic acquisitions, resulting in a presence in 15 countries.

The portfolio of brands and investments has grown over the past three decades through 45 acquisitions. The consistent transformation of the portfolio towards innovative and differentiated brand concepts forms the foundation for growth and profitability. Investments and acquisitions are often preceded by long-term partnerships based on shared values and a common understanding of quality. This results in growing trust, mutual knowledge transfer and inspiration through appealing product concepts. This promotes continuous improvements – both on the product side and in the manufacturing process – as well as international differentiation.

## A focus on must-win markets

The brands and investments have one thing in common: their regional roots. Maintaining strong, locally established brands ensures continuity in the respective markets, allows for the acquisition of valuable knowledge, bolsters innovative strength, and promotes market and brand positioning. In terms of acquisitions, Emmi focuses on its strategic niches or strategically defined must-win markets. In addition to Switzerland, these include the USA, Brazil and Chile.

## Strengthening the Latin American business

Having previously established relevant market positions in Chile and Mexico, Emmi expanded into Brazil in 2017 with a 40% stake in Laticínios Porto Alegre. Two years later, it increased its shareholding to 70%. The Brazilian subsidiary is now one of the three largest dairies in the Brazilian state of Minas Gerais.

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Emmi acquired a majority stake in Verde Campo in May 2024 via Laticínios Porto Alegre, thereby systematically pushing ahead with its portfolio transformation. The innovative brand is considered a pioneer in high-quality protein products and ideally complements Emmi's market positioning. It is particularly popular with health-conscious consumers in the Brazilian cities who value functional, premium dairy products.



# Innovative in strategic niches

The Emmi Group continued to systematically strengthen its strategic niches in 2024. Emmi celebrated a defining dairy moment when it expanded its coffee and dessert expertise through two strategic acquisitions.

In spring 2024, Emmi celebrated a very special moment in its history as it looked back on the time when Emmi Caffè Latte was launched 20 years ago. When developing Europe's first ready-to-drink coffee, Emmi drew inspiration from the popularity of the cold drink in Japan.

## The triumphant evolution of Emmi Caffè Latte

Emmi Caffè Latte got off to a brilliant start. To this day, this iconic drink is made in Switzerland using high-quality Swiss milk and barista-quality coffee. In contrast to the competition, it is made with 100% natural ingredients.

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The incomparable success of Emmi Caffè Latte bears witness to the tireless pioneering spirit, time-honoured craftsmanship, remarkable innovative strength and clear strategic focus that characterise Emmi. Quality and enjoyment have been the focus from the very beginning. Emmi Caffè Latte has been continuously developed over the years and sets new trends year after year.



## Three new flavours launched in the anniversary year

Emmi launched two new flavours to mark the anniversary. With its cool design by artist Ona Sadowsky, “Cookies & Cream” is specifically aimed at Generation Z. The plant-based alternative “Plant-based Macchiato” and the new version “Decaf” without caffeine are also in keeping with the zeitgeist. Emmi Caffè Latte celebrated its impressive success story with its fan base throughout Switzerland.

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### **Dairy expertise combined with coffee expertise**

A key part of the success story is Emmi's high level of expertise in coffee. Emmi further strengthened this in June 2024 with the acquisition of the Hochstrasser coffee roastery in Lucerne. This strategic step enables Emmi to ensure the freshly roasted and brewed coffee it uses for Emmi Caffè Latte is of outstanding quality. It combines the innovative strength of both companies when continually developing this iconic brand.



### **Establishment of the Emmi Desserts organisation**

The success of Emmi Dessert Italia and Indulge Desserts in the USA has seen Emmi sharpen its expertise in these markets over the past ten years. This has allowed Emmi to strengthen its positioning and boost growth in this strategic niche. The acquisition of Mademoiselle Desserts, which was completed in October 2024, enabled Emmi to significantly strengthen its market presence in this globally expanding category. Emmi has built a reputation as a leading provider of premium desserts in France by providing an innovative patisserie range and leading the way in in-store bakery and food service offerings. As a certified B Corporation, Mademoiselle Desserts adheres to the same values as Emmi and is committed to making a positive impact on society and supporting environmental sustainability for a responsible economic future.

With the latest expansion of its strategic niche, Emmi is creating a new desserts organisation characterised by a high-quality, innovative and comprehensive range, along with strong customer partnerships.

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## All major dessert traditions under one roof

As a “category captain”, Emmi brings all major dessert traditions under one roof and can offer its customers an innovative and high-quality dessert portfolio. Emmi is consolidating the management of the dessert companies under the leadership of Didier Boudy, the current CEO of Mademoiselle Desserts.



## Outstanding speciality cheeses

Switzerland and cheese belong together, just as Emmi and cheese have been perfect partners for over 100 years. The rich tradition of craftsmanship and remarkable innovative strength is reflected in a wide product range, which includes a semi-soft cheese, AOP specialities, and raclette and fondue cheeses. Particular importance is attached to speciality cheese, which Emmi has defined in its strategy as one of four strategic niches it positions globally.

Emmi’s Kaltbach brand is synonymous with cave-aged, premium cheese specialities. It boasts a distinctive unique selling point and quality attribute that is particularly appreciated by consumers abroad. Kaltbach Creamy cheese is particularly popular. The majestic natural sandstone caves in Kaltbach, Lucerne, offer a unique climate for maturing cheese. Speciality cheeses made from fine Swiss milk that are matured and refined here can bear the exclusive AOP quality seal.

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## 25 awards for Emmi at the World Cheese Awards

The quality of Emmi’s speciality cheeses is internationally recognised and regularly receives awards, ranking highly in various categories at the prestigious World Cheese Awards. The jury from over 40 countries awarded 25 of the 41 specialities submitted by Emmi’s international teams with Super Gold, Gold, Silver and Bronze. Swiss Käsermeister Reserve, Käserei Studer and Humboldt Fog from Cypress Grove in California received the highest Super Gold award in the USA, which is just a small selection of the remarkable successes notched up by Emmi teams from Switzerland and the USA.





# Committed to sustainable value creation

Success in a challenging market environment requires a high level of agility in terms of thinking, learning, acting and using resources. Against this backdrop, Emmi has defined excellence as an important strategic driver and supports the process of sustainable value creation.

Emmi aims to develop its strengths with ambition and position itself as the industry benchmark through outstanding, cross-divisional leadership and action in targeted areas. In a competitive environment characterised by constant change and increasing complexity, it is essential to respond with agility not only to challenges but also to opportunities that arise.

The decisive factor here is the performance of each individual, as well as coordination and strategic management across all business areas. Integrated performance management supports the successful implementation of the strategy and secures the funds for the disciplined transformation of the portfolio through strategic investments and acquisitions as well as the continuous modernisation and expansion of production sites and facilities. In doing so, Emmi is laying the foundations for sustainable value creation. In this context, Emmi has launched various Group initiatives with which it strengthens strategic management and continuous improvement as well as promotes agility and the learning culture. Specific examples of this are the “Emmi Operational Excellence” and “Emmi Finance Academy” initiatives.

## Working together to enhance competitiveness

“It starts with us” also applies to operational excellence. To foster a culture of continuous improvement, Emmi has revised and accelerated its Operational Excellence Programme, which was launched 15 years ago. The aim of the programme is to achieve more with less in all business processes.

The improvements are primarily intended to achieve the following: help reduce costs; maintain or, where appropriate, improve service levels and product quality; strengthen collective efforts in creating a safe working environment; increase the satisfaction of all involved; and drive sustainable, profitable growth. The collaborative approach of the Group initiative ensures everyone improves and collectively has a positive impact on Emmi’s competitiveness.

## Promoting financial literacy through the Emmi Finance Academy

In 2024, 400 employees from all Group companies attended the newly founded Emmi Finance Academy. The programme has been developed specifically for employees in non-financial roles at all levels. It is based on the conviction that solid financial knowledge is closely linked to corporate success.

Emmi aims to develop a common financial language through its internal six-month programme, which is being developed and supported by an internal project team. The objective is to understand the drivers of value creation and one’s own contribution to it. The programme will be continued on an ongoing basis and will remain an integral part of the Emmi Group’s training programme.

# Our highlights

JAN

## Milk in recyclable PET

Together with our retail partner Coop, we are launching milk and dairy products in the more environmentally friendly PET bottle. Various brand products such as Emmi Energy Milk are available in this packaging. The PET bottle is currently the only plastic food packaging in Switzerland that is recycled and reprocessed in a closed loop.

The launch of this packaging innovation is a further step towards achieving the sustainability goals of both companies in terms of the circular economy.

[Press release](#)



FEB

## Bontà Divina Cappuccino wins award

Bontà Divina Cappuccino receives the prestigious innovation award for “Best Product of the Year 2024” in the Desserts category. The award is judged by more than 12,000 consumers annually and presented by Circana, one of the largest market research institutes in the world.

Bontà Divina, a dessert brand under Emmi Dessert Italia, is renowned for its innovative and creative Italian desserts. The exquisitely layered coffee and cream mousse dessert in a sustainable cappuccino glass cup was crafted with great passion and skill by our creative R&D team.



### Happy Birthday, Emmi Caffè Latte!

20 years ago, we revolutionised the Swiss coffee market with a pioneering inspiration from Japan. Our product now delights millions of people around the world.

The Emmi experts poured their heart, soul and technical skills into developing a high-class variant on freshly roasted and brewed barista-style coffee and came up with Emmi Caffè Latte, Europe's first ready-to-drink coffee. The result was a new lifestyle: cold coffee to go.

[emmi-caffelatte.com](http://emmi-caffelatte.com)



### Verde Campo in Brazil

The Emmi Group's Brazilian subsidiary Laticínios Porto Alegre announces that it will be acquiring a majority stake in the Verde Campo dairy in Minas Gerais state (closing in May). This will strengthen our existing position in the strategic key market of Brazil.

Verde Campo is firmly established in Brazil, offering innovative and functional premium dairy products such as yogurts and milk drinks with high-quality protein from natural whey. The brand is particularly popular among consumers in the large Brazilian cities, who place a high value on health and functionality.

[Press release](#)



MAY

### “KlimaStaR Milk”

How can the Swiss dairy industry become more climate-friendly and make better use of resources? This is the issue being tackled by the industry initiative “KlimaStaR Milk”, which we launched jointly with Nestlé, aaremilch AG and ZMP, with the support of the Federal Office for Agriculture (FOAG), in 2022.

The positive results to date are presented at a media event: In the first two years, the approximately 230 participating farms cut their greenhouse gas emissions per kilo of milk by an average of 4.9% and reduced feed-food competition by 19.7%.

[emmi.com/klimastar](https://emmi.com/klimastar)



JUNE

### Coffee expertise boosted for Emmi Caffè Latte

The announced acquisition of the Hochstrasser coffee roastery will enable us to strengthen our coffee expertise and the innovative development of our iconic Emmi Caffè Latte brand. The two long-established Lucerne-based companies have enjoyed a successful and trusting 20-year partnership.

The close collaboration was and remains a key driver of success for the outstanding barista quality of Emmi Caffè Latte. Hochstrasser also looks back on more than 100 years of history. We are united by the uncompromising high quality of our products, our enthusiastic consumers, a passion for our craft and our responsible actions as a company.

[Press release](#)



JULY  
AUG  
SEP  
OCT

### Strategic expansion of dessert expertise

The acquisition of the leading French Mademoiselle Desserts Group, which specialises in innovative premium patisserie, is enabling Emmi to offer its customers a full range of innovative dessert creations as a “category captain”.

[Press release](#)



### 59 apprentices kick off their training

A record number of apprentices are starting their training in 13 apprenticeships at 14 locations throughout Switzerland, including dairy technologists, media specialists, logistics specialists and commercial clerks.



### Senior professionals

Throughout 2024, our senior professionals worked for Emmi around the globe. Under this programme, retired Emmi specialists pass on their experience to all Emmi teams. We would like to thank them from the bottom of our hearts for their valued contributions.



### Caffeine-free coffee delight

Our popular ready-to-drink coffee is now available without caffeine. As with all the flavours, Emmi Caffè Latte Decaf delivers a full-bodied coffee experience, made with 100% natural ingredients.

[emmi-caffelatte.com](https://emmi-caffelatte.com)



**Awards for cheese excellence**

Emmi's speciality cheese is recognised as one of the best in the world. In total, 25 of the 41 cheeses entered at the World Cheese Awards 2024 received awards, including five masterpieces that matured in Kaltbach's sandstone caves.



**20 years on the stock market**

The capital and reputation gained through the IPO enables Emmi to successfully implement its ambitious growth plans at home and abroad. The share price has multiplied since 2004.



# Collective efforts for a more sustainable dairy industry

Emmi aims to process 100% sustainable milk by 2027. This is an ambitious goal that calls for a holistic approach that involves all stakeholders in the dairy industry.

Sustainable production and management is a partnership-based goal that encompasses all stakeholder groups in the value chain – within and outside Emmi. Emmi creates added value directly and indirectly in rural regions, helping milk suppliers to produce more sustainably and above local standards. Emmi also strives to ensure that its procurement is fully aligned with ethical principles and that both human and animal rights are respected in the supply chain. Our commitment also includes supporting dedicated projects that support climate-friendly and resource-efficient milk production both in our home market and in the key markets of Brazil, Chile and Tunisia. The measures taken by Emmi contribute to the Sustainable Development Goals (SDGs) established by the United Nations, in particular SDG2 (Zero Hunger), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation and Infrastructure) and SDG15 (Life on Land).

To achieve this ambitious target, all milk suppliers are to achieve standards that exceed the local average by 2027, which are evaluated using a science-based criteria catalogue. The catalogue, which Emmi developed in collaboration with The School of Agricultural, Forestry and Food Sciences (HAFL) at Bern University of Applied Sciences, covers 32 criteria in the fields of social responsibility, the environment, milk and animal welfare. It is based on international methodologies and was deemed to be comprehensive by Emmi's partner the WWF.

In the Swiss domestic market, sustainability has long been an important differentiating factor compared to dairy products from other countries. Emmi set itself the goal of only processing sustainably produced milk in Switzerland in 2016. In 2019, Emmi was a pioneer in establishing a production standard for sustainable Swiss milk, which focuses on feeding, animal welfare and environmental aspects. In 2024, it became the industry benchmark to which 100% of Swiss milk suppliers have committed themselves. In return, they receive three cents more per kilogram of milk.

## The broad impact of “KlimaStaR Milk”

Launched in 2022 together with Nestlé, aaremilch and Central Switzerland Milk Producers (ZMP), the “KlimaStaR Milk” initiative achieved a positive interim assessment in 2024. The pilot project, which is supported by the Swiss Federal Office for Agriculture as part of its resources programme, promotes climate protection, location adaptation and resource efficiency in the dairy industry.

Initial evaluations to determine the starting point showed that the greenhouse gas emissions on the 230 participating farms are significantly lower than assumed prior to the start of the project. In the first two years, the farms were able to reduce their greenhouse gas emissions per kilogram of milk by almost 5% on average. The aim is to achieve a 20% reduction by 2027. Optimised feeding, herd management and the storage of farmyard manure have proven to be decisive factors in reducing climate impact. In terms of feed-food competition, the farms almost reached the target of a 20% reduction in the first two years. In addition, more than 80 farms are now taking part in a focus group that is examining the issue of land competition in order to allow cows to graze mainly on land that is unsuitable for plant-based food production. Emmi, which has committed to achieving net zero by 2050, is thus making an important contribution to the climate action plan beyond its internal sphere of influence (Scope 3 emissions).

## Tackling Brazil's CO<sub>2</sub> footprint

For Emmi, it is not only important to promote sustainable dairy farming in the countries in which it operates but also to ensure the well-being of local communities. This is particularly true in countries such as Brazil, Chile and Tunisia, where the dairy industry is a vital source of livelihood for many families. This enables milk suppliers to improve their living conditions and broaden their career development opportunities over the long term.

Laticínios Porto Alegre, one of Emmi's Brazilian subsidiaries, offers programmes to help milk suppliers implement good agricultural practices and increase their productivity. Around 10% of milk suppliers currently participate in the programmes. During 2024, it also collaborated with an external specialist for milk suppliers to collect, analyse and validate reliable data for recording greenhouse gas emissions for the first time in order to derive measures to improve sustainable milk production and reduce emissions.

## Animal welfare certification a key benefit in Chile

Even before the merger with Quillayes, Surlat was the first dairy brand in Latin America to purchase from suppliers with animal welfare certification. The Bienestar Animal label gives Emmi's Chilean subsidiary a key differentiator, as three quarters of the population attach importance to animal welfare aspects when shopping. The certification marks a significant milestone on the journey towards a more sustainable dairy industry. To support these efforts, Emmi set targets for soy production and greenhouse gas emissions reduction in 2023, as part of a sustainability analysis.

## Prospects for Tunisian dairy farmers

For five years now, Fondation Vitalait, financed by the Emmi subsidiary of the same name in Tunisia, has been advising local small livestock farmers. To date, 3,000 of the approximately 11,000 dairy farmers who supply Vitalait have taken advantage of the advice. The aim is to improve their understanding of feeding, breeding and caring for animals, as well as the careful management of the soil and the use of water. The foundation also contributes up to 50% of the investment in labour-saving equipment. Vitalait Foundation's work will be expanded in future in conjunction with Swiss development aid.

**Further details on sustainability efforts and [key indicators](#) can be found in the [Sustainability Report](#).**



# Promote, empower, inspire

Emmi's approximately 12,000 employees are a cornerstone of its sustainability approach. This is why all employees are expected to have an individual development plan by 2027, and half of the vacant positions are to be filled internally.

A common aspiration inspires, connects and motivates. This is also reflected in Emmi's mission statement: "Together, we create the best dairy moments – today and for generations to come". A strong, values-based corporate culture, such as the one that Emmi cultivates and embraces, provides stability and strengthens its resilience, especially in a challenging market environment. Personal and professional development advances the individual, the teams and the company as a whole and inspires in many ways. It promotes the assumption of responsibility and makes it possible to use knowledge collectively, to learn from each other and to combine strengths for the benefit of all. It enables individuals and teams to rise to challenges, continuously improve and unleash creative potential in order to be successful together. As part of SDG5 (Gender Equality), one of the Sustainable Development Goals set by the United Nations, Emmi is committed to fair, inclusive and equal employment and development for all genders.

## Caring for our employees

We provide an environment where all employees feel welcome, valued and inspired and have opportunities to develop.

The following examples illustrate the development spectrum at Emmi, which spans the entire career path as well as geographical and hierarchical boundaries.

## Professional journeys at Emmi

### Strong commitment to apprenticeships

Apprentices are the future. The tried-and-tested dual education system, for which Switzerland enjoys a high reputation worldwide, is highly valued by manufacturing companies such as Emmi. Through the strong basic training of apprentices in practical professions, Emmi assumes both corporate and social responsibility. This enables the company to secure qualified young talent for its own businesses. However, Emmi also considers it an honourable task to provide young people with strong foundational training, thereby contributing to a well-functioning labour market.

“”

**One of the biggest advantages of my apprenticeship at Emmi is the wide-ranging support in all IT divisions. I find it particularly fascinating how our site in Ostermundigen is seamlessly integrated into a global company – the transition from local to global always inspires me.**



**Noah Iseli**

IT Specialist Apprentice, Platform Development

Emmi is currently training around 145 apprentices in 13 professions in Switzerland across all apprenticeship years. The apprentices are mentored and supported by experienced vocational trainers throughout their apprenticeships. Whenever possible, Emmi offers successful graduates the chance to switch to a permanent position. Each year, Emmi also enables up to five graduates from higher education institutions and universities in the fields of economics, supply chain management and food sciences to enter the business and gain insights into the world of work through two-year trainee programmes in Switzerland.

“”

**Participation in the trainee programme was an exceptional opportunity for me to get to know Emmi Dessert Italia in its entirety. This allowed me to deepen and broaden the knowledge I acquired during my studies, apply it in practice and develop new skills. This experience was made even more enriching by the constant support of my colleagues. As we always say: People are our special ingredient!**



**Chiara Grittini**

Supply Chain Trainee at Emmi Dessert Italia

### **Learning is a lifelong task**

Emmi promotes a culture of lifelong learning at all levels – whether young talent, subject matter expert or experienced manager. Fresh perspectives and new experiences that result from them promote innovation and are a driving force for continuous improvement as well as for personal and professional development.

### **Leveraging experience and transferring knowledge**

Emmi is proud of the large number of employees who remain loyal to the company over many years and in some cases throughout their entire working lives. This loyalty confirms our belief that a common set of values and individual development opportunities are the foundations that set Emmi apart and drive us forward together.

The wide-ranging knowledge and wealth of experience that employees have gained over the years is a valuable resource that Emmi would also like to make available to future generations. It therefore enables specialists to pass on their wealth of knowledge and experience in the specially created Senior Professional Programme at the end of their professional careers and beyond usual retirement. This is a win-win situation for everyone involved, especially for subsidiaries abroad.

## Two paths, one function

At the start of 2025, Suzan Durgut took over as Head Group Sustainability from Gerold Schatt, who held this role for many years. He will continue to provide expert support as part of the team for the time being, focusing on activating projects on the ground in countries such as Brazil, Chile and Tunisia, while starting a new chapter in his career. Their paths to this role differ, but represent the development opportunities and relevance of strategic succession planning within the Emmi Group.

Gerold Schatt joined Emmi immediately after completing his studies as a food engineer at ETH Zurich. He spent around ten years working as a technical project manager and a safety and operations manager at a production plant, before being appointed Head Sustainability in 2017.

Suzan Durgut's journey took her to Lucerne via the German Emmi subsidiary, where she initially worked in marketing for several years, most recently as Global Marketing Manager. Numerous sustainability aspects have been incorporated into the marketing strategy, particularly with regard to packaging and raw materials. In 2022, she took the opportunity to work as a sustainability project manager and then took on the global role of Head Group Sustainability after three years.

## Pioneering work for a new world of work

Emmi sees changes in the world of work as an opportunity to better meet the challenges of today and tomorrow. The Emmi Pioneers initiative encourages teams to set out to try out new, unconventional ways of working together, empowering employees with greater decision-making authority to encourage ownership at every level.

“”

**Solving the challenges of a sustainable future is only possible in a collaborative and holistic way. In this respect, the succession solution for the packaging division at Emmi Italia Dessert is impressive. It not only embodies a holistic approach but also serves as a practical test for a future-oriented organisational structure.**



**Birte Dorenkamp**

Head R&D, Sustainable Packaging

The packaging division at Emmi Dessert Italia has redefined teamwork. When the long-standing head of the division left the company at the end of 2022 after a long and successful career, replacing his knowledge and experience proved challenging. He has since been replaced by a cross-departmental team. Team members share the former leadership role but otherwise continue to work in their current roles in marketing, procurement and logistics. The unusual solution proves to be a true stroke of luck. This is because the interdisciplinary team now approaches packaging topics from their respective perspectives, which is essential as the issues have generally become more complex and sustainability aspects have become more important. The results are comprehensively verified and backed by solid evidence. The activities are coordinated by a member of the team. Finding the optimal organisational structure first involved defining roles and responsibilities. The team found this both challenging and instructive and were glad they could have this experience.

**Further details on sustainability efforts and [key indicators](#) can be found in the [Sustainability Report](#).**

# Respect and tradition guiding our commitment

An intact environment is vital to Emmi's activities. In addition to caring for people and communities, it is one of the three strategic pillars of the sustainability model. The associated targets focus on reducing greenhouse gases and promoting the circular economy.

Grassland, water and air are the most important resources of the dairy industry. Aware of this importance, the respectful use of natural resources is deeply rooted at Emmi as a processor of milk as a natural product. Based on the concepts of respect and tradition, Emmi aims to be a role model in sustainability, which it will continue to anchor within its business model and strategy.

In order to create the best dairy moments today and tomorrow, Emmi depends on the existence of an intact environment. It is one of the three strategic pillars on which Emmi is focusing as part of its sustainability model. Ambitious goals are associated with this commitment. Emmi pays particular attention to reducing greenhouse gas emissions at all stages of the value chain, reducing fresh water consumption and using closed-loop packaging.

## On the road to net zero

Through its netZERO 2050 vision, the Emmi Group has committed itself to reducing greenhouse gas emissions throughout the value chain (Scopes 1, 2 and 3) with science-based climate targets and to achieving the net zero target by 2050. To achieve this, Emmi has set itself reduction targets with which it aims to reduce operational emissions by 60% (Scope 1 & 2, compared to 2014). As more than 90% of its CO<sub>2</sub> footprint originates outside its own operations and thus outside its direct sphere of influence, Emmi is intensifying its collaborative efforts with dairy farmers, suppliers and other partners to reduce emissions along the value chain by 25% (Scope 3, compared to 2019).

## Switching to renewable heat sources as an important lever

In order to reduce emissions from production and energy procurement, Emmi has identified investments in energy efficiency, the production of renewable electricity locally and the switch to renewable heat sources as important levers. Emmi considers heat pumps to be currently the most interesting technology for the production of industrial thermal energy, as they provide more thermal energy than they consume electrical energy, which reduces the need for fossil fuels and thus CO<sub>2</sub> emissions.

In 2024, Emmi explored various options at two production sites in Italy (Emmi Dessert Italia and Pasticceria Quadrifoglio) and one in Spain (Kaiku) by analysing which heat sources are used, how the demand for heat is met and whether waste heat from the production process can be used. A heat pump system is already in operation at the Emmi site in the Netherlands, where heat is now generated using electricity rather than gas. In addition, the excess heat from the cheese factory is used for the powder plant. Whether heat sources can be converted effectively depends, in particular, on the cost-effectiveness and energy efficiency that can be achieved. In doing so, local conditions must be taken into account.

The measures to reduce the CO<sub>2</sub> footprint on the road to net zero are in line with the United Nation's Sustainable Development Goals: Climate Action (SDG13), Responsible Consumption and Production (SDG12), and Life on Land (SDG15).

## PET bottles for dairy products support the circular economy

Emmi can meet its reduction target most effectively if the packaging used is recyclable. This ensures valuable raw materials are kept in the loop for reuse. Emmi aims to make its packaging 100% recyclable by 2027 and to use at least 30% recycled material.

Emmi took an important step in this direction in 2024. Together with Coop, it launched selected dairy products in white PET bottles. Unlike conventional PET bottles, they are opaque, offer optimum product protection, and ensure a consistent taste. Compared to bottles made from polyethylene, PET bottles reduce the use of materials by around a quarter. This also reduces the amount of transportation required. Emmi uses the innovative bottles for products such as Emmi Energy Milk High Protein, Comella Choco Drink, Emmi Caffè Latte Mr Huge in the bottle format and the “I’m your meal” meal replacement drink.

In Switzerland, white PET bottles are currently the only plastic food packaging that is recycled in a closed loop. New PET bottles are produced from old PET bottles collected in partnership with PET Recycling Schweiz and other partners. They are then used again for milk and dairy products.

## The circular economy as a joint effort

These types of circular processes cannot be handled by one company alone. What is needed are holistic solutions that include all the stakeholders involved, including packaging producers, distributors such as Emmi, retailers, municipalities and recyclers. This is why stakeholders have joined forces in the voluntary industry organisation RecyPac. In future, this organisation, of which Emmi is a founding member, will comprehensively optimise the loop with a coordinated recycling solution for plastic packaging and drink cartons nationwide and supply the market with high-quality recyclates.

**Further details on sustainability efforts and [key indicators](#) can be found in the [Sustainability Report](#).**





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# Guidelines

The information provided below complies with the Directive on Information Relating to [Corporate Governance \(DCG\)](#) issued by the SIX Swiss Exchange as well as the Articles of Association and Organisational Regulations of the Emmi Group. Unless otherwise indicated, all data relate to the balance sheet as at 31 December 2024.

[www.emmi.com](http://www.emmi.com) > Media & Investors > Reports & Downloads > Corporate Governance > [Articles of Association of Emmi AG](#)

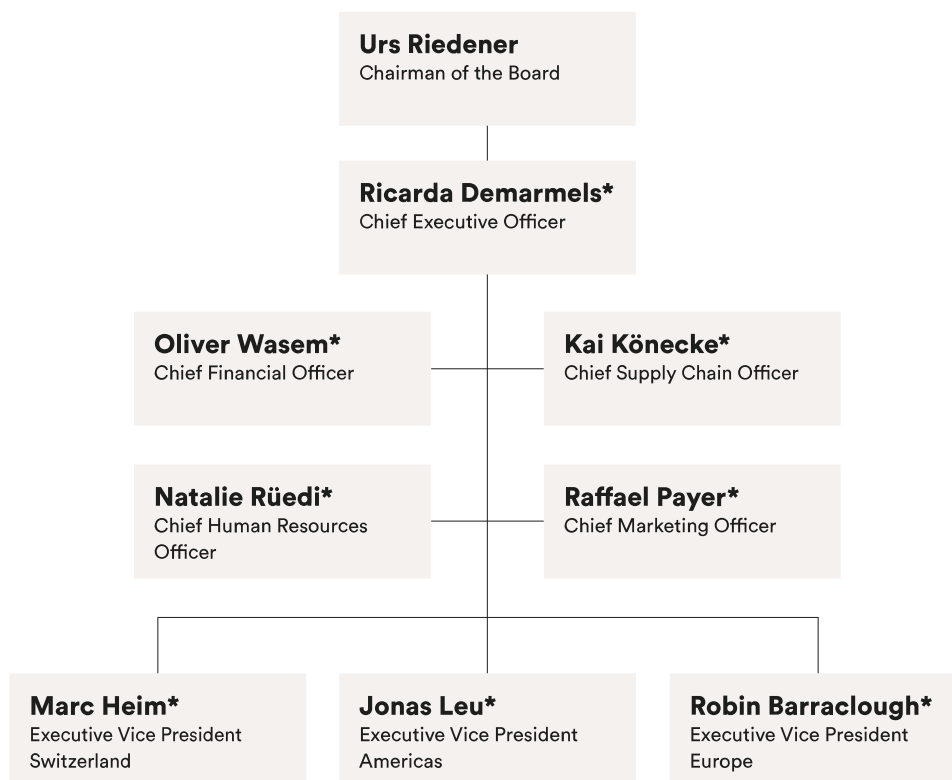
[www.emmi.com](http://www.emmi.com) > Media & Investors > Reports & Downloads > Corporate Governance > [Organisational Regulations of Emmi AG](#) (in German)

# 1. Group structure and shareholders

## 1.1 Group structure

The organisational structure of the Emmi Group is shown below.

**Group structure Emmi Group**  
as at the balance sheet date



Group functions:  
 – Corporate Development  
 – Corporate Communications & IR  
 – Internal Audit  
 – Legal

\* Member of Group Executive Management

The Emmi Group is listed on the SIX Swiss Exchange through the holding company Emmi AG (headquartered in Lucerne, hereinafter referred to as “Emmi”). The group of consolidated companies contains only non-listed companies.

For market capitalisation, securities number and ISIN number, see the section [Share information of Emmi AG](#) (Emmi Annual Report 2024).

For consolidated companies, see [Summary of consolidated companies, associates and joint ventures in note 33 of the consolidated financial statements](#).

## 1.2 Significant shareholders

For significant shareholders, see section [2.5 Share capital and significant shareholders](#) in the Notes to the financial statements of Emmi AG.

ZMP Invest AG, Lucerne, Zentralschweizer Käsermeister Genossenschaft, Sursee, and MIBA Genossenschaft, Aesch (canton of Basel-Landschaft), form a Group in the sense of [Art. 121 of the Swiss Financial Markets Infrastructure Act \(FinMIA\)](#) and hold 60.4% of the total voting rights. As at 7 June 2016, [Capital Group Companies, Inc.](#), Los Angeles, USA, reported a holding of 268,500 registered shares of Emmi AG (5.019%). On 4 May 2024 [UBS Fund Management \(Switzerland\) AG](#), Basel reported a holding of 177,731 registered shares (3.322%). No further disclosure notifications were made.

## 1.3 Cross-shareholdings

There are no cross-shareholdings with other companies that exceed 5% of capital or votes on both sides.

## 2. Capital structure

### 2.1 Share capital

Emmi's share capital amounts to KCHF 53,498.

### 2.2 Authorised and conditional capital in particular

Emmi did not create any conditional capital or set out a capital range in its Articles of Association in the reporting year, and there is no conditional or authorised capital from previous years.

### 2.3 Changes in capital

An overview of changes in capital in the reporting years 2021 to 2024 can be found in the section [Statement of changes in equity](#) of the annual financial statements of Emmi AG.

### 2.4 Shares and participation certificates

The share capital of Emmi comprises 5,349,810 registered shares with a par value of CHF 10.00 per share. Only one category of registered share exists, and no participation certificates exist. Each share carries the right to one vote. No preferential rights exist. The shares are fully paid up.

For further information on shares, see the section [Share information Emmi AG](#).

### 2.5 Dividend-right certificates

No dividend-right certificates exist.

### 2.6 Restrictions on transferability and nominee registrations

There are no restrictions on the transfer of registered shares of Emmi. The only precondition for entry in the share register and hence for the exercise of voting rights is a declaration on the part of the purchaser that the shares have been acquired in their own name and for their account. Purchasers may also be rejected if they do not expressly declare (i) that there is no agreement on the redemption or return of corresponding shares and (ii) that they bear the economic risk associated with the shares. No other registration restrictions exist.

The registration of fiduciaries/nominees without voting rights is permitted. On request, the Board of Directors shall decide on the registration of fiduciaries/nominees with voting rights on a case-by-case basis. No fiduciaries/nominees with voting rights were entered during the year under review, nor did the Board of Directors approve any other exceptions for entry in the share register.

## **2.7 Convertible bonds and options**

Emmi has no convertible bonds outstanding. Furthermore, neither Emmi nor other Group companies have issued options on ownership interests in Emmi.

## 3. Board of Directors

All nine members of the Emmi Board of Directors (see table in section [3.1 Members of the Board of Directors](#)) are non-executive members. According to the Swiss Code of Best Practice for Corporate Governance, Urs Riedener, the Chairman of the Board of Directors (CEO of Emmi Group from 2008 to 2022) and members Thomas Grüter, Hubert Muff and Werner Weiss (who are members of the board of Genossenschaft Zentralschweizer Milchproduzenten ZMP, which is a major supplier to Emmi in Switzerland and holds the majority shareholding in Emmi through its subsidiary ZMP Invest AG, Lucerne) are not independent members. The remaining five members of the Board of Directors are independent, do not represent either stakeholders or under-represented social groups, and do not hold any other material business relationships with the Emmi Group apart from their directorship. Mandate agreements are in place with each member, governing all the necessary details.

The basis for nomination as a member of the Board of Directors is the fulfilment of a specific requirement profile, which reflects the relevant expertise for Emmi's strategic long-term development and seeks to achieve balance across the Board. The nomination process is generally supported by an external recruitment firm. The profile of requirements may for instance include the following skills: management experience in strategy and transformation, marketing/sales of consumer goods, finance/audit, M&A, international business activity at the C-suite level, people and culture, the agriculture and dairy industry, supply chain and technology, law/governance/ESG. In addition, the broadest possible diversity in terms of criteria such as expertise, gender and age is sought.

Fritz Wyss (born 1944) has been Honorary Chairman of the Emmi Board of Directors since 2010. He was a Delegate of the Board of Directors from 1993 to 2003 and its Chairman from 2003 to 2009.



Members of the Emmi Board of Directors from left (as at the balance sheet date): Diana Strebel, Christina Johansson, Thomas Grüter, Nadja Lang, Urs Riedener (Chairman), Monique Bourquin, Hubert Muff, Werner Weiss, Dominik Bürgy, Christa Wey (Company Secretary)

### 3.1 Members of the Board of Directors

	Year of birth	Nationality	Education	First elected
<b>Urs Riedener</b> Chairman of the Board of Directors	1965	Swiss	Business Economist lic. oec. HSG MBA Stanford Executive Program	2023 Chairman
<b>Thomas Grüter</b> Vice-Chairman of the Board of Directors	1964	Swiss	Swiss Certified Master Farmer	2021
<b>Monique Bourquin</b>	1966	Swiss	Business Economist lic. oec. HSG	2013
<b>Dominik Bürgy</b>	1966	Swiss	Lic.iur., Swiss Certified Tax Expert	2021
<b>Christina Johansson</b> (passed away 7.2.2025)	1966	Swiss/ Swedish	Business Economist, Master of Science in Business Administration & Economics	2018
<b>Nadja Lang</b>	1973	Swiss	Certified Business Economist, ZHAW School of Management and Law	2023
<b>Hubert Muff</b>	1984	Swiss	Certified Agrotechnician	2022
<b>Diana Strebel</b>	1960	Swiss	Certified oec. Business Economist, Master of Science in Marketing GSBA and University of Wales	2012
<b>Werner Weiss</b>	1969	Swiss	Certified Farmer	2022



## 3.2 Professional background and other activities and interests



### Urs Riedener

Member and Chairman of the Board of Directors since 2023

#### Professional background

<b>2008–2022</b>	Emmi Group, Chief Executive Officer
<b>2000–2008</b>	Migros Cooperative (MGB), Head of Marketing and Member of the Executive Board since 2002
<b>1995–2000</b>	Lindt & Sprüngli Group, both in Switzerland and abroad, various management positions, latterly National Sales Manager and Member of the Board of Management for Switzerland
<b>1992–1995</b>	Kraft Jacobs Suchard Group, various positions, latterly Group Brand Manager

#### Other activities and interests

<b>since 2024</b>	Tischlein deck dich, Member of the Board
<b>since 2024</b>	Risurs GmbH, owner and Managing Director
<b>since 2023</b>	Sandoz AG, Member of the Board of Directors, Chair HC & ESG Committee
<b>since 2022</b>	Schwarz Unternehmenstreuhand KG, Member of the Advisory Board, since 2024 limited partner
<b>since 2014</b>	Bystronic AG, Member of the Board of Directors, Chairman of the Personnel Committee
<b>since 2007</b>	Institute of Marketing at the University of St. Gallen, Member of the Committee

#### Key competencies

Urs Riedener heads the Board of Directors and possesses extensive international business and management experience. He brings to the Board particular experience and expertise in transformation and internationalisation, ESG, supply chain and technology/digitalisation.



## **Thomas Grüter**

Member of the Board of Directors since 2021, Vice-Chairman since 2022

### **Professional background**

- since 1996** Sonnhaldenhof, St. Urban, Tenant Farmer and Employer
- 1990–1996** Uf-Stocken Estate, Kilchberg, Farm Manager, Deputy Farm Manager
- 1985–1990** Employee on various farms

### **Other activities and interests**

- since 2021** Genossenschaft Zentralschweizer Milchproduzenten (ZMP), Chairman
- since 2021** ZMP Invest AG, Chairman
- since 2021** Swiss Milk Producers (SMP), Member of the Board
- since 2021** Swiss Farmers' Union, Member Chamber of Agriculture and Delegate
- since 2015** Cantonal Councillor Lucerne, Member of the Commission for Spatial Planning, Environment and Energy

### **Key competencies**

Thomas Grüter brings to the Board extensive management experience in a variety of organisations and a background in the agriculture and dairy industry, the Swiss domestic market and politics.



## Monique Bourquin

Member of the Board of Directors since 2013

### Professional background

<b>2012–2016</b>	Unilever Germany, Austria and Switzerland (D-A-CH), Chief Financial Officer
<b>2002–2012</b>	Unilever Switzerland, latterly Country Manager
<b>1999–2002</b>	Mövenpick Foods Switzerland, latterly Country Manager
<b>1997–1999</b>	Rivella AG, National Account Manager Sales
<b>1994–1997</b>	Knorr Nahrungsmittel AG, Product Manager Marketing
<b>1990–1994</b>	PriceWaterhouseCoopers, Consulting & Corporate Finance

### Other activities and interests

<b>since 2023</b>	Swisscom AG, Member of the Board of Directors, Head of the Compensation Committee
<b>since 2023</b>	Lindt & Sprüngli AG, Member of the Board of Directors, Head of the Compensation and Nomination Committee
<b>since 2023</b>	Rivella AG, Member of the Board of Directors
<b>since 2023</b>	Miroma AG, Member of the Board of Directors
<b>since 2021</b>	W. Kündig & Cie AG, Member of the Board of Directors
<b>since 2021</b>	Estarog AG, Managing Director
<b>since 2021</b>	Euqinorm GmbH, owner and Managing Director
<b>since 2019</b>	Swiss Board Institute, Member of the Advisory Council
<b>since 2018</b>	Swisscontact, Member of the Foundation Board
<b>since 2017</b>	Promarca (Swiss branded goods association), President
<b>since 2017</b>	Kambly AG, Member of the Board of Directors

### Key competencies

Monique Bourquin possesses extensive international business and management experience in consumer goods companies. In particular, she brings to the Board her expertise and experience in strategy and transformation, marketing/sales, finance, people and culture.



## Dominik Bürgy

Member of the Board of Directors since 2021

### Professional background

<b>since 2019</b>	Wenger & Vieli, Attorneys at Law, Partner
<b>2009–2012</b>	Ernst & Young, Managing Partner Tax & Legal Switzerland
<b>2008–2016</b>	Ernst & Young, Partner, Member of the Executive Board
<b>2008–2014</b>	Ernst & Young, Member Tax Leadership Team GSA (D-A-CH)
<b>2008–2010</b>	Ernst & Young, People Partner Tax GSA
<b>2002–2019</b>	Ernst & Young, Partner
<b>1993–2002</b>	Arthur Andersen, Tax and Legal Consulting, Partner from 2002

### Other activities and interests

<b>since 2024</b>	Forum Zürich, Chairman
<b>since 2020</b>	Kuehne + Nagel International AG, Member of the Board of Directors
<b>since 2020</b>	Member of the Board of Directors of privately held companies

### Key competencies

Dominik Bürgy brings to the Board his legal expertise, management experience and experience in M&A transactions, governance, supply chain and finance/audit.



## **Christina Johansson (passed away on 7 February 2025)**

Member of the Board of Directors since 2018

### **Professional background**

<b>2022–2025</b>	Dormakaba, CFO
<b>2018–2022</b>	Bilfinger SE, Group CFO and also interim CEO 2021–2022
<b>2016–2018</b>	Bucher Industries Group, Group CFO
<b>2014–2016</b>	SR Technics Group, Group CFO and Deputy Group CEO
<b>2007–2014</b>	Pöyry Energy Business Group and Management Consulting Business Group Switzerland, CFO
<b>2005–2007</b>	Zeag Group, CFO and Deputy CEO
<b>1996–2005</b>	Amcor Rentsch & Closures Group Switzerland/Germany/Canada, Group CFO, previously Corporate Finance Controller
<b>1993–1996</b>	Securitas Group, Financial Controller and Treasury Manager for Germany and Austria

### **Other activities and interests**

<b>2021–2025</b>	About You AG, Member of the Supervisory Board and Chairwoman of the Audit Committee
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### **Key competencies**

Christina Johansson possessed extensive international business and management experience in technology-orientated companies. In particular, she brought her expertise in the areas of strategy, finance/audit, M&A transactions and governance to the Board of Directors.



## Nadja Lang

Member of the Board of Directors since 2023

### Professional background

<b>since 2022</b>	Genossenschaft ZFV-Unternehmungen, CEO and Delegate of the Board of Directors
<b>2019–2022</b>	Genossenschaft ZFV-Unternehmungen, Chairwoman of the Board of Directors, also CEO 2021–2022
<b>2017–2019</b>	Genossenschaft ZFV-Unternehmungen, Member of the Board of Directors
<b>2012–2017</b>	Fairtrade Max Havelaar, CEO Switzerland
<b>2005–2012</b>	Fairtrade Max Havelaar, Marketing/Commercial Director Switzerland, Global Account Management SteCo Fairtrade International
<b>2003–2005</b>	General Mills Europe Sarl, European Marketing Manager
<b>1999–2003</b>	The Coca-Cola Company, various functions in brand and innovation management

### Other activities and interests

<b>since 2023</b>	GfM Schweizerische Gesellschaft für Marketing, Member of the Board
<b>since 2020</b>	Pax, Schweizerische Lebensversicherungs AG, Member of the Board of Directors, Chairwoman of the Personnel and Organisation Committee
<b>since 2015</b>	ZHAW School of Management and Law, Member of the International Advisory Board

### Key competencies

Nadja Lang possesses extensive international business and management experience in consumer goods and food service companies. She brings particular expertise to the Board in the areas of strategy and transformation, marketing, sales, sustainable value chains, people and culture, and ESG.



## Hubert Muff

Member of the Board of Directors since 2022

### Professional background

- since 2014** Farm in Windblösen Neuenkirch, Manager
- 2010–2013** Krieger AG Ruswil, Dispatcher
- 2006–2009** Farm in Windblösen Neuenkirch, Farmer
- 2006–2007** Baumann Sempach forestry team, Forestry Worker

### Other activities and interests

- since 2021** Genossenschaft Zentralschweizer Milchproduzenten (ZMP), Member of the Board
- since 2014** Windblösen Neuenkirch dairy cooperative, President

### Key competencies

Hubert Muff brings to the Board experience of the management of an agricultural business, of associations involved in the agriculture and dairy industry, of the Swiss domestic market, of politics and of implementing alternative energy projects.



## **Diana Strebel**

Member of the Board of Directors since 2012

### **Professional background**

- 2009–2023** Strebel-Birt AG consultancy firm for brand management, marketing and communications, Managing Director and Co-founder
- 2005–2009** Interbrand Zintzmeyer & Lux AG, Managing Director
- 2005–2009** Interbrand Europa, Chief Operating Officer
- 1981–2003** Various advertising agencies, including as Deputy CEO at Publicis Group and CEO at Wunderman AG; founder and co-owner of Aebi, Strebel AG

### **Other activities and interests**

- since 2011** Globalance Bank AG, Vice President of the Board of Directors
- since 2009** Ricola AG, Member of the Board of Directors

### **Key competencies**

Diana Strebel possesses extensive international business and management experience. In particular, she brings to the Board her expertise and experience in strategy and transformation, marketing, communications and international expansion.





## Werner Weiss

Member of the Board of Directors since 2022

### Professional background

<b>since 1992</b>	Family farm in Feldheim Meierskappel, Farm Manager
<b>1991</b>	Farm in Feldheim Meierskappel, employee
<b>1989–1991</b>	Röllin AG milk transporters in Hirzel
<b>1990</b>	Eberle Zimmerei Holzbau carpentry firm in Edlibach
<b>1988–1989</b>	Röllin AG engine overhaulers in Hirzel
<b>1987</b>	Farm in Moos Hünenberg

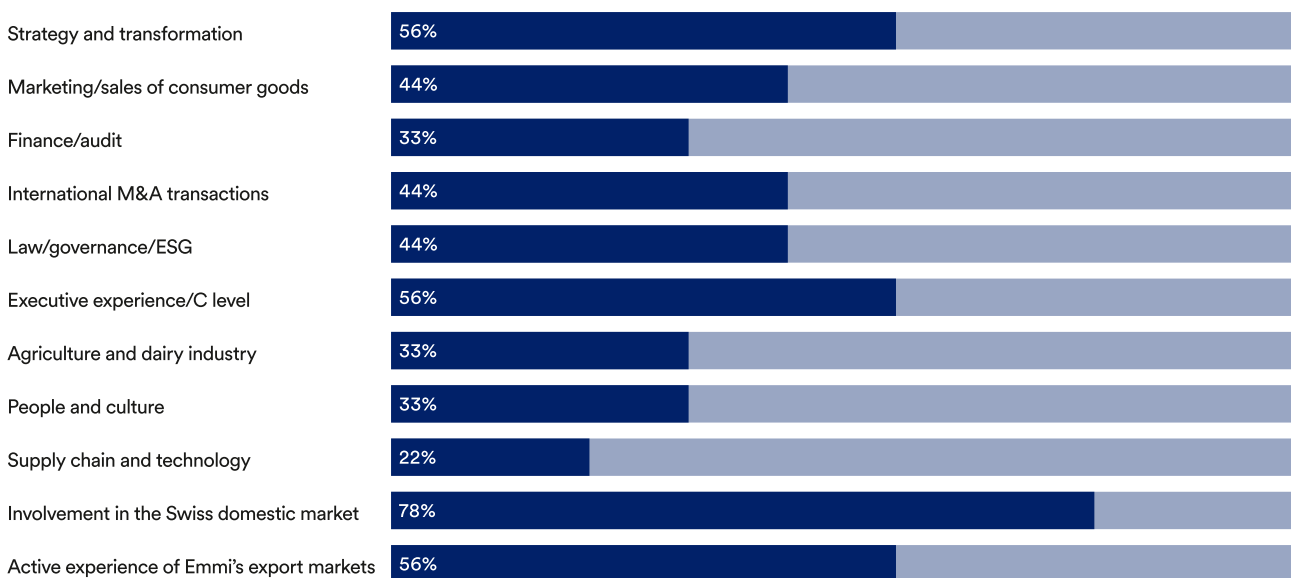
### Other activities and interests

<b>2020–2024</b>	ZMP Invest AG, Member of the Board of Directors
<b>2005–2024</b>	Genossenschaft Zentralschweizer Milchproduzenten (ZMP), Member of the Board, Member of the Personnel Committee
	Various roles in agricultural organisations in Switzerland and commissions of Meierskappel municipality and surroundings

### Key competencies

Werner Weiss brings to the Board experience of the management of an organic agricultural business, of associations involved in the agriculture and dairy industry, of the Swiss domestic market, of politics and of implementing greening.

### Allocation of competencies within the Board of Directors



The composition of the Board of Directors ensures that the necessary skills and experience are represented in line with Emmi's status as a listed company, its business portfolio, strategic focus, geographical reach, culture and values. The members of the Board of Directors individually identify their most important competencies, which are based on their educational background, professional experience and personal achievements.

The Board reviews the required areas of competence annually and also assesses individual competencies to ensure that the Board has an appropriate balance of skills, expertise, experience and diversity. Sustainable development topics are discussed regularly at meetings of committees and the full Board of Directors. Further training is encouraged and logged. Investment proposals are reviewed for all sustainability aspects.

### **3.3 Permitted number of activities**

The members of the Board of Directors may hold a maximum of five mandates in listed legal entities and eight mandates in non-listed legal entities. In practice, the limits permitted by the Articles of Association are far from fully exhausted.

### **3.4 Election and term of office**

The first election of members can be seen in the table in section [3.1 Members of the Board of Directors](#). The term of office of members of the Emmi Board of Directors is one year and accordingly lasts until the General Meeting 2025. Re-election is permitted, subject to an internal regulation passed by the Board of Directors on age limits and terms of office. The members of the Board of Directors and the Personnel and Compensation Committee are elected by the General Meeting, with the period between one Ordinary General Meeting and the end of the next deemed to be one year. The Chairman is elected by the General Meeting from among the members of the Board of Directors. Elections to the Board of Directors are generally carried out as individual elections. All votes and elections are carried out by open ballot unless a majority requests a secret ballot.

## 3.5 Internal organisation

### 3.5.1 Allocation of duties within the Board of Directors

The table below illustrates the areas of responsibility within the Board of Directors.

	Audit Committee	Market Committee	Personnel and Compensation Committee
<b>Urs Riedener</b> Chairman of the Board of Directors	●	●	● (Chairman)
<b>Thomas Grüter</b> Vice-Chairman of the Board of Directors		●	●
<b>Monique Bourquin</b> Member		●	●
<b>Dominik Bürgy</b> Member	●		●
<b>Christina Johansson</b> Member	● (Chairwoman)		
<b>Nadja Lang</b> Member		●	
<b>Hubert Muff</b> Member	●		
<b>Diana Strebel</b> Member		● (Chairwoman)	
<b>Werner Weiss</b> Member			

The Board of Directors subjects its work and the work of the committees to a self-evaluation once a year. This involves assessing the company's own performance, organisation, work processes, competencies and responsibilities in accordance with the organisational regulations, the composition and diversity of the Board of Directors, the renewal process and cooperation with Group Executive Management. Based on this, the Board of Directors determines any measures that are needed. An external assessment is conducted from time to time, most recently in 2020. Another external evaluation is planned in the years ahead.

### 3.5.2 Composition, duties and delimitation of responsibilities of the committees

The composition of the committees is shown in the previous table.

The **Audit Committee** supports the Board of Directors in monitoring the management of the company, in particular from a financial perspective. As a body, it is entitled at any time to inspect all documents necessary for the performance of its duties and to request comprehensive information from all offices in the Group and the external auditors. It comprises at least three members of the Board of Directors, one of whom is the Chairman of the Board of Directors. Its meetings are attended by the CEO, CFO, Head Group Controlling, Head Internal Audit and, on invitation, the external auditor in charge.

The Audit Committee deliberates on and approves:

- the auditing plan and the personnel budget of internal Audit
- the appointment and dismissal of the Head Internal Audit
- the audit plan and the remuneration budget for the external auditors
- the approval of additional consulting engagements to the external auditors once the cumulative fees for consulting engagements during the financial year exceed 30% of the audit fee budget approved for the financial year
- the auditors for consolidated subsidiaries where these differ from the Group auditors
- financial instruments and counterparty credit limits for financial transactions.

The Audit Committee assesses the following, in particular, for the Board of Directors in an advisory or preparatory capacity:

- the fundamental design of the accounting system, organisation and content of financial controlling, including the internal audit
- the effectiveness and independence of the internal auditors
- the selection of the Group auditors
- the effectiveness and independence of the external auditors
- the results of internal and external audits and the monitoring of action plans by management based on these results
- the consolidated and annual financial statements of Emmi AG and the results of the subsidiaries
- the financial ambitions of the Group companies and the Group during the strategy period
- the target-setting system that serves as a basis for setting annual financial targets
- the annual financial targets of the Group companies and the Group
- the total investments for the subsequent year
- multi-year investment and liquidity planning
- the rolling forecast
- risk management
- evaluation of the main risks and of the measures based on them
- business relationships with financial institutions
- financial reporting to shareholders and the public
- annual reporting on “non-financial issues” and “fulfilment of the due diligence obligation” regarding child labour
- legal proceedings and out-of-court settlement of disputes whose outcome may have implications for the financial situation of the Group
- tax rulings (offsets, fines and settlements resulting from tax audits), restructuring and reorganisation rulings with a tax effect on net income of more than CHF 2.0 million
- the Audit Committee is authorised to view all documents necessary for the performance of its duties and to request comprehensive information from all areas of the Group, as well as from the external auditors, at any time.

The **Market Committee** supports the Board of Directors in monitoring the management of the company, in particular from a medium and long-term perspective. It offers recommendations on the basic organisation of the brand, product and market strategy as preparation for the corporate strategy. At least once a year the Market Committee holds a meeting that focuses on the sustainability strategy and progress in implementation. It comprises at least three members of the Board of Directors, with one of those members being the Chairman of the Board of Directors. Its meetings are attended by the CEO, Chief Marketing Officer and, on invitation, other members of Group Executive Management and management. The Market Committee has no approval power.

The Market Committee assesses or processes the following for the Board of Directors in an advisory or preparatory/ follow-up capacity:

- the organisation based on the strategy
- merger and acquisition projects based on the strategy of portfolio development of products and markets
- strengthening focus areas and innovations based on the strategy
- preparing strategy reviews and changes, including concerning sustainable development
- the development of key customers and markets, as well as critical business units
- the controlling of major projects and major acquisitions
- portfolio development of products and markets, not linked to strategy.

The **Personnel and Compensation Committee** supports the Board of Directors in monitoring the management of the company, in particular from a personnel perspective and regarding compensation topics. It comprises at least three members of the Board of Directors, one of whom is the Chairman of the Board of Directors. Its meetings are attended by the CEO and the Chief Human Resources Officer on invitation.

The Personnel and Compensation Committee deliberates on and approves:

- the remuneration system for management and employees
- the remuneration for the Chairman of the Board of Directors, the members of the Agricultural Council, the CEO and the other members of Group Executive Management (taking into account the ceiling amounts approved by the General Meeting)
- nomination of the employer representation in the Emmi Pension Foundation and the Emmi Welfare Foundation
- other mandates of the members of the Board of Directors and Group Executive Management.

The Personnel and Compensation Committee elects and removes the members of Group Executive Management and the members of the extended Group Executive Management, with the exception of the CEO. Sustainability topics and metrics are discussed regularly.

The Personnel and Compensation Committee assesses or processes the following, in particular, for the Board of Directors in an advisory or preparatory capacity:

- the remuneration system for the compensation of the Board of Directors
- special remuneration for members of the Board of Directors tasked with special functions
- the remuneration system for the compensation of Group Executive Management
- the ceiling amounts for remuneration of the Board of Directors and Group Executive Management for approval by the General Meeting (see [3.1 Approval model of the General Meeting](#) in the Compensation report)
- the total amount of salary adjustments and bonuses for employees
- the composition of Group Executive Management
- succession planning and the evaluation of candidates for the Board of Directors according to election regulations
- succession planning for the Chairman of Group Executive Management and, at the request of the CEO, for the members of Group Executive Management
- the succession planning system in the Emmi Group.

### 3.5.3 Working methods of the Board of Directors and its committees

As a rule, the Emmi Board of Directors and its committees meet as often as business requirements dictate, but at least quarterly. The Personnel and Compensation Committee generally meets twice a year. In the year under review, the Board of Directors held ten half-day meetings and one all-day meeting. The Audit Committee met six times for three hours each, and the Market Committee four times for three hours each. The Personnel and Compensation Committee met six times for two hours each. The meeting durations are averages. Attendance at all meetings of the Board of Directors and its three committees was 99% (see the following table).

The [Organisational Regulations](#) (in German) and relevant sections of the mandate agreements cover the handling of conflicts of interest and the associated obligations to disclose and abstain. The [Code of Conduct](#) also deals with conflicts of interest. No conflicts of interest were identified during the year under review apart from the relationship with the main shareholder, which has been disclosed.

	Board of Directors		Committee	
	Board of Directors	Audit Committee	Personnel and Compensation Committee	Market Committee
<b>Urs Riedener</b> Chairman	10/10	6/6	6/6	4/4
<b>Thomas Grüter</b> Vice-Chairman	10/10		6/6	4/4
<b>Monique Bourquin</b> Member	10/10		6/6	4/4
<b>Dominik Bürgy</b> Member Personnel and Compensation Committee since 11.4.2024	10/10	6/6	5/6	
<b>Christina Johansson</b> Member	9/10	5/6		
<b>Nadja Lang</b> Member	10/10			4/4
<b>Hubert Muff</b> Member	10/10	6/6		
<b>Diana Strebel</b> Member	10/10			4/4
<b>Werner Weiss</b> Member	10/10			

Meetings held by the Board of Directors are also attended by the CEO, the CFO and, depending on the topic, other members of Group Executive Management and management. Certain individual items on the agenda are handled exclusively by the members of the Board of Directors. The entire Group Executive Management participates in the strategy meeting held by the Board of Directors, as does the Head Corporate Development. The inclusion of members of Group Executive Management in meetings held by the committees is described for the individual committees in section [3.5 Internal organisation](#). With the exception of the Audit Committee, the Emmi Board of Directors holds its meetings without any external experts. An external legal expert was consulted at a meeting of the Board of Directors in 2024. The Chairman of the Board of Directors is a member of all committees for the purposes of coordinating the various committees of the Board of Directors and integrating the Board of Directors as a whole.

The chairpersons of the committees report to the Board of Directors at every Board meeting regarding their activities and results, and record details of their consultations and decisions in minutes that are distributed to all members of the Board of Directors. If any important issues arise, the Board of Directors is informed immediately following the meeting.

Overall responsibility for the duties assigned to the committees remains with the Emmi Board of Directors. The decisions of the Board of Directors are made with an absolute majority of the votes cast. In the event of a tied vote, the Chairman has the casting vote.

### 3.6 Definition of responsibilities between the Board of Directors and Group Executive Management

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 [Art. 716a of the Swiss Code of Obligations](#). On this basis, it deliberates on and determines issues including:

- the financial and non-financial ambitions of the Group companies and the Group during the strategy period
- the target-setting system that serves as a basis for setting annual financial targets
- identifying the impact of the Group on the environment, the economy and society, and actions taken to avoid, limit and mitigate these
- the annual financial targets of the Group companies and the Group
- the total investments for the subsequent year
- the annual and half-year results
- preparing the annual non-financial report and the annual due diligence report regarding child labour
- the Group structure up to and including Group Executive Management
- the salary policy, in particular the remuneration system for the compensation of the members of the Board of Directors, the remuneration system for the compensation of Group Executive Management, the total amount of salary adjustments and bonuses for employees
- ceiling amounts for remuneration of the Board of Directors and Group Executive Management for approval by the General Meeting (for approval model, see section [3.1 Approval model of the General Meeting](#) in the Compensation report 2024)
- the evaluation of the main risks
- multi-year financial and liquidity planning
- strategy-relevant cooperations and agreements, in particular the purchase and sale of participations, companies, etc.
- Group regulations
- incorporation, merger and dissolution of companies other than wholly-owned companies
- the approval of members of the Board of Directors of consolidated subsidiaries
- the nomination of candidates for the Board of Directors for the attention of the General Meeting

All other areas of management that are not reserved for the Board of Directors by law or the [Organisational Regulations](#) (in German) ([www.emmi.com](http://www.emmi.com) > Media & Investors > Reports & Downloads > Corporate Governance > Organisational Regulations Emmi AG) are delegated in full by the Board of Directors to the Chairman, CEO and Group Executive Management.

The Chairman and CEO also have regular discussions on how to engage with stakeholders and with which ones. The results of these discussions are supplemented by the experience of the Board of Directors and examined each year in a field analysis. When practical and meaningful, they feed in to the planning documents.

The Board of Directors can, at any time, on a case-by-case basis or on the basis of general powers reserved, intervene in the duties and areas of competence of the corporate bodies that report to it.

The **CEO** is the Chairwoman of Group Executive Management. She leads, supervises and coordinates the members of Group Executive Management and – for Group tasks – of the extended Group Executive Management, and grants them the necessary authority to perform their functions. In particular, they are responsible for implementing strategic objectives, defining operational thrusts and priorities, and providing the necessary material and personnel resources for this purpose. She communicates regularly with the Chairman of the Board of Directors and the Board of Directors as a whole regarding business developments.



The **members of Group Executive Management** consistently ensure the implementation of strategic Group management. They manage the subsidiaries from a financial point of view and influence their strategic orientation. Their areas of competence and responsibility are determined, in particular, by instructions from the CEO and the approved financial goals by the Board of Directors, as well as by the business strategy defined by the Board of Directors, which also includes non-financial strategies and targets.

The **members of the extended Group Executive Management** selectively fulfil strategic projects assigned to them by the CEO as part of their activities as long-standing former members of the Executive Board.

### 3.7 Information and control instruments vis-a-vis Group Executive Management

The Emmi Board of Directors is informed at every meeting by the Chairman, the chairpersons of the committees, the CEO, the CFO and depending on the agenda item by other members of Group Executive Management about current business developments, the financial situation and key business events. Important functions report directly to the full Board of Directors once a year on strategically important issues; the Head Group Sustainability does so similarly on sustainability matters. Additional information is provided during committee meetings. In the case of significant acquisitions, the Market Committee or delegations from the Board of Directors visit the companies concerned to assess the situation first-hand. The Chairman of the Board of Directors meets with a local Executive Board twice a year on average.

In addition to the meetings, every member of the Board of Directors can, having first informed the Chairman of the Board of Directors accordingly, request information from the members of Group Executive Management about business developments and, with the authorisation of the Chairman, about individual transactions. The Chairman is kept up to date by the CEO on a regular basis, at least once every two weeks, and receives the minutes of all Group Executive Management meetings. He and the CEO ensure an appropriate flow of information between Group Executive Management and the Board of Directors. Extraordinary incidents such as financial deviations, reputational risks and misconduct are brought to the attention of the members of the Board of Directors immediately by means of circular letter.

Additional information and control systems are:

- Management Information System (MIS): Members of the Board of Directors receive a detailed Group Executive Management Report, containing in-depth information on the company's financial position, on a monthly basis. The members of the Audit Committee receive a quarterly Group Treasury Report. A rolling prognosis for the following 18 months is additionally created at least three times a year. The Board of Directors is sent these documents and informed in detail about their contents.
- Risk management process: At least once a year, the Board of Directors is informed by the CEO regarding the main risks and their assessment on the basis of relevance and likelihood of occurrence. The Board of Directors approves the risk management measures defined by Group Executive Management for implementation and monitors their progress (see [Notes to the consolidated financial statements of the Emmi Group](#) in the Annual Report 2024).
- External and internal audit: Details of the external auditor are provided in section [8. Auditors](#). Internal Audit is a management tool used by the Board of Directors and Group Executive Management, and as such forms a fundamental part of the internal control system. It is directly associated with the Chairwoman of the Audit Committee, as well as the Audit Committee as a whole, through participation in its meetings, which are held at least quarterly (six meetings in the year under review). The Audit Committee approves the audit programme and the annual planning; it also receives all auditor's reports and is kept informed at its meetings of all findings and the resulting measures. In addition, the Head Internal Audit regularly meets with the Chairwoman of the Audit Committee.

Internal Audit works in accordance with standards defined in the Audit Manual and carries out audits in the entire Emmi Group. These audits involve assessing the risk potential in corporate governance, business processes and information systems of the company in terms of the reliability and integrity of accounting data and other fundamental information, the efficacy and efficiency of business processes, the securing of tangible and non-tangible business assets, and compliance with laws, ordinances and agreements. Internal Audit also works closely together with the external auditors and carries out special audits at the request of the Audit Committee. It evaluates the effectiveness of the internal and external control systems, as well as the risk management of the Emmi Group. Compliance is also supported and jointly monitored by the Legal department.

# 4. Group Executive Management

## 4.1 Members of Group Executive Management



Members of Emmi Group Executive Management from left (as at the balance sheet date): Marc Heim, Raffael Payer, Oliver Wasem, Natalie Rüedi, Ricarda Demarmels (CEO), Kai Könecke, Jonas Leu, Robin Barraclough

	Year of birth	Nationality	Education	Current function
<b>Ricarda Demarmels</b>	1979	Swiss	Business Economist lic. oec. HSG	Chief Executive Officer (CEO)
<b>Marc Heim</b>	1967	Swiss	Business Economist lic. oec. HSG	Deputy CEO, Executive Vice President Switzerland
<b>Robin Barraclough</b>	1967	British/ Swiss	Economist	Executive Vice President Europe
<b>Kai Könecke</b>	1966	German	Dipl.-Ing. Mechanical Engineering	Chief Supply Chain Officer
<b>Jonas Leu</b>	1983	Swiss	Master in Food Science ETH Stanford Executive Program	Executive Vice President Americas
<b>Raffael Payer</b>	1981	Swiss	Master of Arts in Strategy & International Management HSG	Chief Marketing Officer
<b>Natalie Rüedi</b>	1971	Swiss	Certified Primary School Teacher EMBA, Lucerne University of Applied Sci- ences and Arts	Chief Human Resources Officer
<b>Oliver Wasem</b>	1971	Swiss	Master in Economics lic. oec. publ. Swiss Certified Public Accountant	Chief Financial Officer

## 4.2 Professional background and other activities and interests



### Ricarda Demarmels

CEO and Chairwoman of Group Executive Management since 2023, Member of Group Executive Management since 2019

#### Professional background

<b>2019–2022</b>	Emmi Group, Chief Financial Officer
<b>2015–2018</b>	ORIOR Group, Chief Financial Officer
<b>2009–2014</b>	Capvis Equity Partners Switzerland, Investment Director
<b>2005–2009</b>	Oliver Wyman Financial Services, Project Manager
<b>2002–2003</b>	Swiss National Bank, Research Assistant

#### Other activities and interests

<b>since 2024</b>	Swiss-American Chamber of Commerce, Member of the Board of Directors
<b>since 2024</b>	HSG Advisory Board of the University of St. Gallen, Member
<b>since 2018</b>	Sensirion AG, Member of the Board of Directors, Chairwoman of the Audit Committee and Chairwoman of the Independent Directors' Committee



### Marc Heim

Executive Vice President Switzerland and Deputy CEO since 2017, Member of Group Executive Management since 2009

#### Professional background

<b>2014–2016</b>	Emmi Group, Executive Vice President Europe
<b>2009–2013</b>	Emmi Group, Head Sales
<b>2004–2009</b>	Halter Bonbons AG, Managing Director
<b>1999–2004</b>	Kambly AG, various management roles
<b>1992–1999</b>	Effems AG (now Mars Schweiz AG), various positions

#### Other activities and interests

<b>since 2023</b>	Reitzel Group, Member of the Board of Directors
<b>since 2022</b>	Promarca (Swiss branded goods association), Member of the Executive Committee
<b>since 2022</b>	Foodward, Member of the Council



### Robin Barraclough

Executive Vice President Europe since 2017, Member of Group Executive Management since 2009

#### Professional background

<b>2014–2016</b>	Emmi Group, Chief Marketing Officer
<b>2009–2014</b>	Emmi Group, Head Marketing
<b>2008</b>	Kraft Foods, management of the coffee business in the German-speaking parts of Europe
<b>1991–2007</b>	Mars Incorporated, various managerial marketing roles at national and international level, latterly Senior Member of the Marketing Leadership Team at the European Masterfoods headquarters in Bremen (Germany)



### **Kai Könecke**

Chief Supply Chain Officer and Member of Group Executive Management since 2017

#### **Professional background**

- 2012–2016** Unilever Germany-Austria-Switzerland, Managing Director Supply Chain (D-A-CH)
- 2011–2012** Amazon, General Manager, Fulfillment Center Rheinberg (Germany)
- 2006–2011** Mars (Effems) Germany, Plant Director of the facility in Viersen (Germany)
- 1993–2006** Mars (Effems) Germany, various roles in Supply Chain, including Head of Logistics Germany and Head of Development of Supply Chain Management Europe



### **Jonas Leu**

Executive Vice President Americas and Member of Group Executive Management since 2022

#### **Professional background**

- 2021** Emmi Group, Deputy Executive Vice President Americas
- 2020** Emmi Group, Managing Director Quillayes Surlat SpA, Chile
- 2016–2019** Emmi Group, Managing Director Surlat Corporación SA, Chile
- 2013–2016** Emmi Group, Industry Manager Kaiku, Spain
- 2011–2012** Emmi Group, Managing Director of Nutrifrais SA, Geneva
- 1999–2011** Emmi Group, apprenticeship and various roles in production, quality management, development and engineering at different national locations



## Raffael Payer

Chief Marketing Officer and Member of Group Executive Management since 2023

### Professional background

<b>2022–2023</b>	Ghirardelli Chocolate Company, USA, Vice President of Restaurant, Retail & E-Commerce
<b>2019–2022</b>	Ghirardelli Chocolate Company, USA, Vice President of Marketing
<b>2016–2019</b>	Lindt & Sprüngli, Russia, Marketing Director
<b>2014–2016</b>	Mars Schweiz AG, Key Account Manager
<b>2012–2014</b>	Mars Schweiz AG, Group Brand Manager Bars
<b>2011–2012</b>	Mars Schweiz AG, Brand Manager Bars

### Other activities and interests

<b>since 2024</b>	Ehrenberg-Bass Institute for Marketing Science, Member of the European Advisory Board
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## Natalie Rüedi

Chief Human Resources Officer since 2014, Member of Group Executive Management since 2011

### Professional background

<b>2009–2013</b>	Emmi Group, Head Human Resources, Member of extended Group Executive Management until 2010
<b>2004–2009</b>	Emmi Group, responsible for developing and heading up staff development
<b>2000–2004</b>	Emmi Group, Human Resources Specialist
<b>1992–2000</b>	Teacher and headmistress at a primary school

### Other activities and interests

<b>since 2020</b>	OPES Holding SA and other OPES Group companies, Member of the Board of Directors
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## **Oliver Wasem**

Chief Financial Officer and Member of Group Executive Management since June 2024

### **Professional background**

<b>since 2021</b>	Chairman of the Foundation Board of the Emmi Pension Foundation
<b>2023–2024</b>	Emmi Group, Head Investor Relations
<b>2013–2024</b>	Emmi Group, Head Group Controlling and Deputy Group CFO
<b>2011–2012</b>	Forbo Group, Head Corporate Controlling & Reporting and Deputy Group CFO
<b>2003–2011</b>	PwC (PricewaterhouseCoopers), Advisory, Director
<b>1998–2002</b>	Arthur Andersen, accountancy and consulting, Senior Consultant

## **4.3 Permitted number of activities**

The members of Group Executive Management may hold a maximum of two mandates in listed and five mandates in non-listed legal entities. In practice, the limits permitted by the Articles of Association are far from fully exhausted.

## **4.4 Management contracts**

No management contracts exist.



## 5. Compensation, participations and loans

Information on remuneration, the definition process, statutory rules, participations, and loans and credits to members of the Board of Directors and Group Executive Management can be found in the Compensation report (see [Compensation report for the year under review](#)).

## 6. Shareholders' rights of co-determination

### 6.1 Restrictions on voting rights and proxies

Emmi's Articles of Association contain no restrictions on voting rights. A shareholder who has voting rights may represent their shares themselves at the General Meeting or grant a power of attorney in writing to a representative of their choice or the independent proxy. Power of attorney and instructions to the independent proxy may be issued electronically.

### 6.2 Statutory quorum

Unless the law stipulates otherwise, the General Meeting passes its resolutions and performs its elections by a majority of the voting rights represented. In addition to the legal exceptions, the resolution concerning the amendment of the provision of the Articles of Association relating to the restrictions on registration (see section [2.6 Restrictions on transferability and nominee registration](#)) also requires at least two-thirds of voting rights represented and the majority of shares represented.

### 6.3 Convening of the General Meeting

The Ordinary General Meeting takes place annually, at the latest six months after the end of the financial year. It is convened by the Board of Directors. The procedure for convening Extraordinary General Meetings is governed by the applicable legal provisions.

The Board of Directors decides whether a General Meeting is held physically or virtually, by electronic means, and whether shareholders who do not attend a physical General Meeting can exercise their rights electronically.

### 6.4 Agenda

Shareholders who individually or jointly represent at least 0.5% of the share capital or votes can request that items be placed on the agenda at the General Meeting. Such requests must be submitted to the Board of Directors in writing at least 45 days before the General Meeting, citing the motions concerned.

### 6.5 Entries in the share register

The share register is usually closed ten days prior to the General Meeting. The Board of Directors may approve exceptional subsequent entries on request. The effective closing date is published in the invitation to the General Meeting and in good time in the financial calendar on the Emmi website at: [www.emmi.com](http://www.emmi.com) > Media & Investors > [Financial calendar](#)

# 7. Change of control/Defensive measures

## 7.1 Obligatory offer

Emmi's Articles of Association include neither an "opting up" clause pursuant to [Art. 135 \(1\) FinMIA](#) nor an "opting out" clause pursuant to [Art. 125 \(4\) FinMIA](#) regarding the legal obligation to make a takeover bid.

## 7.2 Change-of-control clause

No contractual agreements exist for members of the Board of Directors, members of Group Executive Management or other management members in the event of a change in the controlling majority stake.

# 8. Auditors

## 8.1 Duration of the mandate and term of the Auditor in Charge

At the General Meeting 2014, KPMG, Lucerne, was elected as the new auditors for one financial year. Since then, they have been re-elected annually. According to the Articles of Association, their term ends with the approval of the financial statements for the relevant financial year. The Auditor in Charge, François Rouiller, has been in office since the General Meeting 2021. According to the provisions of the Swiss Code of Obligations, he may execute this mandate for a maximum of seven years.

## 8.2 Audit fees

For the year under review, the agreed audit fees for the performance of their mandate as statutory auditors (including the audit of the consolidated financial statements) amounted to a total of KCHF 1'432.

## 8.3 Additional fees

During the year under review, KPMG charged a total of KCHF 339 for additional services beyond the scope of their statutory mandate. These fees included KCHF 117 for audit related services, KCHF 183 for tax advice and KCHF 39 for other consulting services.

## 8.4 Information tools used by the external auditors

The supervision and monitoring of the auditors is exercised by the full Board of Directors. The Board of Directors' Audit Committee assesses the performance, invoicing and independence of the external auditors and provides the Board of Directors with corresponding recommendations. It also annually reviews the scope of the audit, the audit plans and the relevant procedures, and discusses the audit reports with the Auditor in Charge. Details of the term of the Auditor in Charge can be found in section 8.1. The report on the final audit of the annual accounts is also sent to all members of the Board of Directors for the final approval of the Annual Report. The Auditor in Charge attended three meetings of the Audit Committee in the year under review. Details on internal Audit are provided in section [3.7 Information and control instruments in dealings with Group Executive Management](#).

## 9. Information policy

**Investor Relations guidelines:** Emmi strives to maintain open and ongoing communication with shareholders, existing and potential investors, and other stakeholder groups. Emmi aims to provide rapid, real-time and transparent information about the company, its strategy and business developments, and to offer a truthful picture of Emmi's performance in the past and the present, as well as its future prospects. This picture is intended to reflect the assessment of the current situation of the company by Group Executive Management and the Board of Directors.

**Methodology:** Emmi publishes an extensive Annual Report every year that presents operating activities, corporate governance and financial reporting for the current year, drafted and audited in accordance with [Swiss GAAP FER](#). A half-year report is also published.

Furthermore, media releases are published about events relevant to the share price, such as acquisitions, minority or majority shareholdings, joint ventures and alliances in accordance with guidelines relating to ad-hoc publicity. Important announcements, in particular half- and full-year results, are accompanied by presentations together with press and analyst conferences or analyst calls.

Emmi meets during the course of the year with institutional investors both in Switzerland and abroad, presents its published results on a regular basis, organises road shows and holds meetings with individual institutional investors and groups. The main point of contact for these meetings and presentations is the Head Investor Relations. The meetings and presentations focus on Emmi's financial results, its strategic orientation and the current initiatives of the Group.

Emmi uses the Internet in order to ensure rapid, real-time and consistent distribution of information. The company's website features an electronic information tool that enables shareholders and other interested parties to add their names to an electronic distribution list: [www.emmi.com](http://www.emmi.com) > Media & Investors > [Emmi News Service](#)

Media releases and investor information can be accessed via the following link:  
[www.emmi.com](http://www.emmi.com) > Media & Investors > [Media releases](#)

Notifications to SIX Exchange Regulation of participations that exceed the level at which notification becomes obligatory can be found via the following link: [www.six-group.com](http://www.six-group.com) > Market Data > Shares > List of Equity Issuers > Symbol/company = Emmi > [Emmi AG](#)

Contact for Investor Relations: Emmi Management AG, Corporate Communications & IR, Landenbergstrasse 1, P.O. Box 2570, CH-6002 Lucerne, Phone +41 58 227 50 69, email [ir@emmi.com](mailto:ir@emmi.com), [www.emmi.com](http://www.emmi.com)

### Important dates:

- The annual results press conference on the occasion of the publication of the annual results is scheduled for 26 February 2025.
- The General Meeting will take place on 10 April 2025. All registered shareholders will receive an invitation to the General Meeting by post or (if selected) by email.
- The next business results (half-year results 2025) will be published on 20 August 2025.

## **10. Trading blackout periods**

For members of the Board of Directors, Group Executive Management and the global management teams (management level 2) and other selected employees – primarily from the Finance and Corporate Communications departments – a general ban on trading in Emmi shares, bonds, options and derivatives applies for a defined period prior to the publication of the annual and half-year results. These general trading blackout periods extend from the first working day in January and July until after publication of the annual and half-year results. No exceptions are foreseen.



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# 1. Guidelines

Productive employees with integrity are the key factor in Emmi's success. They enable objectives to be met through their commitment, mutual respect and honest business practices. In this way, they contribute to the sustainable growth of the Group. Remuneration is only one part of the overall reward: respect, meaningful work, responsible organisation of the working environment and opportunities for further development are just as important.

The Board of Directors supports employees and thus the corporate strategy with an appropriate remuneration policy, i.e. one that is performance-focused and in line with market conditions and that incorporates the company's commercial development. Basic remuneration should reflect the requirements, skills and responsibilities of the respective role, as well as the performance and conduct of the employee. In addition, it should provide income security. The variable remuneration component at management level strengthens shared responsibility. It focuses performance and conduct on sustainable business development and provides the opportunity to share in the company's success.

The Board of Directors firmly believes that the aforementioned factors improve and reward job motivation while at the same time reflecting Emmi's corporate values. It therefore considers a share and option programme to be unnecessary at present, also with a view to a simple and transparent remuneration system.

With regard to the remuneration of the company's management, [Art. 31 \(1\) of the Articles of Association of Emmi AG](#) ([report.emmi.com](http://report.emmi.com) > Download-Center > Corporate Governance > Articles of Association Emmi AG) states: Remuneration of members of the Board of Directors, Group Executive Management and any advisory body should be adequate, competitive and performance-based and should be determined in accordance with the strategic objectives and success of the Emmi Group.

## 2. Remuneration system

### 2.1 Remuneration components

The remuneration of the Board of Directors is a fixed remuneration. Aspects of sustainability, like other individual aspects, do not form part of the remuneration policy of the Board of Directors. The remuneration of Group Executive Management comprises a fixed and a variable component. Variable means depending on success and performance in the previous financial year in connection with defined objectives (“bonus”). The variable remuneration of a member of Group Executive Management may not exceed the member’s fixed remuneration. No long-term variable component has been implemented. For further information on this topic, see section [2.3 Remuneration of Group Executive Management](#).

According to [Art. 31 \(3\) of the Articles of Association of Emmi AG \(report.emmi.com > Download-Center > Corporate Governance > Articles of Association Emmi AG\)](#), the company can issue equity securities, conversion or option rights, or other rights to equity securities to members of the Board of Directors and Group Executive Management as part of their remuneration. Emmi currently intentionally forgoes share or option plans or other share ownership programmes. This is intended to ensure that the remuneration system remains straightforward and transparent.

### 2.2 Remuneration of the Board of Directors

The remuneration of members of the Board of Directors is not related to performance. It is therefore purely basic remuneration, which is paid in cash. It comprises a basic salary and compensation for attending meetings. The amount of the remuneration reflects the time and work which the members invest to fulfil their duties in the Board of Directors, the three committees, the Agricultural Council and the two pension fund foundations. The members of the Board of Directors do not receive any bonus payments or other financial benefits such as employee terms and conditions or discounted share options. They have no entitlement to services or non-cash benefits.

The compensation for the Agricultural Council, and the manner in which it functions, is set out in [3.1.2 of the Sustainability Report](#). The maximum fixed remuneration of the Agricultural Council for the financial year 2024 approved at the General Meeting 2024 was complied with.

Once a year, the Personnel and Compensation Committee assesses the remuneration of the Board of Directors compared to listed (small and mid cap) and private Swiss companies. The Committee takes into account companies from the consumer goods sector with a similar level of internationalisation, together with firms based in the region from various sectors and of different sizes. Approximately 20 companies meeting the criteria given above, primarily from the food, machinery, plastics and retail industries, served as the comparison group. In addition, the Committee has access to an external benchmark study from 2021 which compared the remuneration of the Emmi Board of Directors with external salaries and analysed whether the current remuneration and remuneration structure were in line with the market. Another external evaluation is planned in the years ahead.

The basic remuneration and social security contributions as set out in the table in section [6. Remuneration for the year under review](#) are components of the fixed remuneration. The General Meeting approves this fixed remuneration as a maximum ceiling amount for the current financial year.

## 2.3 Remuneration of Group Executive Management

Remuneration of the members of Group Executive Management comprises a fixed and a variable remuneration component (short-term bonus). Both components are paid in cash.

The basic remuneration reflects the experience, knowledge and continuing performance of members of Group Executive Management, as well as the competitiveness in external market comparisons based on function-related salary benchmarks. The Personnel and Compensation Committee has access to an external study from 2021 for the purpose of comparing the adequacy and competitiveness of the total remuneration. The same comparison group was used for the function-related salary benchmark and for the assessment of the remuneration of the Board of Directors.

The basic remuneration, non-cash benefits (company car) and relevant social security and pension benefits as set out in the table in section [6. Remuneration for the year under review](#) are components of the fixed remuneration. The General Meeting approves this fixed remuneration prospectively as a maximum ceiling amount for the coming financial year.

The Personnel and Compensation Committee decides the fixed remuneration of the CEO and other members of Group Executive Management for the following year, taking into account the maximum ceiling amount approved by the General Meeting.

Variable remuneration: [Art. 31 \(2\) of the Articles of Association of Emmi AG \(report.emmi.com > Download-Center > Corporate Governance > Articles of Association Emmi AG\)](#) states that the variable remuneration paid to a member of Group Executive Management must not exceed the member's fixed remuneration. This is a bonus based on achievement of performance targets, which is paid in cash. The amount reflects the result of the previous financial year and comprises the following three criteria:

- Group performance (weighting 50%)
- Business area performance (weighting 30%)
- Achievement of individual performance targets (weighting 20%)

The measurement of business performance is based on the three pillars of sales, income and market share. For service areas, the relevant targets also relate to ongoing development with a view to providing the core business with continuously better support. Aspects of sustainability do not form part of the remuneration policy of Group Executive Management. The remuneration of the Chief Supply Chain Officer and the Chief Human Resources Officer are exceptions, as their areas of responsibility include relevant sustainability issues, which are implemented in the form of targets and actions in consultation with the other members of Group Executive Management.

The non-achievement of targets may lead to this remuneration not being paid at all in extreme cases; in the event of over-achievement of targets, it can increase up to a maximum of 120% of the target amount. The variable remuneration of the CEO and the other members of Group Executive Management is agreed by the Personnel and Compensation Committee in connection with the business results. The General Meeting approves the total variable remuneration from the previous financial year.

## 3. Responsibility and definition process

### 3.1 Approval model of the General Meeting

Art. 34 (1) of the Articles of Association of Emmi AG ([report.emmi.com](http://report.emmi.com) > Download-Center > Corporate Governance > Articles of Association 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 for the current financial year
- the maximum total amount of fixed remuneration for Group Executive Management for the following financial year
- the total amount of variable remuneration for Group Executive Management for the previous financial year.

The following **approval model** clarifies on which remuneration components and for which period the shareholders will vote on at the General Meeting 2025.

#### Approval model for the General Meeting 2025



### 3.2 Decision-making process

**Remuneration system:** The Board of Directors determines the principles of the remuneration system for the Board of Directors and Group Executive Management as part of its general overall management. The Personnel and Compensation Committee undertakes its regular review and assessment. In this respect, it supports the Board of Directors in determining the remuneration system. External experts are likely to be involved only in a fundamental restructuring of the remuneration system.

**Remuneration amounts:** The Personnel and Compensation Committee submits a proposal for the remuneration of the members of the Board of Directors and the Chairman to the Board of Directors. The Board of Directors decides annually on this remuneration and submits the maximum total remuneration to the General Meeting for approval.

The remuneration for the Chairman of the Board of Directors, the CEO and the other members of Group Executive Management is decided annually by the Personnel and Compensation Committee. The Board of Directors proposes the total amounts of the relevant remuneration to the General Meeting for approval. The results of votes held at general meetings can be found in the minutes: [report.emmi.com](http://report.emmi.com) > Download-Center > General Meeting > [Minutes of the General Meeting 2024](#) (in German).

### **3.3 Personnel and Compensation Committee**

With the exception of the remuneration of the members and Chairman of the Board of Directors, the Personnel and Compensation Committee decides on remuneration. It determines the recommendation for the remuneration of the Chairman of the Board of Directors and CEO (associate member) in compliance with the rules on abstention. For details of the composition, tasks and responsibilities of the Personnel and Compensation Committee, please see 3.5.1 Allocation of duties within the Board of Directors, 3.5.2 Composition, duties and delimitation of responsibilities of the committees and 3.5.3 Working methods of the Board of Directors and its committees in the [Corporate Governance](#) section.

## 4. Loans and credits

[Art. 32 \(2\) of the Articles of Association of Emmi AG \(report.emmi.com > Download-Center > Corporate Governance > Articles of Association Emmi AG\)](#) stipulates that the members of the Board of Directors and Group Executive Management may be granted advance payments up to a maximum of KCHF 1,000, in particular in the form of advances on costs for litigation connected to the activity of the person concerned as a member of the Board of Directors or Group Executive Management. These limits were not utilised in the financial year.

## 5. Proposals to the General Meeting

The proposed total amounts ensure the required level of entrepreneurial flexibility to be able to react to changes (additional members of the Board of Directors and Group Executive Management; transfers in committees; extraordinary occurrences; general reserve). There is no intention to use up the full ceiling amounts. [Art. 34 \(3\) of the Articles of Association of Emmi AG \(report.emmi.com > Download-Center > Corporate Governance > Articles of Association Emmi AG\)](#) provides for an additional amount of a maximum of 20% if additional or replacement members are appointed to Group Executive Management following approval of the fixed remuneration.

All amounts mentioned under point 5 are in KCHF.

### 5.1 Board of Directors

Approval of the total amount of fixed remuneration of the Board of Directors up to a maximum of KCHF 1,400 for financial year 2025.

Proposal to GM 2025 for full year 2025	Remuneration paid 2024 (see section 6)	Proposal to GM 2024 for full year 2024
<b>1,400</b> (ceiling amount)	1,243	1,300 (ceiling amount)

### 5.2 Group Executive Management fixed remuneration

Approval of the total amount of fixed remuneration of Group Executive Management up to a maximum of KCHF 5,650 for financial year 2026.

Proposal to GM 2025 for full year 2026	Proposal to GM 2024 for full year 2025	Fixed remuneration paid 2024 (see section 6)	Proposal to GM 2023 for full year 2024
<b>5,650</b> (ceiling amount)	5,540 (ceiling amount)	5,041	5,200 (ceiling amount)

### 5.3 Group Executive Management variable remuneration

Approval of the total amount of variable remuneration of Group Executive Management of KCHF 1,317 for financial year 2024.

Proposal to GM 2025 for full year 2024 (see section 6)	Variable remuneration 2023 paid in 2024	Proposal to GM 2024 for full year 2023
<b>1,317</b>	1,279	1,279

# 6. Remuneration for the year under review

in KCHF

	Fixed remuneration			Variable remuneration			Total previous year	
	Basic remuneration <sup>1)</sup>	Non-cash benefits	Other remuneration <sup>2)</sup>	Total fixed <sup>3)</sup>	Bonus <sup>1)</sup>	Total variable		Total fixed and variable
<b>Board of Directors</b>								
<b>Urs Riedener</b>								
Chairman (since 13.4.2023)	332	–	57	389	–	–	389	292
<b>Thomas Grüter</b>								
Vice-Chairman	111	–	36	147	–	–	147	122
<b>Monique Bourquin</b>								
Member	90	–	31	121	–	–	121	106
<b>Dominik Bürgy</b>								
Member	81	–	26	107	–	–	107	81
<b>Konrad Graber</b>								
Chairman (until 13.4.2023)	–	–	–	–	–	–	–	198
<b>Christina Johansson</b>								
Member	82	–	22	104	–	–	104	95
<b>Nadja Lang</b>								
Member (since 13.4.2023)	72	–	19	91	–	–	91	66
<b>Hubert Muff</b>								
Member	78	–	20	98	–	–	98	84
<b>Alexandra Post Quillet</b>								
Member (until 13.4.2023)	–	–	–	–	–	–	–	35
<b>Diana Strebel</b>								
Member	80	–	21	101	–	–	101	91
<b>Werner Weiss</b>								
Member	65	–	20	85	–	–	85	73
<b>Total Board of Directors</b>	<b>991</b>	<b>–</b>	<b>252</b>	<b>1,243</b>	<b>–</b>	<b>–</b>	<b>1,243</b>	<b>1,243</b>
<b>Group Executive Management</b>								
Ricarda Demarmels, CEO	733	4	198	935	374	374	1,309	1,249
Other members	3,231	32	843	4,106	943	943	5,049	4,553
<b>Total Group Executive Management</b>	<b>3,964</b>	<b>36</b>	<b>1,041</b>	<b>5,041</b>	<b>1,317</b>	<b>1,317<sup>4)</sup></b>	<b>6,358</b>	<b>5,802</b>

<sup>1)</sup> Basic remuneration and bonuses comprise payments already made or still to be made and social security and pension contributions made by the employee.

<sup>2)</sup> Other compensation comprises all additional benefits, such as pensions, child allowances and mandatory social security contributions made by the employer that are currently paid to the Board of Directors or to the members of Group Executive Management directly or that will be paid to them at a later stage after the end of their employment.

<sup>3)</sup> The remuneration of the Board of Directors also includes work in the committees, in the Agricultural Council (see Corporate Governance report for allocation of duties) and in the two pension fund foundations.

<sup>4)</sup> Subject to approval by the General Meeting.

## Loans and credits in the year under review

No loans or credits were granted or made to members of the Board of Directors or Group Executive Management in the year under review, and none were outstanding as at 31 December 2024. In addition, no loans or credits have been granted to former members of the Board of Directors or Group Executive Management, or to related parties of current or former members of the Board of Directors or Group Executive Management, and none were outstanding as at 31 December 2024.



## 7. Participations of members of the Board of Directors and Group Executive Management

At the end of the year, individual members of the Board of Directors and Group Executive Management (including affiliated persons) held the following number of shares in the company:

	No. of shares 31.12.2024	No. of shares 31.12.2023
<b>Board of Directors</b>		
Urs Riedener, Chairman	-	-
Thomas Grüter, Vice-Chairman	-	-
Monique Bourquin, Member	-	-
Dominik Bürgy, Member	-	-
Christina Johansson, Member	-	-
Nadja Lang, Member	-	-
Hubert Muff, Member	50	-
Diana Strebel, Member	-	-
Werner Weiss, Member	58	58
<b>Group Executive Management</b>		
Ricarda Demarmels, CEO	-	-
Marc Heim, Deputy CEO	150	150
Robin Barraclough, Member	20	20
Sacha D. Gerber, Member (until 30.6.2024)	-	-
Kai Könecke, Member	-	-
Jonas Leu, Member	-	-
Raffael Payer, Member	-	-
Natalie Rüedi, Member	-	-
Oliver Wasem, Member (since 1.7.2024)	-	-

The members of the Board of Directors and the Group Executive Management own a total of 278 shares (previous year: 228 shares) and thus hold 0.01% of the voting rights (previous year: 0.01%).

## 8. Other mandates

In accordance with [Art. 734e](#) of the Swiss Code of Obligations, the following list shows all other mandates which the members of the Board of Directors and Group Executive Management have in comparable functions in other companies with an economic purpose within the meaning of [Art. 626 \(2\) no. 1](#) of the Swiss Code of Obligations:

### 8.1 Board of Directors

#### Urs Riedener

<b>since 2024</b>	Risurs GmbH, owner and Managing Director
<b>since 2023</b>	Sandoz AG, Member of the Board of Directors, Chair HC & ESG Committee
<b>since 2022</b>	Schwarz Unternehmenstreuhand KG, Member of the Advisory Board, since 2024 limited partner
<b>since 2014</b>	Bystronic AG (formerly Conzzeta), Member of the Board of Directors, Chairman of the Personnel Committee

#### Thomas Grüter

<b>since 2021</b>	Genossenschaft Zentralschweizer Milchproduzenten (ZMP), Chairman
<b>since 2021</b>	ZMP Invest AG, Chairman
<b>since 2021</b>	Swiss Milk Producers (SMP), Member of the Board
<b>since 2021</b>	Swiss Farmers' Union, Member Chamber of Agriculture and Delegate
<b>since 1996</b>	Sonnhaldenhof St. Urban, Tenant Farmer and Employer

#### Monique Bourquin

<b>since 2023</b>	Swisscom AG, Member of the Board of Directors, Chair of the Compensation Committee
<b>since 2023</b>	Lindt & Sprüngli AG, Member of the Board of Directors, Chairwoman of the Compensation and Nomination Committee
<b>since 2023</b>	Rivella AG, Member of the Board of Directors
<b>since 2023</b>	Miroma AG, Member of the Board of Directors
<b>since 2021</b>	W. Kündig & Cie AG, Member of the Board of Directors
<b>since 2021</b>	Estarog AG, Managing Director
<b>since 2021</b>	Euqinorm GmbH, owner and Managing Director
<b>since 2017</b>	Promarca (Swiss branded goods association), President
<b>since 2017</b>	Kambly AG, Member of the Board of Directors

## Dominik Bürgy

<b>since 2024</b>	Forum Zürich, Chairman
<b>since 2022</b>	Logad Holding AG, Member of the Board of Directors
<b>since 2022</b>	Oritor AG, Member of the Board of Directors
<b>since 2022</b>	Ormand AG, Member of the Board of Directors
<b>since 2020</b>	Kuehne + Nagel International AG, Member of the Board of Directors
<b>since 2020</b>	Arban AG, Member of the Board of Directors
<b>since 2019</b>	Wenger & Vieli, Attorneys at Law, Partner
<b>since 2019</b>	Edelweiss AG, Member of the Board of Directors

## Christina Johansson (passed away 7 February 2025)

<b>2022–2025</b>	Dormakaba AG, CFO
<b>2021–2025</b>	About You AG, Member of the Supervisory Board and Chairwoman of the Audit Committee

## Nadja Lang

<b>since 2022</b>	Genossenschaft ZFV-Unternehmungen, CEO and Delegate of the Board of Directors
<b>since 2020</b>	Pax, Swiss Life Insurance Company Ltd, Member of the Board of Directors, Chairwoman of the Nomination and Compensation Committee

## Hubert Muff

<b>since 2021</b>	Genossenschaft Zentralschweizer Milchproduzenten (ZMP), Member of the Board
<b>since 2014</b>	Windblösen Neuenkirch dairy cooperative, President
<b>since 2014</b>	Farm in Windblösen Neuenkirch, Manager

## Diana Strebel

<b>since 2011</b>	Globalance Bank AG, Vice President of the Board of Directors
<b>since 2009</b>	Ricola AG, Member of the Board of Directors

## Werner Weiss

- 2020–2024** ZMP Invest AG, Member of the Board of Directors
- 2005–2024** Genossenschaft Zentralschweizer Milchproduzenten ZMP, Member of the Board, Member of the Personnel Committee
- since 1992** Family farm in Feldheim Meierskappel, Farm Manager

## 8.2 Group Executive Management

### Ricarda Demarmels

- since 2024** Swiss-American Chamber of Commerce, Member of the Board of Directors
- since 2024** HSG Advisory Board, Member
- since 2018** Sensirion AG, Member of the Board of Directors, Chairwoman of the Audit Committee and Chairwoman of the Independent Directors Committee

### Marc Heim

- since 2023** Reitzel Group, Member of the Board of Directors
- since 2022** Promarca (Swiss branded goods association), Member of the Executive Committee
- since 2022** Foodward, Member of the Council

### Robin Barraclough

- since 2008** Prokopsche Family Foundation (Traismauer, Austria), Foundation Board

### Natalie Rüedi

- since 2020** OPES Holding SA and other OPES Group companies, Member of the Board of Directors

# 9. Auditor's report



## Report of the statutory auditor

To the General Meeting of Emmi AG, Lucerne

### Report on the Audit of the Remuneration Report

#### Opinion

We have audited the Remuneration Report of Emmi AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the chapters «6. Remuneration for the year under review», «7. Participations of members of the Board of Directors and Group Executive Management» and «8. Other mandates» on pages 87 to 91 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Remuneration Report complies with Swiss law and the Company's articles of incorporation.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the chapters «6. Remuneration for the year under review», «7. Participations of members of the Board of Directors and Group Executive Management» and «8. Other mandates» in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Board of Directors' Responsibilities for the Remuneration Report**

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

**Auditor's Responsibilities for the Audit of the Remuneration Report**

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

A handwritten signature in black ink, appearing to read 'FR-11'.

François Rouiller  
Licensed Audit Expert  
Auditor in Charge

A handwritten signature in black ink, appearing to read 'MO'.

Manuel Odoni  
Licensed Audit Expert

Lucerne, 25 February 2025





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# Income statement

## Sales

The Emmi Group achieved good, completely volume-driven organic growth of 2.4% in the 2024 financial year, exceeding the Group's own forecast of 1% to 2% thanks to a significant acceleration in growth in the second half of 2024. The broad-based organic growth reflects the consistent strategy implementation and strong market positioning, with innovative brands and concepts in attractive niches. The balanced geographical presence and attractive product and customer portfolio also contributed to the result. In total, net sales increased 2.5% from CHF 4,242.4 million in the previous year to CHF 4,348.8 million. The overall growth is made up of organic growth of 2.4%, an overall positive acquisition effect of 2.5% and a negative currency effect of 2.4%.

Organic growth in the Swiss domestic market amounted to 0.3%, which was in line with the Group's own expectations (0% to 1%). This pleasing volume-driven growth is attributable in particular to innovative brand concepts such as Emmi Caffè Latte, Emmi Energy Milk, Aktifit, I'm your meal and Luzerner Rahmkäse, as well as higher sales of milk powder and concentrates. The division Americas achieved organic growth of 3.7%, ahead of the Group's own expectations (1% to 3%), driven in particular by the important markets of Brazil, Chile and Mexico, and the well-diversified business and strong brands in the USA. At 5.5%, organic growth in the division Europe was also above our own expectations (2% to 3%). Sales of Emmi Caffè Latte overall and particularly in the UK, the dessert business in Italy, the export business with speciality cheese such as Kaltbach from Switzerland and the goat's milk powder business in the Netherlands deserve positive mention.

Thanks to leading market positions plus differentiated brands and innovations, strong and again completely volume-driven growth was achieved in the strategic ready-to-drink coffee niche. The sales performance of Emmi Caffè Latte in the UK and Spain was particularly pleasing. Sales of speciality cheeses also increased disproportionately from the Group's perspective. Pleasing sales performance abroad, on the one hand with speciality cheeses exported from Switzerland such as Kaltbach, and on the other hand with local businesses such as feta cheese from the leading US brand Athenos, more than offset the challenging development in the Swiss domestic market. Among premium desserts, innovative specialities from Italy made strong gains, and positive growth momentum was also generated in the USA following the expected decline in sales in the first half of the year. The acquisition effect from Mademoiselle Desserts made a significant contribution to sales too, and will contribute to organic growth from the fourth quarter of 2025. On the other hand, sales of plant-based milk alternatives declined overall in the face of challenging market conditions.

Acquisition effects are attributable to the following factors:

Positive impact:

- Acquisition of Laticínios Verde Campo S.A. (Brazil, 31 May 2024)
- Acquisition of Hochstrasser (Switzerland, 1 October 2024)
- Acquisition of the Mademoiselle Desserts Group (France, 3 October 2024)

Negative impact:

- Sale of Gläserne Molkerei (Germany, 14 August 2023)

Internal shifts in the distribution channels of certain customers also resulted in acquisition or divestment effects in the divisions Global Trade and Europe. However, these shifts between individual divisions had no impact on the Group.

Sales developments in the divisions Switzerland, Americas, Europe and Global Trade are explained below.

## Sales development Switzerland

### Net sales by product group: Switzerland

in CHF million	Sales 2024	Sales 2023	Difference 2024/2023	Acquisition effect	Currency effect	Organic growth
Dairy products	686.7	687.9	-0.2%	-	-	-0.2%
Cheese	413.5	418.2	-1.1%	-	-	-1.1%
Fresh products	387.8	382.1	1.5%	-	-	1.5%
Fresh cheese	112.5	115.2	-2.4%	-	-	-2.4%
Powder/concentrates	89.3	82.0	8.9%	-	-	8.9%
Other products/services	81.6	76.6	6.5%	5.9%	-	0.6%
<b>Total Switzerland</b>	<b>1,771.4</b>	<b>1,762.0</b>	<b>0.5%</b>	<b>0.2%</b>	<b>-</b>	<b>0.3%</b>

The division **Switzerland** generated sales of CHF 1,771.4 million in the 2024 financial year (previous year: CHF 1,762.0 million), equivalent to growth of 0.5% in total. Taking into account the acquisition effect of Hochstrasser, this resulted in pleasing volume-driven organic growth of 0.3%, in line with the Group's own expectations (0% to 1%). Innovative brand concepts such as Emmi Caffè Latte, Emmi Energy Milk, I'm your meal and Aktifit in the fresh products segment and Luzerner Rahmkäse and Scharfer Maxx in the cheese segment are in particular responsible for this growth. Higher sales to industrial customers in the powder/concentrates segment also had a positive effect. By contrast, the milk price set by the industry organisation Milch (BO Milch), which was slightly lower over the full year, held back overall sales performance in the domestic market. The division Switzerland accounted for 40.7% of Group sales (previous year: 41.5%).

Sales in the **dairy products** segment (milk, cream, butter) fell by 0.2%, primarily reflecting the lower milk price over the year as a whole. While milk sales overall increased thanks to innovative concepts such as Good Day lactose-free milk, lower butter sales weighed on the performance in this segment.

The **cheese** segment posted an organic decline of 1.1%. This reflects the challenging situation in the domestic market, with cheese imports once again significantly higher than in the previous year. Despite these difficult conditions, established brand concepts such as Luzerner Rahmkäse and Scharfer Maxx enjoyed pleasing growth in sales.

The **fresh products** segment was up an encouraging 1.5% in organic terms, making it a major growth driver for the division. Proven brand concepts such as Emmi Caffè Latte, Emmi Energy Milk and Aktifit once again proved to be very robust and saw significantly higher volumes. Innovative new products such as the meal drink I'm your meal and Emmi Caffè Latte in more environmentally friendly PET bottles also contributed to this.

Sales in the **fresh cheese** segment fell by 2.4% organically, a decline that is primarily attributable to lower sales of mozzarella in retail and food service in the first half of the year. Strong organic sales growth of 8.9% in the **powder/concentrates** segment reflects higher sales of milk powder and concentrates to industrial customers. The **other products/services** segment saw slight organic growth of 0.6%, mainly relating to higher revenues from services.

## Sales development Americas

### Net sales by product group: Americas

in CHF million	Sales 2024	Sales 2023	Difference 2024/2023	Acquisition effect	Currency effect	Organic growth
Cheese	660.2	635.2	3.9%	1.5%	-4.0%	6.4%
Dairy products	416.4	427.1	-2.5%	0.9%	-7.0%	3.6%
Fresh products	374.1	367.2	1.9%	3.9%	-3.6%	1.6%
Fresh cheese	93.8	98.7	-4.8%	4.1%	-7.9%	-1.0%
Powder/concentrates	44.1	48.5	-9.1%	–	-8.1%	-1.0%
Other products/services	119.1	122.1	-2.5%	0.0%	-4.2%	1.7%
<b>Total Americas</b>	<b>1,707.7</b>	<b>1,698.8</b>	<b>0.5%</b>	<b>1.9%</b>	<b>-5.1%</b>	<b>3.7%</b>

The division **Americas** includes the Emmi Group companies in the USA, Brazil, Spain, Chile, Tunisia, Mexico and Canada.

The division Americas achieved organic sales growth of 3.7% and sales of CHF 1,707.7 million in the 2024 financial year (previous year: CHF 1,698.8 million). Strongly negative currency effects, particularly due to the appreciation of the Swiss franc against the Chilean peso and the Brazilian real, had a negative impact on sales growth of 5.1%. By contrast the acquisition effect of Verde Campo in Brazil, acquired during the year, contributed to the division's growth. The companies in Brazil, Chile, Mexico and the USA were key growth drivers for the division Americas. The share of Group sales accounted for by the division Americas was 39.3% (previous year: 40.1%).

In terms of sales, the largest segment, **cheese**, generated strong organic growth of 6.4%. The business in the USA in particular performed well, with both locally produced cheeses such as the leading feta brand Athenos and speciality cheeses imported from Switzerland making significant gains. The cheese trading business in Canada and Mexico also did well, as did sales of locally produced cheese in Brazil.

The **dairy products** segment recorded organic growth of 3.6%. The main drivers of this positive development were the companies in Chile, with milk of the Surlat brand, and Brazil, through higher sales of milk and cream. The Emmi Group also enjoyed growth in the USA with the only nationally branded goat's milk, Meyenberg. However, the decline in sales in Tunisia due to milk shortages hampered growth in this segment.

Organic growth of 1.6% was achieved in the **fresh products** segment. The biggest positive contributions came from locally produced yogurts and yogurt drinks in Brazil and Tunisia. Spain also made gains in this segment, particularly with Emmi Caffè Latte. Sales of goat's milk yogurts from Darey Brands in California also performed well. Emmi Dessert USA's speciality desserts increased again in the second half of the year following the expected decline in the first half, but held back the division's sales performance in this segment for the year as a whole.

The organic decline in sales of 1.0% in the **fresh cheese** segment mainly came from the trading business of Mexideli, which was partially offset by growth from mozzarella in Brazil. In the **powder/concentrates** segment, price-related declines in whey powder sales in Brazil more than offset growth from goat's milk powder under the Meyenberg brand in California. The organic growth of 1.7% in the **other products/services** segment is primarily attributable to the performance of the Mexideli trading business.

## Sales development Europe

### Net sales by product group: Europe

in CHF million	Sales 2024	Sales 2023	Difference 2024/2023	Acquisition effect	Currency effect	Organic growth
Fresh products	483.4	362.9	33.2%	31.9%	-2.0%	3.3%
Cheese	126.3	124.4	1.5%	-0.7%	-1.9%	4.1%
Fresh cheese	50.0	46.3	7.9%	-0.8%	-2.2%	10.9%
Powder/concentrates	43.6	35.3	23.6%	-0.2%	-2.5%	26.3%
Dairy products	9.6	55.8	-82.7%	-87.9%	-0.3%	5.5%
Other products/services	34.8	36.7	-5.2%	-8.9%	-1.9%	5.6%
<b>Total Europe</b>	<b>747.7</b>	<b>661.4</b>	<b>13.1%</b>	<b>9.4%</b>	<b>-1.8%</b>	<b>5.5%</b>

The division **Europe** comprises the Emmi Group companies in Italy, France, the Netherlands, Germany, the United Kingdom, Austria and Belgium.

The division Europe generated sales of CHF 747.7 million in the period under review, equivalent to total year-on-year growth of 13.1% (CHF 661.4 million). The acquisition effect of Mademoiselle Desserts more than offset the divestment effect of Gläserne Molkerei, which was divested in August 2023, resulting in a net positive acquisition effect of 9.4%. Negative currency effects of 1.8% hurt sales. With the resulting organic growth of 5.5%, the division Europe was well ahead of the Group's own forecast for the full year (2% to 3%). The division's growth was driven by sales of Emmi Caffè Latte, the dessert business in Italy, the export business with speciality cheeses such as Kaltbach from Switzerland and the goat's milk powder business in the Netherlands. The division Europe accounted for 17.2% of Group sales (previous year: 15.6%).

The largest segment in terms of sales, **fresh products**, posted good organic growth of 3.3%. The innovative speciality desserts from Italy and the Emmi Caffè Latte range proved to be growth drivers, with growth in all key markets. Growth of Emmi Caffè Latte was particularly pleasing in the UK, where sales of Onken yogurts also made a significant positive contribution to sales growth in this segment.

The **cheese** segment achieved organic growth of 4.1%. The increase primarily relates to pleasing sales in Germany of speciality cheese imported from Switzerland, such as Kaltbach and Scharfer Maxx. Cave-aged Kaltbach cheese specialities also enjoyed growing popularity in the Netherlands and the UK.

In the **fresh cheese** segment, the fresh goat's cheese business from the Netherlands in particular continued to perform very well, resulting in significant organic growth of 10.9% in this segment.

Sales of **powder/concentrates** increased organically by a significant 26.3%, mainly thanks to the increased sales of goat's milk powder in the Netherlands. The **dairy products** segment recorded organic growth of 5.5%, but is less significant in terms of sales following the divestment of Gläserne Molkerei in 2023. Organic growth of 5.6% in the **other products/services** segment came despite a fiercely competitive market, and was primarily driven by plant-based products in Italy and the Netherlands.

## Sales development Global Trade

### Net sales by product group: Global Trade

in CHF million	Sales 2024	Sales 2023	Difference 2024/2023	Acquisition effect	Currency effect	Organic growth
Cheese	61.9	64.0	-3.3%	-	-	-3.3%
Fresh products	40.3	34.9	15.1%	6.1%	-	9.0%
Powder/concentrates	15.8	19.1	-17.0%	-	-	-17.0%
Dairy products	0.9	1.0	-13.1%	12.4%	-	-25.5%
Fresh cheese	0.7	-	-	-	-	-
Other products/services	2.4	1.2	92.4%	233.5%	-	-141.1%
<b>Total Global Trade</b>	<b>122.0</b>	<b>120.2</b>	<b>1.5%</b>	<b>4.7%</b>	<b>-</b>	<b>-3.2%</b>

The division **Global Trade** primarily comprises direct sales from Switzerland to customers in countries where Emmi has no subsidiaries. These include the Asian and Eastern European markets, most South American countries and the Arabian Peninsula. The division Global Trade accounted for 2.8% of Group sales (previous year: 2.8%).

Sales of the division Global Trade amounted to CHF 122.0 million. Compared to CHF 120.2 million in the previous year, this equates to sales growth of 1.5%. Adjusted for the acquisition effect from the shift of distribution channels from the division Europe, the result was an organic decline in sales of 3.2%. However, this primarily concerns exports of surpluses of skimmed milk powder and cheese from Switzerland.

The organic decline in sales of 3.3% in the **cheese** segment was primarily attributable to lower exports of Emmentaler AOP to Europe. Organic growth of 9.0% was achieved in the **fresh products** segment, largely thanks to the positive performance of yogurts in Northern Europe. The 17.0% decline in the **powder/concentrates** segment reflects lower exports of surpluses of skimmed milk powder from Switzerland.

## Gross profit

**Gross profit** increased CHF 109.7 million to CHF 1,664.9 million in the year under review (previous year: CHF 1,555.2 million). Negative currency effects largely offset the net positive acquisition effects, meaning that in addition to organic sales growth, the increase is primarily attributable to the higher **gross profit margin**. At 38.3%, this was well above the previous year's figure of 36.7%, although one-off effects from the purchase price allocation of Mademoiselle Desserts had a negative impact of CHF 15.2 million on gross profit. This one-off and non-cash effect relates to the revaluation of inventories required at the time of acquisition, which led to correspondingly lower margins on sales in the fourth quarter. The overall pleasing improvement in the gross profit margin reflects the ongoing portfolio transformation and operational improvements at many foreign companies. Measures to increase productivity and efficiency, and in procurement, also contributed positively.

## Non-recurring effects in the consolidated financial statements

There were no significant non-recurring effects in the reporting period.

The divestments of Gläserne Molkerei and the minority interest in Ambrosi S.p.A. had a significant impact on the income statement in the previous year. At that time, the divestment of Gläserne Molkerei resulted in a pre-tax loss of CHF 37.2 million, which was included in “Other operating expenses” and reduced EBITDA, EBIT and EBT by this amount. After taking account of the positive tax effect of CHF 8.3 million at the Swiss selling company, the transaction had a net impact of CHF 28.9 million on profit including minority interests and on net profit. The divestment of the minority interest in Ambrosi S.p.A. resulted in a pre-tax profit of CHF 3.0 million, which is recorded under “Income from associates and joint ventures”, and had a corresponding impact on EBT. After accounting for the tax effect, this left a gain of CHF 2.8 million at the levels of profit including minority interests and on net profit.

## Operating result

**Operating expenses** amounted to CHF 1,241.9 million in the year under review, an increase of CHF 55.8 million from CHF 1,186.1 million. Excluding the loss from the disposal of Gläserne Molkerei in the previous year, the increase adjusted for this non-recurring effect amounted to CHF 93.0 million. The absolute increase is largely attributable to the acquisitions made in the year under review. Nevertheless, as expected, the increase of 8.1% compared to adjusted operating expenses in the previous year was disproportionately high compared to sales growth, which dampened the pleasing margin growth accordingly at the gross profit level.

**Personnel expenses** increased from CHF 566.1 million in the previous year to CHF 625.6 million in the year under review. First, the increase of CHF 59.5 million is a secondary effect of the high inflation rates seen in recent years, which in many places have translated into higher wage costs as real wages have adjusted. Second, a significant part of the increase is attributable to acquisition effects. These not only increase personnel expenses in absolute terms, but also make up an above-average portion of sales from a Group perspective. Accordingly, personnel expenses as a percentage of sales rose from 13.3% in the previous year to 14.4% in the year under review.

**Other operating expenses** amounted to CHF 616.3 million (previous year: CHF 620.0 million). Compared to the previous year's figure adjusted for the loss from the disposal of Gläserne Molkerei (CHF 582.8 million), this is an increase of CHF 33.5 million, again largely due to acquisitions. As a percentage of sales, other operating expenses came to 14.2%, compared with an adjusted 13.7% in the previous year. Most of the increase was attributable to marketing and sales expenses, which in total amounted to CHF 149.7 million compared to CHF 140.7 million in the previous year, and were driven by deliberate investments to strengthen established brand concepts. There was also an increase in the costs of maintenance and repairs, and the costs of energy and operating materials rose slightly again from their already high level. In both cases, however, acquisition effects once more made a significant contribution to the absolute increase.

**Other operating income** amounted to CHF 7.6 million in the year under review, up slightly from CHF 6.7 million in the previous year.

**Earnings before interest, taxes, depreciation and amortisation (EBITDA)** amounted to CHF 430.6 million in the period under review. Compared to the previous year (CHF 375.8 million; adjusted CHF 413.0 million), this represents an increase of CHF 54.8 million, or adjusted CHF 17.6 million. As a result, the **EBITDA margin** rose from an adjusted 9.7% in the previous year to 9.9% in the reporting period.

The significant increase in **depreciation and amortisation** from CHF 117.6 million in the previous year to CHF 127.9 million was driven by the acquisitions made during the year under review. This relates in particular to depreciation on revalued property, plant and equipment and amortisation of customer relationships from the acquisition of Mademoiselle Desserts in the fourth quarter of the year.

**Earnings before interest and taxes (EBIT)** amounted to CHF 302.7 million in the year under review, exceeding CHF 300 million for the first time. This represents an increase of CHF 7.3 million from the previous year's figure of CHF 295.4 million, adjusted for the loss from the disposal of Gläserne Molkerei. As expected, the negative effects from the purchase price allocation of Mademoiselle Desserts, in particular the negative impact on gross profit of CHF 15.2 million, more than offset the pleasing operating results of the Mademoiselle Desserts Group. Excluding Mademoiselle Desserts entirely, EBIT would have been CHF 308.8 million, and the increase from the adjusted previous year would have been CHF 13.4 million. The Emmi Group therefore achieved the upper part of the EBIT forecast of CHF 295 to CHF 315 million, which did not include Mademoiselle Desserts. The resulting **EBIT margin** of 7.0% matches the previous year's adjusted EBIT margin. Excluding Mademoiselle Desserts, the EBIT margin for the year under review would have been 7.3%.

### Income from associates, financial results and income taxes

**Income from associates and joint ventures** was a loss of CHF 0.6 million, compared with a profit of CHF 3.9 million in the previous year. Excluding the gain on the disposal of Ambrosi S.p.A., adjusted profit in the previous year amounted to CHF 0.9 million.

The **financial result** (net financial expenses) was CHF 21.4 million, compared to CHF 24.0 million in the previous year. The CHF 3.0 million increase in interest expenses was mainly due to the financing of the acquisition of Mademoiselle Desserts. However, higher interest income almost made up for these additional expenses, so net interest expense in the year rose just CHF 0.2 million to CHF 16.7 million (previous year: CHF 16.5 million). With expenses of CHF 2.2 million, the foreign currency result was a significant CHF 4.3 million better than the previous year (CHF 6.5 million).

**Income taxes** amounted to CHF 42.6 million in the period under review, compared with CHF 32.6 million (adjusted: CHF 40.7 million) in the previous year. The tax rate of 15.2% was therefore slightly higher than the adjusted rate of 14.9% in the previous year.



## Net profit

**Profit including minority interests** was CHF 238.1 million. Compared to CHF 205.5 million in the previous year, this represents an increase of CHF 32.6 million. The increase based on adjusted figures was CHF 6.3 million.

The amount of profit attributable to **non-controlling interests** was down slightly from CHF 19.2 million in the previous year to CHF 17.8 million in the year under review.

The resulting **net profit** of CHF 220.3 million was a significant CHF 34.0 million up on the previous year (CHF 186.3 million). Compared to the adjusted prior-year figure (CHF 212.4 million), net profit increased by CHF 7.9 million. The **net profit margin** amounted to 5.1%, compared with 4.4% (adjusted: 5.0%) in the previous year. Excluding Mademoiselle Desserts, net profit would have been CHF 227.6 million and the net profit margin 5.4%. The Emmi Group therefore achieved the upper end of the net profit margin forecast of 5.0% to 5.5%, which did not include Mademoiselle Desserts.

# Assets, financing and cash flow

**Total assets** as at 31 December 2024 were up year on year by CHF 645.0 million or 23.8% to CHF 3,359.5 million (previous year: CHF 2,714.5 million). This increase is entirely attributable to the acquisitions of Verde Campo, Hochstrasser and, in particular, Mademoiselle Desserts during the financial year, and is primarily reflected in significantly higher non-current assets.

**Operating net working capital** (consisting of inventories and trade receivables and payables) amounted to CHF 708.9 million. The increase of CHF 55.8 million or 8.5% compared with the end of the previous year (CHF 653.1 million) is entirely attributable to acquisition effects. As a percentage of sales, operating net working capital amounted to 16.3%, compared with 15.4% in the previous year. However, taking the full-year sales of the acquired companies into account, net working capital as a percentage of sales would be in line with the previous year.

**Non-current assets** increased significantly, up CHF 542.9 million or 42.9%, from CHF 1,264.1 million in the previous year to CHF 1,807.0 million. Property, plant and equipment accounted for CHF 1,283.3 million (previous year: CHF 1,105.4 million) of this, making up the large majority of non-current assets and increasing by CHF 177.9 million, primarily as a result of acquisitions, but also due to investments that slightly exceeded depreciation. Intangible assets increased by CHF 351.6 million, largely due to the recognition of revalued customer relationships from the acquisition of Mademoiselle Desserts.

**Liabilities** as at 31 December 2024 amounted to CHF 2,229.7 million, compared to CHF 1,299.6 million at the end of the previous year. The increase of CHF 930.1 million was mainly due to the CHF 625.0 million of new long-term bonds issued to finance the acquisition of Mademoiselle Desserts. The acquisitions were also primarily responsible for the increase in trade payables, bank overdrafts and finance lease liabilities, other payables, accrued liabilities and deferred income and deferred income tax liabilities included in non-current provisions. The **equity ratio** fell from 52.1% as at 31 December 2023 to 33.6% as a result of the offset of goodwill from the acquisitions and in combination with the additional financial liabilities. The increase in financial liabilities compared to the previous year due to acquisition activity resulted in **net debt** of CHF 1,003.7 million as at 31 December 2024, compared to a low CHF 298.3 million in the previous year.

**Cash inflow from operating activities** amounted to CHF 406.9 million in the reporting period, an increase of CHF 36.8 million from CHF 370.1 million in the previous year. While the increase of CHF 14.7 million in cash flow before changes in net working capital, interest and taxes largely reflects the operating improvement at EBITDA level, the higher cash flow from operating activities is also due to the positive trend in net working capital. The decrease in net working capital had a positive impact of CHF 37.7 million on cash flow from operating activities in the year under review. Compared to the positive impact of CHF 21.9 million in the previous year, this resulted in a positive difference of CHF 15.8 million, which primarily reflects the further improvement in operating net working capital. Interest and taxes paid impacted cash flow from operating activities by a total of CHF 6.3 million less than in the previous year.

**Cash outflow from investing activities** amounted to a high CHF 962.9 million in the period under review, compared with CHF 135.8 million in the previous year, driven by acquisition activities. The acquisitions of Mademoiselle Desserts, Hochstrasser and Verde Campo and the acquisition of minority interests resulted in cash outflows from acquisition activities totalling CHF 844.9 million in the year under review, compared with a net cash inflow of CHF 10.8 million in the previous year. Investments in property, plant and equipment generated a net outflow of CHF 111.3 million in the year under review, compared with CHF 145.4 million in the previous year.

Excluding cash flow from acquisition activities, a very pleasing **free cash flow** of CHF 288.8 million was generated in the year under review. The significant increase compared to the previous year (CHF 223.5 million) is attributable to higher cash flow from operating activities and lower investments in non-current assets.

There was a total **cash inflow from financing activities** of CHF 508.0 million in the period under review, compared with a cash outflow of CHF 81.1 million in the previous year. The majority of the year-on-year difference relates to the issue of bonds to finance the acquisition of Mademoiselle Desserts, which generated a cash inflow of CHF 624.2 million in the period under review. There were higher cash outflows than the previous year due to the repayment of other financial liabilities and the higher dividend to the shareholders of Emmi AG and minority shareholders

As a result of the cash flows described, **cash and cash equivalents** decreased by CHF 45.4 million in 2024 from CHF 349.1 million in the previous year to CHF 303.7 million as at 31 December 2024.

## Outlook 2025

Economic conditions will remain challenging in 2025 and beyond. Persistent geopolitical tensions are causing uncertainty all over the world and also weighing on global economic growth. Ongoing megatrends such as deglobalisation, decarbonisation and demographic change are also putting pressure on prices and are likely to help keep inflation stubbornly high in many countries. Several markets relevant to Emmi expect only subdued economic growth for the current year, and consumer sentiment is correspondingly cautious.

In terms of operating expenses, pressure on personnel costs will remain high due to wage adjustments as a result of inflation and the sustained acute shortage of skilled workers in various countries. Procurement markets and global supply chains are also likely to remain volatile, leading to further increases in prices, for example for commodities such as coffee, cocoa and packaging materials. Overall, Emmi therefore expects input costs to continue to rise in 2025. The Swiss franc is also likely to strengthen further, which not only has a negative impact on the Emmi Group's sales and results in Swiss francs, but in particular also has a negative impact on export competitiveness from Switzerland. When it comes to interest rates, however, further monetary policy easing can be expected from the major central banks, which will bring down interest rates.

At Emmi, we firmly believe that high quality, strong brands and innovative concepts are particularly important, especially in times of great uncertainty and when consumer sentiment is cautious. Emmi will therefore continue to act with the usual discipline and prudence and counter pressure on margins with further efficiency and cost-saving initiatives and, in particular, pursue the ongoing portfolio transformation in line with the strategic priorities.

## Markets

Conditions in the **division Switzerland** remain challenging for Emmi. The current import pressure will persist. In addition, new production capacities for milk processing have been built in Switzerland in recent years, which need to be fully utilised and create further price pressure. Emmi will counter these negative influences with strong brand concepts, trend-focused innovations, a strong customer and consumer focus and high-quality products.

In the **division Americas**, Emmi expects demand to continue rising in the growth markets of Brazil, Chile and Mexico in the year ahead. Good momentum in the key US market should also make a positive contribution to the division's growth. Whether Tunisia can also expect positive growth momentum again depends on the normalisation of milk production, which is difficult to assess due to the challenging macroeconomic environment in the country. As the generally high volatility and inflation in the growth markets in the division Americas are likely to entail growth risks, Emmi expects organic sales growth in the short term to be a little below the medium-term targets.

Innovative speciality desserts and Emmi Caffè Latte are important success factors in the **division Europe** and will continue to generate organic growth in the current year. Mademoiselle Desserts will significantly increase sales in the division Europe as a whole, but will represent an acquisition effect for the first three quarters and not contribute to organic growth until the fourth quarter. The powder business in the Netherlands, where Emmi already achieved significant growth in 2024, should also boost sales. On the other hand, the expected further appreciation of the Swiss franc is having a negative impact on the competitiveness of the export business from Switzerland, particularly in the cheese segment. Nevertheless, Emmi expects organic sales growth in the division Europe to be in line with medium-term targets.

## Sales and profit growth

Emmi expects organic sales growth of 1.5% to 2.5% at Group level in the 2025 financial year. In Switzerland, Emmi expects organic sales growth of 0% to 1%, despite the challenging conditions mentioned. Organic growth of 3% to 5% is expected for the division Americas and 1% to 3% for the division Europe. Emmi also confirms its medium-term targets for organic sales growth (Group 2% to 3%, Switzerland 0% to 1%, Americas 4% to 6%, Europe 1% to 3%).

Despite the many uncertainties and persistently high cost and price pressure, Emmi expects operating profit at EBIT level to increase from CHF 330 million to CHF 350 million in the 2025 financial year thanks to further operational progress, the ongoing portfolio transformation and the acquisition-related contribution from Mademoiselle Desserts. As expected, additional financing costs in connection with the acquisition of Mademoiselle Desserts will have a negative impact on the net profit margin, so Emmi forecasts this to be between 4.8% and 5.3% for the 2025 financial year. Emmi also confirms the medium-term targets for net profit margin (5.5% to 6.0%), ROIC (improving trend) and the distribution rate (35% to 45%).

# Consolidated income statement

in CHF 000s

	Notes	2024	%	2023 <sup>1)</sup>	%
Sales of products		4,314,316		4,209,623	
Sales of services		34,496		32,784	
<b>Net sales</b>	1	<b>4,348,812</b>	<b>100.0</b>	4,242,407	100.0
Change in inventories of semi-finished and finished products		-27,401	0.6	-46,282	1.1
Cost of materials and services		-2,656,477	61.1	-2,640,964	62.2
<b>Gross profit</b>		<b>1,664,934</b>	<b>38.3</b>	1,555,161	36.7
<b>Other operating income</b>	2	<b>7,574</b>	<b>0.2</b>	6,744	0.1
Personnel expenses		-625,599	14.4	-566,126	13.3
Other operating expenses	3	-616,285	14.2	-619,957	14.6
<b>Operating expenses</b>		<b>-1,241,884</b>	<b>28.6</b>	-1,186,083	27.9
<b>Earnings before interest<sup>2)</sup>, taxes, depreciation and amortisation (EBITDA)</b>		<b>430,624</b>	<b>9.9</b>	375,822	8.9
Depreciation of property, plant and equipment	4	-111,272	2.5	-104,707	2.5
Amortisation of intangible assets	4	-16,663	0.4	-12,867	0.3
<b>Earnings before interest<sup>2)</sup> and taxes (EBIT)</b>		<b>302,689</b>	<b>7.0</b>	258,248	6.1
Income from associates and joint ventures		-580		3,880	
Financial result	5	-21,420		-24,021	
<b>Earnings before taxes (EBT)</b>		<b>280,689</b>	<b>6.5</b>	238,107	5.6
Income taxes	6	-42,566		-32,625	
<b>Profit incl. minority interests</b>		<b>238,123</b>	<b>5.5</b>	205,482	4.8
Minority interests		-17,835		-19,209	
<b>Net profit</b>		<b>220,288</b>	<b>5.1</b>	186,273	4.4
<b>Earnings per share (diluted/basic in CHF)</b>	7	<b>41.18</b>		34.82	

1) For the previous year's results adjusted for the loss from the sale of Gläserne Molkerei and the gain from the sale of Ambrosi S.p.A., please refer to page 1.

2) Incl. income from associates and joint ventures and other financial positions that are reported in the financial result.

# Consolidated balance sheet

in CHF 000s

Assets	Notes	31.12.2024	%	31.12.2023	%
Cash and cash equivalents		303,661		349,115	
Securities		3,088		22,210	
Trade receivables	8	539,793		473,665	
Other receivables	9	73,963		60,869	
Inventories	10	562,299		481,311	
Prepayments and accrued income	11	69,725		63,220	
<b>Current assets</b>		<b>1,552,529</b>	<b>46.2</b>	1,450,390	53.4
Investments in associates and joint ventures	33	11,760		12,012	
Loans and other receivables	12	19,855		12,715	
Securities		10,487		9,907	
Employer contribution reserves	20	2,150		1,610	
Deferred tax assets	6	16,305		11,954	
Total financial assets		60,557		48,198	
Prepayments and accrued income	11	5,864		4,864	
Property, plant and equipment	13	1,283,324		1,105,405	
Intangible assets	14	457,253		105,650	
<b>Non-current assets</b>		<b>1,806,998</b>	<b>53.8</b>	1,264,117	46.6
<b>Total assets</b>		<b>3,359,527</b>	<b>100.0</b>	2,714,507	100.0
<b>Liabilities and shareholders' equity</b>					
Bank overdrafts	18	63,118		68,475	
Finance lease liabilities	18	2,102		430	
Loans	18	–		500	
Trade payables	15	393,235		301,841	
Other payables	16	65,707		43,957	
Accrued liabilities and deferred income	17	251,570		193,200	
Provisions	19	7,946		8,221	
<b>Current liabilities</b>		<b>783,678</b>	<b>23.3</b>	616,624	22.7
Bank overdrafts	18	129,693		112,610	
Finance lease liabilities	18	10,187		305	
Loans	18	710		457	
Bonds	18	1,124,520		499,520	
Accrued liabilities and deferred income	17	3,873		4,198	
Provisions	19	177,065		65,909	
<b>Non-current liabilities</b>		<b>1,446,048</b>	<b>43.1</b>	682,999	25.2
<b>Liabilities</b>		<b>2,229,726</b>	<b>66.4</b>	1,299,623	47.9
Share capital		53,498		53,498	
Capital reserves		2,088		2,088	
Retained earnings		938,467		1,237,377	
<b>Shareholders' equity excl. minority interests</b>		<b>994,053</b>	<b>29.6</b>	1,292,963	47.6
Minority interests		135,748	4.0	121,921	4.5
<b>Shareholders' equity incl. minority interests</b>		<b>1,129,801</b>	<b>33.6</b>	1,414,884	52.1
<b>Total liabilities and shareholders' equity</b>		<b>3,359,527</b>	<b>100.0</b>	2,714,507	100.0

# Consolidated cash flow statement

in CHF 000s

	2024	2023
Profit incl. minority interests	238,123	205,482
Net interest expense	16,665	16,472
Income taxes	42,566	32,625
Result from sale of non-current assets	-585	-721
Result from sale of investments/businesses	-	34,153
Depreciation and amortisation	125,730	114,686
Impairment charges	2,205	2,888
Change in provisions	3,141	-1,011
Income from associates and joint ventures	580	-872
Other non-cash adjustments	-3,443	6,572
<b>Cash flow before changes in net working capital, interest and taxes</b>	<b>424,982</b>	<b>410,274</b>
Change in inventories	6,432	7,353
Change in trade receivables	-24,049	32,255
Change in other receivables, prepayments and accrued income	1,503	-12,900
Change in trade payables	40,039	-36,629
Change in other payables, accrued liabilities and deferred income	13,755	31,851
Interest paid	-20,617	-19,114
Taxes paid	-35,168	-42,945
<b>Cash flow from operating activities</b>	<b>406,877</b>	<b>370,145</b>
Investments in property, plant and equipment	-114,393	-147,525
Asset-related government grants	1,573	450
Proceeds from disposal of property, plant and equipment	1,505	1,689
Purchase of securities	-	-4,104
Sale of securities	-	1,166
Investments in intangible assets	-9,488	-2,390
Capital increase of associates and joint ventures	-595	-
Proceeds from sale of shares in associates	-	27,147
Acquisition of consolidated investments/businesses	-841,944	-1,892
Acquisition of minority interests	-2,933	-2,855
Proceeds from sale of investments/businesses	-	-11,607
Change in loans receivable	-2,422	1,154
Dividend received	404	425
Interest received	5,359	2,514
<b>Cash flow from investing activities</b>	<b>-962,934</b>	<b>-135,828</b>
Change in other current financial liabilities	-30,638	-8,443
Change in other non-current financial liabilities	622	8,800
Repayments of bonds	-	-200,000
Proceeds from bond issuance	624,205	199,751
Dividend payments to shareholders	-82,922	-77,572
Dividend payments to minority shareholders	-3,314	-3,613
<b>Cash flow from financing activities</b>	<b>507,953</b>	<b>-81,077</b>
Currency translation	2,650	-6,320
<b>Net change in cash and cash equivalents</b>	<b>-45,454</b>	<b>146,920</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>349,115</b>	<b>202,195</b>
<b>Cash and cash equivalents at end of period</b>	<b>303,661</b>	<b>349,115</b>

# Consolidated statement of changes in equity

in CHF 000s

	Share capital	Capital reserves (premium)	Retained earnings	Goodwill offset	Accumulated translation differences	Total profit reserves	Total excl. minority interests	Minority interests	Total incl. minority interests
Shareholders' equity at 1 January 2023 (published)	53,498	2,088	1,239,193	–	-125,403	1,113,790	<b>1,169,376</b>	114,530	<b>1,283,906</b>
Restatement goodwill <sup>1)</sup>	–	–	1,049,634	-1,049,634	–	–	–	–	–
<b>Shareholders' equity at 1 January 2023 (restated)</b>	<b>53,498</b>	<b>2,088</b>	<b>2,288,827</b>	<b>-1,049,634</b>	<b>-125,403</b>	<b>1,113,790</b>	<b>1,169,376</b>	<b>114,530</b>	<b>1,283,906</b>
Offset goodwill	–	–	–	-1,027	–	-1,027	<b>-1,027</b>	–	<b>-1,027</b>
Goodwill recycling from disposal	–	–	32,122	–	5,617	37,739	<b>37,739</b>	–	<b>37,739</b>
Acquisition of minority interests	–	–	–	–	–	–	–	-1,556	<b>-1,556</b>
Profit incl. minority interests	–	–	186,273	–	–	186,273	<b>186,273</b>	19,209	<b>205,482</b>
Currency translation differences	–	–	–	–	-21,826	-21,826	<b>-21,826</b>	-6,649	<b>-28,475</b>
Dividend	–	–	-77,572	–	–	-77,572	<b>-77,572</b>	-3,613	<b>-81,185</b>
<b>Shareholders' equity at 31 December 2023</b>	<b>53,498</b>	<b>2,088</b>	<b>2,429,650</b>	<b>-1,050,661</b>	<b>-141,612</b>	<b>1,237,377</b>	<b>1,292,963</b>	<b>121,921</b>	<b>1,414,884</b>
Shareholders' equity at 1 January 2024 (published)	53,498	2,088	1,378,989	–	-141,612	1,237,377	<b>1,292,963</b>	121,921	<b>1,414,884</b>
Restatement goodwill <sup>1)</sup>	–	–	1,018,539	-1,018,539	–	–	–	–	–
Restatement translation differences <sup>1)</sup>	–	–	-141,612	–	141,612	–	–	–	–
<b>Shareholders' equity at 1 January 2024 (restated)</b>	<b>53,498</b>	<b>2,088</b>	<b>2,255,916</b>	<b>-1,018,539</b>	<b>–</b>	<b>1,237,377</b>	<b>1,292,963</b>	<b>121,921</b>	<b>1,414,884</b>
Change in scope of consolidation	–	–	–	–	–	–	–	10,720	<b>10,720</b>
Offset goodwill/negative goodwill	–	–	–	-424,369	–	-424,369	<b>-424,369</b>	–	<b>-424,369</b>
Acquisition of minority interests	–	–	–	–	–	–	–	-1,639	<b>-1,639</b>
Profit incl. minority interests	–	–	220,288	–	–	220,288	<b>220,288</b>	17,835	<b>238,123</b>
Currency translation differences	–	–	–	–	-11,907	-11,907	<b>-11,907</b>	-9,775	<b>-21,682</b>
Dividend	–	–	-82,922	–	–	-82,922	<b>-82,922</b>	-3,314	<b>-86,236</b>
<b>Shareholders' equity at 31 December 2024</b>	<b>53,498</b>	<b>2,088</b>	<b>2,393,282</b>	<b>-1,442,908</b>	<b>-11,907</b>	<b>938,467</b>	<b>994,053</b>	<b>135,748</b>	<b>1,129,801</b>

<sup>1)</sup> Adjustment of the presentation due to the first-time application of the revised Swiss GAAP FER 30, see Notes, Accounting principles.

As at 31 December 2024, 5,349,810 registered shares with a par value of CHF 10 were issued (unchanged from previous year). With regard to the rights associated with the shares, we refer to [note 2](#) in the Corporate Governance report.

The accumulated non-distributable reserves amounted to CHF 37.9 million (previous year: CHF 37.5 million).



# Notes to the consolidated financial statements

## Principles of consolidation

### General information

The Board of Directors of Emmi AG approved the Group financial statements on 25 February 2025. They are subject to the approval of the General Meeting.

### Accounting principles

The consolidated financial statements are based on the annual accounts of the Group companies for the year ending 31 December 2024, prepared on a uniform basis. The Group prepares its accounts in compliance with all existing guidelines of [Swiss GAAP FER](#) (Swiss Accounting and Reporting Recommendations) and the provisions of Swiss law.

Valuation is based on historical cost (acquisition cost or production cost) or actual value. The section “Principles of valuation” contains the valuation principles of specific balance sheet items. The income statement is presented using the classification of expenses based on their nature. The consolidated financial statements are based on economic values and present a true and fair view of the company’s assets, financial position and results of operations. They are prepared under the assumption of a going concern.

The consolidated financial statements are presented in Swiss francs (CHF). Except where stated otherwise, all amounts in the financial report are presented in thousands of Swiss francs (KCHF).

### First-time application of new Swiss GAAP FER 28 “Government Grants”

The new [Swiss GAAP FER 28](#) “Government Grants” came into force on 1 January 2024. The standard primarily entails additional disclosures, but has no material impact on Emmi’s financial position or earnings.

### First-time application of revised Swiss GAAP FER 30 “Consolidated Financial Statements”

The revised [Swiss GAAP FER 30](#) “Consolidated Financial Statements” came into force on 1 January 2024. Since it is practically impossible to determine the cumulative foreign currency translation differences for each subsidiary, associate and intercompany loan comprising part of the net investment in a subsidiary, Emmi has used the option of a one-time exemption in this regard. All cumulative foreign currency translation differences were set to zero at the time of the first-time application of the revised standard by offsetting the foreign currency translation differences recognised as at 1 January 2024 against retained earnings.

In addition, the goodwill offset against equity at the time of acquisition is reported as a separate component (column) of retained earnings in the statement of changes in equity in accordance with the requirements of the revised [Swiss GAAP FER 30](#), paragraph 37. This adjustment was made retrospectively. The revised consolidation and accounting principles are set out below.

Apart from these adjustments to the statement of changes in equity, the first-time application of the revised [Swiss GAAP FER 30](#) has no material impact on Emmi’s financial position or earnings.

### Adjustment of consolidation and accounting principles

Due to the first-time application of the new [Swiss GAAP FER 28](#) “Government Grants” and the revised [Swiss GAAP FER 30](#) “Consolidated Financial Statements” as of 1 January 2024, the consolidation and valuation principles have been adjusted and are described below.

## Scope of consolidation

The consolidated financial statements include the annual accounts of Emmi AG and the Group companies in which Emmi AG directly or indirectly holds more than 50% of the voting rights or where Emmi has a controlling influence over the financial and business policy of a company by contractual agreement. Investments in joint ventures and investments in associates where Emmi has significant influence (this is usually assumed when the Group owns 20% to 50% of the voting rights in the company) are accounted for using the equity method. Accounts based on or reconciliations to [Swiss GAAP FER](#) are used to calculate Emmi's proportionate share in shareholders' equity. Minority holdings in companies where Emmi does not have a significant influence are carried in the balance sheet at acquisition cost less any necessary adjustments for impairment. The consolidated companies are listed in the Notes to the consolidated financial statements ([note 33](#)).

## Changes to the scope of consolidation

The following changes to the scope of consolidation took place in the year under review. For changes of the capital share with no impact on the scope of consolidation or on the consolidation method, please refer to [note 33](#).

Consolidated companies		Currency	Capital in thousands	Capital share	Capital share
				31.12.2024	31.12.2023
Laticínios Verde Campo S.A., Linhares, Brazil <sup>1)</sup>	Partially acquired on 31.5.2024	BRL	484,082	70%	–
Indulgent Moments SAS, Montigny-le-Bretonneux, France	Founded on 27.6.2024	EUR	36,699	99%	–
Hochstrasser	Acquired on 1.10.2024	CHF	480	100%	–
Hochstrasser AG Littau, Lucerne, Switzerland <sup>2)</sup>					
Mademoiselle Desserts Group					
Mademoiselle Desserts International SAS, Montigny-Le-Bretonneux, France <sup>3)</sup>	Partially acquired on 3.10.2024	EUR	177,813	99%	–

<sup>1)</sup> Trop Frutas do Brasil Ltda. was acquired on 31 May 2024 and renamed to Laticínios Verde Campo S.A. on 29 November 2024.

<sup>2)</sup> Hochstrasser consists of the company mentioned above as well as caffè Don George Gourmetrösterei AG and Mediato AG.

<sup>3)</sup> Mademoiselle Desserts Group consists of the company mentioned above as well as Groupe Mademoiselle Desserts SAS, Holding Mademoiselle Desserts SAS, Mademoiselle Desserts Argenton SAS, Mademoiselle Desserts Broons SAS, Mademoiselle Desserts France SAS, Mademoiselle Desserts Renaison SAS, Mademoiselle Desserts Saint Renan SAS, Mademoiselle Desserts Tincques SAS, Mademoiselle Desserts Valade SAS, Pâtisseries & Bakers United SAS 1, Pâtisseries & Bakers United SAS 2, Cake and Bake Club Limited, Case Topco Limited, Mademoiselle Desserts Corby Ltd, Mademoiselle Desserts Taunton Ltd, Mademoiselle Desserts UK Ltd, The Handmade Cake Company Ltd, B.R. Holding B.V., Mademoiselle Desserts Waregem NV, Mademoiselle Desserts Weert B.V. and Mademoiselle Desserts USA LLC. Pâtisseries & Bakers United SAS 1 and Pâtisseries & Bakers United SAS 2 were merged into Mademoiselle Desserts International SAS on 31 December 2024.

## Consolidation method

Capital is consolidated using the purchase method. Assets and liabilities as well as expenses and income of the fully consolidated companies are included in their entirety. Minority interests in consolidated shareholders' equity and in net profit are shown separately. All intercompany transactions and relations between the consolidated companies are offset against each other and eliminated. Profits on such intercompany transactions are eliminated.

Companies and businesses acquired during the course of the year are consolidated as from the date of acquisition. Net assets acquired are revalued on the acquisition date at fair value. Non-current assets acquired are recognised on a gross basis.

Goodwill from the acquisition of companies and businesses is equivalent to the difference between the purchase price and the interest in revalued net assets of the acquired company. This is offset against retained earnings at the date of acquisition. The impact of a theoretical capitalisation and amortisation of goodwill or a theoretical recognition and reversal of negative goodwill is disclosed in the Notes to the consolidated financial statements. In the event of a step acquisition, the positive or negative goodwill is determined separately for each individual acquisition step.

When acquiring minority interests, the difference between the purchase price and the proportionate carrying amount of the minority interests is recognised as goodwill or negative goodwill and offset against retained earnings.

When acquiring investments in associates or joint ventures, the net assets acquired are revalued at fair value at the date of acquisition. The difference between the purchase price and the revalued proportionate equity is recognised as goodwill or negative goodwill and offset against retained earnings.

Companies and businesses sold during the year are excluded from the consolidated financial statements from the date of sale. Where interests in fully consolidated companies or companies accounted for using the equity method are sold, goodwill acquired at an earlier date and offset against retained earnings is recognised in the income statement at original cost for the purpose of calculating the gain or loss resulting from the sale.

## **Translation of foreign currencies**

### **Foreign currency transactions in Group companies**

The foreign currency transactions and items contained in the individual financial statements of the consolidated companies are translated as follows: foreign currency transactions are translated into the functional currency at the exchange rate valid on the transaction date (current rate). At year-end, monetary assets and liabilities in foreign currency are measured using the exchange rate valid at the balance sheet date, with any profit or loss from such valuation taken to the income statement. Foreign exchange gains and losses resulting from the measurement of intercompany loans that are part of the net investment in a subsidiary are recognised in equity.

Exchange differences resulting from the revaluation of shares in associates are recognised in equity.

### **Translation of financial statements to be consolidated**

Group financial statements are presented in Swiss francs. Assets and liabilities of Group companies with a functional currency other than the Swiss franc are translated at year-end rates (rates on balance sheet date); equity is translated at historical rates, while the income statement and cash flow statement are translated using average rates for the year. Any resulting exchange differences are recognised in shareholders' equity.

Accumulated exchange differences of foreign companies recognised in equity resulting from the translation of annual statements and loans between Group companies that are part of the net investment in a subsidiary are derecognised upon sale of the company or in the event of a loss of control or significant influence and repatriated in the income statement as part of the gain or loss resulting from the sale.

## Currency exchange rates in CHF

	Annual average rates		Year-end rates	
	2024	2023	31.12.2024	31.12.2023
1 BRL	<b>0.16</b>	0.18	<b>0.15</b>	0.17
1 CAD	<b>0.64</b>	0.67	<b>0.63</b>	0.63
100 CLP	<b>0.09</b>	0.11	<b>0.09</b>	0.10
1 EUR	<b>0.95</b>	0.97	<b>0.94</b>	0.93
1 GBP	<b>1.13</b>	1.12	<b>1.14</b>	1.07
1 MXN	<b>0.05</b>	0.05	<b>0.04</b>	0.05
1 TND	<b>0.28</b>	0.29	<b>0.29</b>	0.27
1 USD	<b>0.88</b>	0.90	<b>0.91</b>	0.84

## Cash flow statement

Cash and cash equivalents form the basis for the presentation of the cash flow statement. Cash flow from operating activities is presented using the indirect method.

## Principles of valuation

### Cash and cash equivalents

Cash and cash equivalents include cash, balances in postal giro and bank accounts, and short-term time deposits with a residual term of less than three months. They are valued at their nominal value.

### Securities (current)

Listed securities (incl. OTC securities with a market price) are valued at the market values prevailing on the balance sheet date. Unlisted securities are valued at acquisition cost less any necessary adjustments for impairment.

### Trade receivables

Trade receivables include short-term receivables with a residual term of up to one year arising from ordinary operating activities. These receivables are valued at their nominal values. Credit default risks are accounted for by specific and general allowances. General allowances are recognised for items that have not yet been considered with a specific allowance. The general allowance is based on the assumption that the default risk increases as the debt becomes increasingly overdue.

## Inventories

Goods manufactured by the company itself are valued at production cost. Any lower net market value is taken into account (lower of cost or market principle). Merchandise and other stocks of goods are valued at the lower of average cost or net market price. Discounts are treated as purchase value reductions.

## Financial assets

Financial assets include, alongside non-consolidated investments, securities held as long-term investments, long-term loans, employer contribution reserves and deferred tax assets. Securities held as long-term investments and loans are valued at cost less any necessary impairment. Employer contribution reserves are recognised at nominal value. For a description of the valuation principles of investments, refer to the consolidation principles, whereas for the valuation principles of deferred taxes, refer to the separate description within the valuation principles.

## Property, plant and equipment

Property, plant and equipment are valued at purchase cost less depreciation and any necessary impairment. Company-produced additions to plant and equipment are recognised only if they are clearly identifiable and the costs reliably determinable, and they bring a measurable benefit to the company over the course of several years. Depreciation is calculated on a straight-line basis over the useful life of the fixed asset.

The useful lives of assets have been determined as follows:

Land	no depreciation
Administrative buildings and residential buildings	40 years
Industrial buildings, rock caves	25 to 40 years
Installations and fittings	15 years
Machinery and equipment	10 to 15 years
Business infrastructure	5 to 10 years
Vehicles	4 to 7 years
Company-produced additions to plant and equipment	5 years

## Intangible assets

This item includes mainly customer relationships, trademarks and EDP software. Intangible assets are recognised if they are clearly identifiable and the costs reliably determinable, and they bring a measurable benefit to the company over the course of several years. Intangible assets are valued at purchase cost less amortisation and any necessary impairment. Amortisation is calculated on a straight-line basis over the useful life and recognised in the income statement. The useful life of EDP software is 2 to 5 years. Customer relationships and trademarks are amortised over useful lives of 5 to 20 years. The expected useful life of other intangible assets is determined on a case-by-case basis. The useful life is usually 5 years and in justified cases up to 20 years. Goodwill is not capitalised, but offset against retained earnings at the date of acquisition.

## Impairment

The value of non-current assets is assessed on the reporting date for indicators of impairment. If there is evidence of any lasting reduction in value, the recoverable amount is calculated (impairment test). If the book value exceeds the recoverable amount, the difference is recognised in the income statement as an impairment charge. Major goodwill items are tested for impairment annually, based on a value-in-use calculation. The value-in-use calculation is based on cash flows for usually the next five years and the extrapolated values thereafter. Since the goodwill is already offset against retained earnings at the date of acquisition, any impairment to goodwill does not lead to a charge to the income statement, but only to disclosure in the Notes.

## Government grants

Asset-related government grants are deducted from the carrying amount of the assets as soon as there is reasonable certainty that the conditions attached to them will be met and their value can be reliably estimated. Consequently, government grants are released to the income statement on a straight-line basis over the expected useful life of the related assets. Income-related grants are recognised in the same period as a reduction in the corresponding expenses for which they are granted.

## Liabilities

Group liabilities are recognised at their nominal values.

## Leasing

Leasing transactions are divided into finance leases and operating leases. A lease is classified as a finance lease if it essentially transfers all the risks and rewards of an asset incidental to ownership. The assets and liabilities arising out of finance leases are recognised in the balance sheet. Leasing liabilities arising out of operating leases that cannot be cancelled within one year are disclosed in [note 27](#).

## Provisions

Provisions are recognised if an event in the past gives rise to a justified, likely obligation that is of uncertain timing and amount, but which can be estimated reliably. Provisions are measured on the basis of the estimated amount of money required to satisfy the obligation.

## Employee benefit plan liabilities

Employees and former employees receive various employee benefits and old age pensions, which are provided in accordance with the laws of the countries in question.

The Swiss companies of the Emmi Group are affiliated to the “Emmi Vorsorgestiftung” (legally independent pension scheme) or are members of collective occupational pension foundations provided by banks or insurance companies, which do not carry risk themselves. These pension schemes are financed by employer and employee contributions.

The economic impact of existing pension schemes on the Emmi Group is reviewed each year. An economic benefit is recognised if it is permitted and intended to use the surplus to decrease the future pension expenses of the company. An economic obligation is recognised if the conditions for recognising a provision are met. The employer contribution reserves available are recognised as assets. Similar to pension contributions, changes of economic benefits or economic obligations are recognised in the income statement under personnel expenses.

### Deferred income taxes

The annual accrual of deferred income taxes is based on a balance-sheet-oriented approach and takes all future income tax effects into account. The future tax rate valid on the balance sheet date for the tax subject in question is used for the deferred income tax calculation. Deferred income tax assets and deferred income tax liabilities are offset, provided they relate to the same tax subject and are levied by the same tax authority. Deferred income tax assets on temporary differences and on tax losses carried forward are recognised only if it is probable that they can be realised in future through sufficient taxable profits.

### Derivative financial instruments

Emmi uses derivative financial instruments to hedge its currency, interest rate and commodity risks. Recognition of derivative financial instruments depends on the underlyings hedged. Derivatives used to hedge changes in the value of an underlying transaction already recognised in the financial statements are accounted for using the same valuation principle used for the underlying transaction hedged. Instruments for hedging future cash flows are not recognised in the balance sheet but disclosed in the Notes until the future cash flow is realised. On the occurrence of the future transaction or the disposal of the derivative instrument, the current value of the derivative financial instrument is recognised in the balance sheet and recorded in the income statement at the same time as the cash flow hedged. Any derivative financial instruments that are open as at the balance sheet date are disclosed in [note 24](#) of the consolidated financial statements.

### Net sales and revenue recognition

Net sales include revenues from the sale of goods and services. Revenue from the sale of goods is recognised in the income statement at the moment when the risks and rewards and the power of disposal of ownership of the goods have been transferred to the buyer, generally upon shipment. Revenue from services is recognised in the period when the services were rendered. Net sales consist of the amounts invoiced for products and services less deductions and sales tax.

### Research and development

Research and development costs are fully charged to the income statement. These costs are included under "Personnel expenses" and "Other operating expenses".

### Contingent liabilities

The probability and the potential economic impact of contingent liabilities are assessed at each balance sheet date. Based on that assessment, contingent liabilities are evaluated and disclosed in the Notes.



# Notes to the consolidated financial statements

in CHF 000s

## 1. Segment reporting

Net sales by product group and division	Switzerland		Americas		Europe		Global Trade		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Fresh products</b>	<b>387,784</b>	382,087	<b>374,082</b>	367,181	<b>483,415</b>	362,929	<b>40,322</b>	34,927	<b>1,285,603</b>	1,147,124
as % of net sales	<b>21.9</b>	21.7	<b>21.9</b>	21.6	<b>64.6</b>	54.9	<b>33.0</b>	29.0	<b>29.6</b>	27.0
Natural cheese	<b>356,636</b>	360,815	<b>622,722</b>	597,405	<b>111,802</b>	109,633	<b>56,878</b>	58,426	<b>1,148,038</b>	1,126,279
Processed cheese	<b>56,871</b>	57,319	<b>37,458</b>	37,810	<b>14,462</b>	14,779	<b>5,085</b>	5,641	<b>113,876</b>	115,549
<b>Cheese</b>	<b>413,507</b>	418,134	<b>660,180</b>	635,215	<b>126,264</b>	124,412	<b>61,963</b>	64,067	<b>1,261,914</b>	1,241,828
as % of net sales	<b>23.3</b>	23.7	<b>38.6</b>	37.4	<b>16.9</b>	18.8	<b>50.8</b>	53.3	<b>29.0</b>	29.3
Milk	<b>252,454</b>	243,249	<b>333,405</b>	347,930	<b>7,340</b>	38,008	<b>777</b>	971	<b>593,976</b>	630,158
Butter and margarine	<b>247,434</b>	257,785	<b>42,978</b>	43,725	<b>438</b>	15,203	<b>-</b>	-	<b>290,850</b>	316,713
Cream	<b>186,789</b>	186,872	<b>40,015</b>	35,473	<b>1,869</b>	2,547	<b>67</b>	-	<b>228,740</b>	224,892
<b>Dairy products</b>	<b>686,677</b>	687,906	<b>416,398</b>	427,128	<b>9,647</b>	55,758	<b>844</b>	971	<b>1,113,566</b>	1,171,763
as % of net sales	<b>38.8</b>	39.0	<b>24.4</b>	25.1	<b>1.3</b>	8.4	<b>0.7</b>	0.8	<b>25.6</b>	27.6
<b>Fresh cheese</b>	<b>112,466</b>	115,207	<b>93,878</b>	98,663	<b>49,993</b>	46,328	<b>705</b>	-	<b>257,042</b>	260,198
as % of net sales	<b>6.4</b>	6.5	<b>5.5</b>	5.8	<b>6.7</b>	7.0	<b>0.6</b>	-	<b>5.9</b>	6.1
<b>Powder/ concentrates</b>	<b>89,304</b>	82,024	<b>44,126</b>	48,556	<b>43,554</b>	35,233	<b>15,815</b>	19,051	<b>192,799</b>	184,864
as % of net sales	<b>5.0</b>	4.7	<b>2.6</b>	2.9	<b>5.8</b>	5.3	<b>12.9</b>	15.9	<b>4.4</b>	4.4
Other products	<b>52,981</b>	49,099	<b>115,085</b>	118,320	<b>33,281</b>	35,557	<b>2,045</b>	870	<b>203,392</b>	203,846
Sales of services	<b>28,638</b>	27,512	<b>3,977</b>	3,744	<b>1,530</b>	1,153	<b>351</b>	375	<b>34,496</b>	32,784
<b>Other products/ services</b>	<b>81,619</b>	76,611	<b>119,062</b>	122,064	<b>34,811</b>	36,710	<b>2,396</b>	1,245	<b>237,888</b>	236,630
as % of net sales	<b>4.6</b>	4.4	<b>7.0</b>	7.2	<b>4.7</b>	5.6	<b>2.0</b>	1.0	<b>5.5</b>	5.6
<b>Net sales</b>	<b>1,771,357</b>	1,761,969	<b>1,707,726</b>	1,698,807	<b>747,684</b>	661,370	<b>122,045</b>	120,261	<b>4,348,812</b>	4,242,407
as % of Group	<b>40.7</b>	41.5	<b>39.3</b>	40.1	<b>17.2</b>	15.6	<b>2.8</b>	2.8	<b>100.0</b>	100.0

Net sales by country group	2024	in %	2023	in %
Switzerland	<b>1,771,357</b>	<b>40.7</b>	1,761,969	41.5
North and South America	<b>1,361,621</b>	<b>31.3</b>	1,377,270	32.5
Europe excl. Switzerland	<b>1,002,238</b>	<b>23.1</b>	886,981	20.9
Africa	<b>140,688</b>	<b>3.2</b>	153,625	3.6
Asia/Pacific	<b>72,908</b>	<b>1.7</b>	62,562	1.5
<b>Total</b>	<b>4,348,812</b>	<b>100.0</b>	4,242,407	100.0

Emmi does not publish segment results since this would cause significant competitive disadvantages in Switzerland and abroad vis-a-vis customers, unlisted and larger listed competitors.

The divisions are not defined strictly according to geographical considerations. The division Americas includes the Emmi Group companies in the USA, Brazil, Spain, Chile, Tunisia, Mexico and Canada. The division Europe comprises those in Italy, France, the Netherlands, the UK, Germany, Austria and Belgium. The division Global Trade primarily comprises direct sales from Switzerland to customers in countries where Emmi has no subsidiaries. These include the Asian and Eastern European markets, most South American countries and the Arabian Peninsula.

## 2. Other operating income

	2024	2023
Gain on disposal of fixed assets	948	973
Miscellaneous operating income	6,626	5,771
<b>Total</b>	<b>7,574</b>	<b>6,744</b>

## 3. Other operating expenses

	2024	2023
Marketing and sales-related expenses	149,739	140,738
Occupancy expense, maintenance and repair, leasing	105,342	99,760
Insurance, fees and HGV road tax	19,689	18,468
Energy, operating material and supplies	125,094	118,571
Administrative expenses	52,820	47,738
Logistic expenses	144,085	139,572
Other operating expenses	19,516	55,110
<b>Total</b>	<b>616,285</b>	<b>619,957</b>

The decrease in other operating expenses is primarily due to the loss incurred in the previous year from the sale of Gläserne Molkerei.

## 4. Depreciation and amortisation

	2024	2023
Depreciation of property, plant and equipment	109,067	102,290
Impairment of property, plant and equipment	2,205	2,417
Amortisation of intangible assets	16,663	12,396
Impairment of intangible assets	-	471
<b>Total</b>	<b>127,935</b>	<b>117,574</b>

## 5. Financial result

	2024	2023
Interest income	5,359	2,515
Other financial income	322	170
<b>Total financial income</b>	<b>5,681</b>	<b>2,685</b>
Interest expense	-22,024	-18,987
Other financial expenses	-2,849	-1,182
<b>Total financial expenses</b>	<b>-24,873</b>	<b>-20,169</b>
<b>Total excl. currency result</b>	<b>-19,192</b>	<b>-17,484</b>
Currency result	-2,228	-6,537
<b>Financial result</b>	<b>-21,420</b>	<b>-24,021</b>

## 6. Income taxes

	2024	2023
Current income taxes	50,404	42,368
Deferred income taxes	-7,838	-9,743
<b>Total</b>	<b>42,566</b>	<b>32,625</b>
<b>Average tax rate</b>	<b>15.2%</b>	<b>13.7%</b>

The effective average tax rate of the reporting year amounted to 15.2% (previous year: 13.7%). The effective average tax rate of the previous year, adjusted for the tax effect from the disposal of Gläserne Molkerei and Ambrosi S.p.A., amounted to 14.9%.

Net accruals for current income taxes increased from CHF 18.1 million in 2023 to CHF 32.8 million in 2024. Deferred income taxes are calculated for every company using the effective applicable tax rate. As at 31 December 2024, the resulting weighted average tax rate was 19.6%. The weighted average tax rate of the previous year was 16.7% (reported) and 18.2% adjusted for the non-recurring effects related to the disposals of Gläserne Molkerei and Ambrosi S.p.A. Deferred income taxes include recognised tax claims from tax loss carryforwards amounting to CHF 11.5 million (previous year: CHF 5.4 million).

The Emmi Group falls within the scope of the OECD tax reform, which provides for a global minimum tax rate (Pillar II) of 15%. In Switzerland as well as in other countries where the Emmi Group has a presence, the Pillar II regulations came into force in the 2024 financial year. On the basis of the analyses carried out, the implementation of these regulations has no material impact on the consolidated financial statements of the Emmi Group.

Details on change of tax claims from tax loss carryforwards	2024	2023
Recognised tax claims from tax loss carryforwards	11,503	5,405
Unrecognised tax claims from tax loss carryforwards	26,222	30,541
<b>Total tax claims from tax loss carryforwards</b>	<b>37,725</b>	<b>35,946</b>
Recognised tax claims from tax loss carryforwards at 1.1.	5,405	2,575
Change in scope of consolidation	3,726	-
Additions	3,046	3,273
Utilisation	-4,361	-1,665
Reassessment	3,346	1,349
Other adjustments	341	-127
<b>Recognised tax claims from tax loss carryforwards at 31.12.</b>	<b>11,503</b>	<b>5,405</b>

The net change of recognised tax claims from tax loss carryforwards decreased the income tax expenses in the reporting year by CHF 2.4 million (previous year: decrease by CHF 2.8 million).

## 7. Earnings per share

	2024	2023
Number of shares at 1.1.	5,349,810	5,349,810
Number of shares at 31.12.	5,349,810	5,349,810
Average number of shares	5,349,810	5,349,810
Net profit in CHF 000s	220,288	186,273
<b>Earnings per share (in CHF)</b>	<b>41.18</b>	<b>34.82</b>

Earnings per share is calculated by dividing the net profit attributable to the shareholders of Emmi AG by the average number of shares outstanding. There are no treasury shares that need to be considered in the calculation of the average number of shares outstanding.

In the previous year, earnings per share of CHF 34.82 includes the loss from the sale of Gläserne Molkerei and the gain from the sale of Ambrosi S.p.A. Excluding this non-recurring effect, earnings per share amounted to CHF 39.70.

## 8. Trade receivables

	2024	2023
Third parties	550,384	484,036
Associates	1,084	903
Shareholders	321	492
Allowance for doubtful accounts	-11,996	-11,766
<b>Total</b>	<b>539,793</b>	<b>473,665</b>

## 9. Other receivables

	2024	2023
Value-added tax	27,872	15,895
Income taxes	7,294	4,317
Other – third parties	38,759	40,639
Other – associates	38	18
<b>Total</b>	<b>73,963</b>	<b>60,869</b>

## 10. Inventories

	2024	2023
Finished products	185,762	149,647
Merchandise	46,215	39,292
Raw materials, semi-finished products and packaging material	353,037	316,134
Other inventories	4,793	3,922
Allowances for inventories	-27,508	-27,684
<b>Total</b>	<b>562,299</b>	<b>481,311</b>

## 11. Prepayments and accrued income

	2024	2023
Value-added tax	23,067	24,046
Income taxes	18,931	12,251
Social insurance	1,531	3,590
Other – third parties	31,758	27,584
Other – associates	302	613
<b>Total</b>	<b>75,589</b>	<b>68,084</b>
Thereof current prepayments and accrued income	69,725	63,220
Thereof non-current prepayments and accrued income	5,864	4,864

Other prepayments and accrued income in the reporting year and the previous year consist mainly of prepayments, various refunds and accrued income for advertising costs and milk invoices.

## 12. Loans and other receivables

	2024	2023
Third parties	17,494	10,489
Associates	2,361	2,226
<b>Total</b>	<b>19,855</b>	<b>12,715</b>

The carrying amount of loans and other receivables from third parties includes impaired loans in the amount of CHF 1.4 million (previous year: CHF 1.4 million).

### 13. Property, plant and equipment

	Undeveloped land	Properties/ buildings	Machinery/ equipment	Tangible fixed assets under construction	Other tangible assets	Total
<b>2024</b>						
Cost at 1 January 2024	20,693	842,161	1,694,647	124,881	94,015	<b>2,776,397</b>
Change in scope of consolidation	–	126,897	228,204	8,337	7,737	<b>371,175</b>
Additions	–	1,319	9,919	111,244	1,532	<b>124,014</b>
Disposals	–	-1,229	-47,462	–	-5,529	<b>-54,220</b>
Reclassification	–	42,295	95,363	-148,471	7,301	<b>-3,512</b>
Currency translation differences	41	-3,967	24	2,871	-34	<b>-1,065</b>
<b>Cost at 31 December 2024</b>	<b>20,734</b>	<b>1,007,476</b>	<b>1,980,695</b>	<b>98,862</b>	<b>105,022</b>	<b>3,212,789</b>
Accumulated depreciation at 1 January 2024	1,051	409,968	1,195,097	–	64,876	<b>1,670,992</b>
Change in scope of consolidation	–	47,720	147,527	–	5,647	<b>200,894</b>
Depreciation	–	22,590	79,025	–	7,452	<b>109,067</b>
Impairment charges	–	5	2,200	–	–	<b>2,205</b>
Disposals	–	-1,023	-46,952	–	-5,370	<b>-53,345</b>
Reclassification	–	-56	-1,588	–	71	<b>-1,573</b>
Currency translation differences	1	-311	1,914	–	-379	<b>1,225</b>
<b>Accumulated depreciation at 31 December 2024</b>	<b>1,052</b>	<b>478,893</b>	<b>1,377,223</b>	<b>–</b>	<b>72,297</b>	<b>1,929,465</b>
Net book value at 31 December 2024	19,682	528,583	603,472	98,862	32,725	<b>1,283,324</b>
Thereof finance leases	–	–	–	–	956	<b>956</b>
<b>2023</b>						
Cost at 1 January 2023	20,811	860,295	1,673,321	131,625	87,896	<b>2,773,948</b>
Change in scope of consolidation	–	-7,837	-19,387	–	-130	<b>-27,354</b>
Additions	–	2,789	7,895	130,408	1,524	<b>142,616</b>
Disposals	–	-425	-52,924	–	-1,799	<b>-55,148</b>
Reclassification	58	2,275	117,887	-130,232	9,068	<b>-944</b>
Currency translation differences	-176	-14,936	-32,145	-6,920	-2,544	<b>-56,721</b>
<b>Cost at 31 December 2023</b>	<b>20,693</b>	<b>842,161</b>	<b>1,694,647</b>	<b>124,881</b>	<b>94,015</b>	<b>2,776,397</b>
Accumulated depreciation at 1 January 2023	1,054	403,298	1,210,067	–	59,286	<b>1,673,705</b>
Change in scope of consolidation	–	-7,837	-19,311	–	-130	<b>-27,278</b>
Depreciation	–	20,200	74,658	–	7,432	<b>102,290</b>
Impairment charges	–	–	2,404	–	13	<b>2,417</b>
Disposals	–	-312	-52,218	–	-1,749	<b>-54,279</b>
Reclassification	–	-117	-687	–	1,572	<b>768</b>
Currency translation differences	-3	-5,264	-19,816	–	-1,548	<b>-26,631</b>
<b>Accumulated depreciation at 31 December 2023</b>	<b>1,051</b>	<b>409,968</b>	<b>1,195,097</b>	<b>–</b>	<b>64,876</b>	<b>1,670,992</b>
Net book value at 31 December 2023	19,642	432,193	499,550	124,881	29,139	<b>1,105,405</b>
Thereof finance leases	–	–	–	–	1,491	<b>1,491</b>

## 14. Intangible assets

	Customer relationships	Trademarks	Software	Other intangible assets	Total
<b>2024</b>					
Cost at 1 January 2024	–	142,363	85,354	11,598	<b>239,315</b>
Change in scope of consolidation	342,085	1,730	15,018	916	<b>359,749</b>
Additions	–	–	7,288	686	<b>7,974</b>
Disposals	–	–	-1,136	-13	<b>-1,149</b>
Reclassification	–	–	1,840	93	<b>1,933</b>
Currency translation differences	-690	7,926	362	247	<b>7,845</b>
<b>Cost at 31 December 2024</b>	<b>341,395</b>	<b>152,019</b>	<b>108,726</b>	<b>13,527</b>	<b>615,667</b>
Accumulated amortisation at 1 January 2024	–	47,972	75,747	9,946	<b>133,665</b>
Change in scope of consolidation	–	–	6,235	713	<b>6,948</b>
Amortisation	4,327	7,387	4,655	294	<b>16,663</b>
Disposals	–	–	-1,092	-13	<b>-1,105</b>
Currency translation differences	-59	1,803	313	186	<b>2,243</b>
<b>Accumulated amortisation at 31 December 2024</b>	<b>4,268</b>	<b>57,162</b>	<b>85,858</b>	<b>11,126</b>	<b>158,414</b>
Net book value at 31 December 2024	337,127	94,857	22,868	2,401	<b>457,253</b>

	Customer relationships	Trademarks	Software	Other intangible assets	Total
<b>2023</b>					
Cost at 1 January 2023	–	154,544	83,574	12,124	<b>250,242</b>
Change in scope of consolidation	–	–	-390	-15	<b>-405</b>
Additions	–	–	2,230	278	<b>2,508</b>
Disposals	–	–	-165	-291	<b>-456</b>
Reclassification	–	–	1,581	71	<b>1,652</b>
Currency translation differences	–	-12,181	-1,476	-569	<b>-14,226</b>
<b>Cost at 31 December 2023</b>	<b>–</b>	<b>142,363</b>	<b>85,354</b>	<b>11,598</b>	<b>239,315</b>
Accumulated amortisation at 1 January 2023	–	43,193	73,082	10,366	<b>126,641</b>
Change in scope of consolidation	–	–	-372	-15	<b>-387</b>
Amortisation	–	7,701	4,434	261	<b>12,396</b>
Impairment charges	–	388	18	65	<b>471</b>
Disposals	–	–	-165	-291	<b>-456</b>
Reclassification	–	–	-49	-11	<b>-60</b>
Currency translation differences	–	-3,310	-1,201	-429	<b>-4,940</b>
<b>Accumulated amortisation at 31 December 2023</b>	<b>–</b>	<b>47,972</b>	<b>75,747</b>	<b>9,946</b>	<b>133,665</b>
Net book value at 31 December 2023	–	94,391	9,607	1,652	<b>105,650</b>

All intangible assets were acquired.



## 15. Trade payables

	2024	2023
Third parties	<b>366,618</b>	274,562
Associates	<b>3,928</b>	5,525
Shareholders	<b>22,656</b>	21,754
Other related parties	<b>33</b>	–
<b>Total</b>	<b>393,235</b>	301,841

## 16. Other payables

	2024	2023
Value-added tax	<b>6,504</b>	2,489
Social insurance	<b>13,886</b>	7,891
Other – third parties	<b>41,863</b>	30,224
Other – related parties	<b>3,454</b>	3,353
<b>Total</b>	<b>65,707</b>	43,957

## 17. Accrued liabilities and deferred income

	2024	2023
Contractual discounts	<b>63,768</b>	53,776
Vacation, overtime, bonuses	<b>50,287</b>	38,610
Income taxes	<b>51,701</b>	30,390
Interest	<b>4,826</b>	3,544
Social insurance	<b>4,876</b>	2,550
Other – third parties	<b>78,858</b>	67,578
Other – associates	<b>1,017</b>	950
Other – shareholders	<b>110</b>	–
<b>Total</b>	<b>255,443</b>	197,398
Thereof current accrued liabilities and deferred income	<b>251,570</b>	193,200
Thereof non-current accrued liabilities and deferred income	<b>3,873</b>	4,198

Other accrued liabilities and deferred income in the reporting year and the previous year comprise in particular contributions to brand organisations, expected earn-out payments for acquisitions, energy costs, advertising costs, HGV road tax and various services.

## 18. Financial liabilities

### 18.1 Bonds

Bond type	Bond with reopening option
Nominal amount	CHF 150 million
Securities number	138001128 / ISIN CH1380011283
Interest rate	1.1%
Term	30 October 2024 to 28 August 2026
Maturity	28 August 2026 at par value

The CHF 0.3 million expenses incurred in connection with the issuance of the bond were capitalised under prepayments and accrued income on 30 October 2024. This accrual will be released over the term of the bond. The issue price at 100.029% led to premium income of CHF 0.04 million. The actual interest rate on the bond is thereby increased from 1.1% to 1.21% per year.

Bond type	Bond with reopening option
Nominal amount	CHF 200 million
Securities number	128965711 / ISIN CH1289657111
Interest rate	2.0%
Term	22 September 2023 to 22 September 2028
Maturity	22 September 2028 at par value

The CHF 0.5 million expenses incurred in connection with the issuance of the bond were capitalised under prepayments and accrued income on 22 September 2023. This accrual will be released over the term of the bond. The issue price at 100.13% led to premium income of CHF 0.3 million. The actual interest rate on the bond is thereby increased from 2.0% to 2.04% per year.

Bond type	Bond with reopening option
Nominal amount	CHF 100 million
Securities number	36869775 / ISIN CH0368697758
Interest rate	0.5%
Term	21 June 2017 to 21 June 2029
Maturity	21 June 2029 at par value

The CHF 0.4 million expenses incurred in connection with the issuance of the bond were capitalised under prepayments and accrued income on 21 June 2017. This accrual will be released over the term of the bond. The issue price at 100.4% led to premium income of CHF 0.4 million. The actual interest rate on the bond is thereby increased from 0.5% to 0.51% per year.

In 2020, securities with a nominal value of CHF 0.5 million were repurchased from the stock exchange for investment purposes.

Bond type	Bond with reopening option
Nominal amount	CHF 200 million
Securities number	138001129 / ISIN CH1380011291
Interest rate	1.35%
Term	30 October 2024 to 30 October 2030
Maturity	30 October 2030 at par value

The CHF 0.4 million expenses incurred in connection with the issuance of the bond were capitalised under prepayments and accrued income on 30 October 2024. This accrual will be released over the term of the bond. The issue price at 100.014% led to premium income of CHF 0.03 million. The actual interest rate on the bond is thereby increased from 1.35% to 1.4% per year.

Bond type	Bond with reopening option
Nominal amount	CHF 200 million
Securities number	114638248 / ISIN CH1146382481
Interest rate	0.375%
Term	1 December 2021 to 1 December 2031
Maturity	1 December 2031 at par value

The CHF 0.7 million expenses incurred in connection with the issuance of the bond were capitalised under prepayments and accrued income on 1 December 2021. This accrual will be released over the term of the bond. The issue price at 100.54% led to premium income of CHF 1.1 million. The actual interest rate on the bond was thereby reduced from 0.375% to 0.37% per year.

The proceeds from the bond were used to fund the acquisition of the Athenos business in the USA. Emmi has entered into a cross-currency swap to hedge currency and interest rate risks over the long term. Taking this hedge into account, the net interest rate on the USD nominal value of USD 215.6 million is 2.3% instead of 0.375% on the CHF nominal value of 200.0 million.

Bond type	Bond with reopening option
Nominal amount	CHF 275 million
Securities number	138001130 / ISIN CH1380011309
Interest rate	1.6%
Term	30 October 2024 to 30 October 2034
Maturity	30 October 2034 at par value

The CHF 0.7 million expenses incurred in connection with the issuance of the bond were capitalised under prepayments and accrued income on 30 October 2024. This accrual will be released over the term of the bond. The issue price at 100.207% led to premium income of CHF 0.6 million. The actual interest rate on the bond was thereby reduced from 1.6% to 1.62% per year.

## 18.2 Maturing structure of financial liabilities

<b>2024</b>	Residual terms up to 1 year	Residual terms 1 to 5 years	Residual terms over 5 years	<b>Total</b>	Thereof secured by real estate liens	Interest rate in %
Bank overdrafts	63,118	118,717	10,976	<b>192,811</b>	13,801	0.0 – 14.6
Finance lease liabilities	2,102	4,741	5,446	<b>12,289</b>	–	2.3 – 13.8
Loans from third parties	–	506	204	<b>710</b>	–	0.0 – 8.0
Bonds	–	449,520	675,000	<b>1,124,520</b>	–	0.5 – 2.3
<b>Total</b>	<b>65,220</b>	<b>573,484</b>	<b>691,626</b>	<b>1,330,330</b>	<b>13,801</b>	<b>–</b>

All bonds and the vast majority of bank loans are set at fixed interest rates. For the bond issued in December 2021, the interest rate was applied after including cash flows from the cross currency swap. There are no financing arrangements in place linked to financial covenants.

In the reporting year, financial liabilities increased by CHF 648.0 million to CHF 1,330.3 million. The financing for the acquisition of the Mademoiselle Desserts Group was largely raised by issuing a triple bond for a total of CHF 625 million on 30 October 2024. The three tranches have maturities in 2026, 2030 and 2034, and the weighted average all-in costs amount to 1.53% per year. New financial liabilities totalling CHF 56 million were acquired with the three acquisitions Verde Campo, Hochstrasser and Mademoiselle Desserts Group. In addition, local financing was increased during the reporting year in Brazilian real and reduced in euro, Tunisian dinars, and Chilean and Mexican pesos. At the end of the reporting year, the share of financing in Swiss francs was 85.1% (previous year: 73.4%), mainly relating to the six bonds. 10.6% (previous year: 19.1%) of the financial liabilities are denominated in euro and 0.1% (previous year: 0.0%) in British pound. CHF 55.8 million (previous year: CHF 51.7 million) or 4.2% (previous year: 7.5%) of financing is denominated locally in emerging market currencies such as the Brazilian real, Tunisian dinar, and Chilean and Mexican peso.

<b>2023</b>	Residual terms up to 1 year	Residual terms 1 to 5 years	Residual terms over 5 years	<b>Total</b>	Thereof secured by real estate liens	Interest rate in %
Bank overdrafts	68,475	66,310	46,300	<b>181,085</b>	16,178	1.2 – 15.7
Finance lease liabilities	430	305	–	<b>735</b>	–	9.8 – 13.8
Loans from third parties	500	451	6	<b>957</b>	–	0.0 – 8.0
Bonds	–	200,000	299,520	<b>499,520</b>	–	0.5 – 2.3
<b>Total</b>	<b>69,405</b>	<b>267,066</b>	<b>345,826</b>	<b>682,297</b>	<b>16,178</b>	<b>–</b>

## 19. Provisions

<b>2024</b>	Ongoing restructuring	Other provisions	Deferred income taxes	<b>Total provisions</b>
<b>As at 1 January 2024</b>	2,400	21,502	50,228	<b>74,130</b>
Change in scope of consolidation	–	3,321	105,099	<b>108,420</b>
Additions	3,700	5,210	–	<b>8,910</b>
Utilisation	-2,000	-1,946	–	<b>-3,946</b>
Release	-400	-1,422	-1,801	<b>-3,623</b>
Currency translation differences	–	116	1,004	<b>1,120</b>
<b>As at 31 December 2024</b>	3,700	26,781	154,530	<b>185,011</b>
Thereof current provisions	1,700	6,246	–	<b>7,946</b>
Thereof non-current provisions	2,000	20,535	154,530	<b>177,065</b>

Other provisions include, among others, liabilities for staff expenses in foreign countries as required by law (reporting year: CHF 8.9 million, previous year: CHF 5.7 million) and provisions for pending legal matters and business disputes (reporting year: CHF 2.4 million, previous year: CHF 1.5 million). In all cases, the likelihood of occurrence of such events has been assessed at above 50%.

<b>2023</b>	Ongoing restructuring	Other provisions	Deferred income taxes	<b>Total provisions</b>
<b>As at 1 January 2023</b>	5,000	22,189	56,008	<b>83,197</b>
Additions	1,900	5,949	–	<b>7,849</b>
Utilisation	-4,500	-4,323	–	<b>-8,823</b>
Release	–	-1,580	-3,882	<b>-5,462</b>
Currency translation differences	–	-733	-1,898	<b>-2,631</b>
<b>As at 31 December 2023</b>	2,400	21,502	50,228	<b>74,130</b>
Thereof current provisions	2,400	5,821	–	<b>8,221</b>
Thereof non-current provisions	–	15,681	50,228	<b>65,909</b>

## 20. Employee benefit schemes

Employer contribution reserve (ECR)	Nominal value ECR	Waiver of usage	Other value adjustments	Balance sheet <sup>1)</sup>	Balance sheet	Result from ECR in personnel expenses	
	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2023	2024	2023
Pension schemes without excess/insufficient cover (domestic)	2,150	–	–	2,150	1,610	60	58
Pension schemes with excess cover (domestic)	–	–	–	–	–	–	–
<b>Total</b>	<b>2,150</b>	<b>–</b>	<b>–</b>	<b>2,150</b>	<b>1,610</b>	<b>60</b>	<b>58</b>

<sup>1)</sup> Compared to the previous year, there was an increase of CHF 600 thousand due to changes in the scope of consolidation.

Economic benefit/ economic obligation and pension expenses	Excess/ insufficient cover as per Swiss GAAP FER 26	Economic benefit/obligation for the company	Change vs. previous year or taken to the income statement in the FY	Contributions limited to the period <sup>1)</sup>	Pension expenses in personnel expenses	
	31.12.2024	31.12.2024	31.12.2023		2024	2023
Welfare funds	30,065	–	–	–	–	–
Pension schemes without excess/insufficient cover (domestic)	–	–	–	–	22,430	21,764
Pension schemes without excess/insufficient cover (abroad)	–	–	–	–	5,254	3,286
Pension schemes with excess cover (domestic)	–	–	–	–	–	–
<b>Total</b>	<b>30,065</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>27,684</b>	<b>25,050</b>

<sup>1)</sup> Including result from employer contribution reserves or comparable items in connection with pension schemes abroad.

Breakdown of pension expenses 2024	Domestic	Abroad	Total
Contributions to pension plans at cost to the companies	22,370	5,254	27,624
Contributions to pension plans from employer contribution reserves	60	–	60
Total contributions	22,430	5,254	27,684
Change in ECR due to asset performance, value adjustments, etc.	–	–	–
<b>Contributions and change to employer contribution reserves</b>	<b>22,430</b>	<b>5,254</b>	<b>27,684</b>
Increase in economic benefit to the company due to excess cover	–	–	–
Reduction in economic obligations of the company due to insufficient cover	–	–	–
<b>Total change in economic impact arising from excess/insufficient cover</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Pension expenses in personnel expenses for the period</b>	<b>22,430</b>	<b>5,254</b>	<b>27,684</b>

Breakdown of pension expenses 2023	Domestic	Abroad	Total
Contributions to pension plans at cost to the companies	21,706	3,286	24,992
Contributions to pension plans from employer contribution reserves	58	–	58
Total contributions	21,764	3,286	25,050
Change in ECR due to asset performance, value adjustments, etc.	–	–	–
<b>Contributions and change to employer contribution reserves</b>	<b>21,764</b>	<b>3,286</b>	<b>25,050</b>
Increase in economic benefit to the company due to excess cover	–	–	–
Reduction in economic obligations of the company due to insufficient cover	–	–	–
<b>Total change in economic impact arising from excess/insufficient cover</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Pension expenses in personnel expenses for the period</b>	<b>21,764</b>	<b>3,286</b>	<b>25,050</b>

## 21. Acquisitions

The companies acquired in the reporting year had the following significant balance sheet items at the time of acquisition and are fully consolidated. No companies were acquired in the previous year.

	Laticínios Verde Campo S.A.	Hoch- strasser	Mademoiselle Desserts Group	2023
				2024
Cash and securities	1,879	4,176	24,222	–
Trade receivables	5,717	1,696	37,383	–
Inventories	4,396	2,214	80,142	–
Other current assets	4,696	144	25,930	–
Non-current assets	23,222	26,686	478,557	–
Trade payables	5,837	733	39,285	–
Other current liabilities	5,473	3,549	64,605	–
Non-current liabilities	1,315	6,566	136,778	–
<b>Net assets</b>	<b>27,285</b>	<b>24,068</b>	<b>405,566</b>	–

On 31 May 2024, Laticínios Porto Alegre Indústria e Comércio S.A. (LPA), an Emmi subsidiary based in Ponte Nova, Brazil, acquired 70% of the shares in Laticínios Verde Campo S.A., Brazil. Emmi holds 70% of the shares in LPA and therefore has a 49% stake in Verde Campo. Verde Campo is well established in Brazil, with its innovative dairy products such as yogurt and milk drinks with high-quality protein based on natural whey. In the 2024 financial year up to the date of acquisition, Verde Campo generated net sales of BRL 128 million (CHF 23 million) and contributed BRL 178 million (CHF 29 million) to Group sales since it became part of the Group on 31 May 2024.

On 1 October 2024, Emmi acquired the Lucerne-based coffee roaster Hochstrasser, consisting of the companies Hochstrasser AG Littau, caffè Don George Gourmetrösterei AG and Mediato AG. The acquisition ensures quality and innovative strength of freshly roasted and brewed coffee for Emmi Caffè Latte in the long term. Hochstrasser generated net sales of CHF 13 million in the 2024 financial year up to the date of acquisition and contributed CHF 5 million to Group sales since it became part of the Group on 1 October 2024.

On 3 October 2024, Emmi acquired the French Mademoiselle Desserts Group, which specialises in innovative premium patisserie. Emmi is thus adding French desserts to its dessert portfolio and strengthening its Anglo-Saxon desserts with a leading presence in the in-store bakery and food service sector and can offer its customers a highly innovative full range that combines the great dessert traditions. The Mademoiselle Desserts Group generated net sales of EUR 308 million (CHF 293 million) in the 2024 financial year up to the date of acquisition and contributed EUR 128 million (CHF 122 million) to Group sales since it became part of the Group on 3 October 2024.

## 22. Goodwill from acquisitions

Goodwill from acquisitions of companies or the purchase of interests in associates or joint ventures is offset against retained earnings at the date of acquisition. The theoretical capitalisation of goodwill and its amortisation over the expected useful life of usually 20 years as well as the theoretical recognition of negative goodwill as a liability over the expected useful life of 5 years would have the following effects on the consolidated financial statements as at 31 December 2024:

### Theoretical capitalisation of goodwill

	Goodwill Group companies	Goodwill associated companies	Total
<b>2024</b>			
Cost at 1 January 2024	898,188	5,859	<b>904,047</b>
Additions	432,816	–	<b>432,816</b>
Currency translation differences	23,781	7	<b>23,788</b>
<b>Cost at 31 December 2024</b>	<b>1,354,785</b>	<b>5,866</b>	<b>1,360,651</b>
Theoretical accumulated amortisation at 1 January 2024	315,860	5,767	<b>321,627</b>
Amortisation	49,208	24	<b>49,232</b>
Currency translation differences	6,144	5	<b>6,149</b>
<b>Theoretical accumulated amortisation at 31 December 2024</b>	<b>371,212</b>	<b>5,796</b>	<b>377,008</b>
Theoretical net book value at 31 December 2024	983,573	70	<b>983,643</b>

	Goodwill Group companies	Goodwill associated companies	Total
<b>2023</b>			
Cost at 1 January 2023	973,991	18,016	<b>992,007</b>
Additions	1,027	–	<b>1,027</b>
Disposals	-14,357	-11,968	<b>-26,325</b>
Currency translation differences	-62,473	-189	<b>-62,662</b>
<b>Cost at 31 December 2023</b>	<b>898,188</b>	<b>5,859</b>	<b>904,047</b>
Theoretical accumulated amortisation at 1 January 2023	302,626	15,168	<b>317,794</b>
Amortisation	44,702	324	<b>45,026</b>
Disposals	-14,357	-9,578	<b>-23,935</b>
Currency translation differences	-17,111	-147	<b>-17,258</b>
<b>Theoretical accumulated amortisation at 31 December 2023</b>	<b>315,860</b>	<b>5,767</b>	<b>321,627</b>
Theoretical net book value at 31 December 2023	582,328	92	<b>582,420</b>

### Theoretical recognition of negative goodwill

	Negative goodwill Group companies
<b>2024</b>	
As at 1 January 2024	–
Additions	<b>8,447</b>
Release	<b>-938</b>
Currency translation differences	<b>-1,154</b>
<b>As at 31 December 2024</b>	<b>6,355</b>



**Theoretical impact on shareholders' equity incl. minority interests**

	31.12.2024	31.12.2023
Shareholders' equity as per balance sheet	<b>1,129,801</b>	1,414,884
Theoretical capitalisation of net book value of goodwill	<b>966,004</b>	627,824
Theoretical recognition of negative goodwill	<b>-7,509</b>	-
Currency translation differences	<b>16,485</b>	-45,404
<b>Theoretical shareholders' equity incl. net book value of goodwill</b>	<b>2,104,781</b>	1,997,304
Theoretical shareholders' equity ratio	<b>48.5%</b>	60.6%

**Theoretical impact on earnings before interest and taxes (EBIT)**

	2024	2023
Earnings before interest and taxes (EBIT) as per income statement	<b>302,689</b>	258,248
Theoretically not necessary goodwill recycling	-	15,944
Theoretical amortisation of goodwill	<b>-49,208</b>	-44,702
Theoretical scheduled reversals of negative goodwill	<b>938</b>	-
<b>Theoretical earnings before interest and taxes (EBIT) after goodwill amortisation and reversals of negative goodwill</b>	<b>254,419</b>	229,490

**Theoretical impact on net profit**

	2024	2023
Net profit as per income statement	<b>220,288</b>	186,273
Theoretically not necessary goodwill recycling	-	27,153
Theoretical amortisation of goodwill	<b>-49,232</b>	-45,026
Theoretical scheduled reversals of negative goodwill	<b>938</b>	-
<b>Theoretical net profit after goodwill amortisation and reversals of negative goodwill</b>	<b>171,994</b>	168,400

## 23. Disposal of companies

No companies were sold in the reporting year. Gläserne Molkerei, which was sold in the previous year, had the following key balance sheet items at the time of sale:

	-	Gläserne Molkerei
	<b>2024</b>	2023
Cash and securities	-	12,042
Trade receivables	-	7,833
Inventories	-	3,669
Other current assets	-	1,298
Non-current assets	-	143
Trade payables	-	4,492
Other current liabilities	-	4,082
Non-current liabilities	-	7,695
<b>Net assets</b>	<b>-</b>	<b>8,716</b>

On 14 August 2023, Emmi sold Gläserne Molkerei (consisting of the companies Gläserne Molkerei GmbH, Gläserne Molkerei Münchehofe GmbH and Hofmolkerei Münchehofe GmbH) to Munich-based Mutares, which specialises in turnaround situations. Gläserne Molkerei generated annual sales of around EUR 100 million with over 120 employees. The loss from this transaction amounts to CHF 37.2 million (before tax) and CHF 28.9 million (after tax) and is recognised in the income statement in other operating expenses and tax expenses.

## 24. Unsettled derivative financial instruments

	Positive value	Negative value	Purpose	Positive value	Negative value	Purpose
	31.12.2024			31.12.2023		
Forward currency transactions	4,396	2,758	Hedging	22,485	430	Hedging
Interest rate swaps	24,406	93	Hedging	7,696	123	Hedging
<b>Total forward transactions</b>	<b>28,802</b>	<b>2,851</b>	–	30,181	553	–
Thereof to hedge future cash flows	24,462	627	–	8,719	276	–
<b>Total recognised in the balance sheet</b>	<b>4,340</b>	<b>2,224</b>	–	21,462	277	–

Similar to the underlying transactions, currency forwards, interest rate swaps and other forward transactions used to hedge future cash flows are not recognised in the balance sheet. The result of these derivative instruments is recognised in the income statement on occurrence of the transaction hedged. Derivative financial instruments used to hedge balance sheet positions in foreign currencies are recognised as securities in the current assets or other payables in the current liabilities, respectively. Corresponding changes in value are recognised in the financial result.

In connection with the CHF 200 million bond issued in December 2021 to fund the USD acquisition of the Athenos business in the USA, Emmi entered into a cross-currency swap. This hedges currency and interest rate risks in USD over the entire term of the bond. While the fair value of the currency portion serves as a hedge of balance sheet items and is therefore accounted for in the same way as the hedged item, the fair value of the interest portion is a hedge of future cash flows. Accordingly, the fair value of the interest portion is not recognised.

Emmi also has options to acquire additional shares in a number of Group companies with minority interests. At the same time, put options have been granted in general to the counterparties. These options are not recognised in the balance sheet as they represent derivatives on equity instruments of the own organisation, which are explicitly excluded from the scope of [Swiss GAAP FER 27](#). The strike price of these options is generally based on the corresponding enterprise value at the exercise date and cannot currently be reliably measured. The exercise date varies depending on the agreement. The maturities range from short term to time-unlimited options.

## 25. Government grants

In 2024 asset-related government grants of CHF 1.6 million (previous year: CHF 1.0 million) were recognised that were deducted directly from purchase costs. The grants recognised in the year under review relate to the installation of a solar power facility in the USA; those in the previous year were mainly for investments in property, plant and equipment in Tunisia.

In 2024 Emmi received income-related government grants of CHF 1.1 million (previous year: CHF 1.1 million), which mainly originate from export contributions in Switzerland and were recognised as a reduction in the cost of materials.

## 26. Contingent assets and liabilities

Emmi is involved in legal disputes as part of normal business activities. Although the outcome of the lawsuits currently cannot be predicted with certainty, Emmi assumes that none of the disputes will have any significant negative impact on operating activities or on the Group's financial situation. Expected outgoing payments are provided for accordingly. As at the date of the financial statements, the Group had no major contingent assets.

## 27. Pledged assets and off-balance sheet leasing/rental obligations

	31.12.2024	31.12.2023
Pledged assets		
Pledges on property, nominal values	271,369	246,337
Pledges on other assets	5	75
Thereof used as security for own liabilities	13,806	16,283
<b>Off-balance sheet leasing/rental obligations</b>		
up to 2 years	25,023	23,245
3 to 5 years	18,360	21,853
over 5 years	20,932	24,225
<b>Total</b>	<b>64,315</b>	<b>69,323</b>

## 28. Investment obligations and other off-balance sheet liabilities

	31.12.2024	31.12.2023
Investment obligations in connection with previously concluded agreements	38,308	23,311
Long-term commodity contracts	672	962
Cooperation agreements with suppliers/customers	p.m.	p.m.

Furthermore, there are milk purchase agreements that cannot be quantified.

The long-term commodity contracts are purchase agreements for coffee that will be settled at the market price valid in the period of delivery.

## 29. Transactions with related parties

Business transactions with related parties are based on arm's length conditions. All transactions are reported in the consolidated financial statements for 2024 and 2023, and consist of deliveries of products and raw materials, loans, and services to and from related parties. The corresponding receivable and payable balances are reported separately in these financial statements (see notes 8, 9, 11, 12, 15, 16 and 17).

Transactions with associates	2024	2023
Net sales	10,817	16,887
Cost of materials and services	25,259	39,195
Other expenses	1,986	2,127
Financial income	28	307

Transactions with shareholders	2024	2023
Net sales	5,936	5,964
Cost of materials and services	263,841	257,152
Other expenses	97	80

Transactions with other related parties	2024	2023
Net sales	48	63
Other expenses	102	148

Milk purchases from the main shareholder are included in cost of materials under transactions with shareholders. These are made at arm's length conditions. Emmi Group is jointly and severally liable within the scope of VAT group taxation for the associated liabilities of [Genossenschaft Zentralschweizer Milchproduzenten ZMP](#) and [ZMP Invest AG](#).

### Other transactions

The compensation paid to members of the Board of Directors and Group Executive Management is disclosed in the Compensation Report of Emmi AG.

### 30. Shareholders

Nominal capital	31.12.2024	%	31.12.2023	%
ZMP Invest AG, Lucerne <sup>1)</sup>	28,520	53.3	28,488	53.2
Zentralschweizer Käsermeister Genossenschaft, Sursee <sup>1)</sup>	2,150	4.0	2,150	4.0
MIBA Genossenschaft, Aesch (BL) <sup>1)</sup>	1,677	3.1	1,697	3.2
Other	21,151	39.6	21,163	39.6
<b>Total</b>	<b>53,498</b>	<b>100.0</b>	<b>53,498</b>	<b>100.0</b>

<sup>1)</sup> ZMP Invest AG, Lucerne, Zentralschweizer Käsermeister Genossenschaft, Sursee, and MIBA Genossenschaft, Aesch (BL), form a group in the sense of Article 121 FinMIA. The Group owns 60.4% (previous year: 60.4%) of the total voting rights.

As at 7 June 2016, [Capital Group Companies Inc.](#), Los Angeles, USA, informed us that it owned 268,500 registered shares of Emmi AG (5.019%). Since then, no further disclosure notifications were made until the balance sheet date of 31 December 2024.

On 3 May 2024, [UBS Fund Management](#) (Switzerland) AG reported a holding of 177,731 registered shares (3.322%).

As at 31 December 2024, Emmi Wohlfahrtsfonds (welfare fund) owned a total of 6,000 shares of (unchanged from previous year).

### 31. Risk management and internal controls

The Board of Directors of Emmi AG has the ultimate responsibility for risk management, while implementation is delegated to Group Executive Management. Irrespective of the type of risk, there is a generally applicable risk management process. As part of a formal process, significant business risks are assessed in a first process step in workshops and individual interviews, and then analysed and evaluated according to the extent of the potential damage and their likelihood of occurrence. The second process step involves risk management and the creation of a list of measures per risk and risk reporting.

The Board of Directors of Emmi AG discussed and approved the risk assessment in the year under review. It monitors the implementation of the defined measures by Group Executive Management. No exceptional risks that went beyond normal limits were identified during the assessment. The process is repeated annually. The following risks, among others, were identified as significant risks to the Emmi Group:

- Milk price difference internationally: The milk price difference between Switzerland and other countries continues to have a negative impact on the sales of domestically produced products both in Switzerland, as the volume of imported milk products increases, and abroad. This risk is absorbed through targeted and sustainable growth abroad. Any risks related to the international growth of the Emmi Group are minimised by a strict focus on the strategy and its implementation.
- Skills and labour shortage: The skills and labour shortage is intensifying in some of the relevant markets for the Emmi Group. This can lead to vacancies remaining unfilled for longer and increase pressure on personnel costs. Rigorous improvement of our processes, raised automation levels, targeted adjustments to the hiring process and promotion of a unique corporate culture help to mitigate this risk.
- Inflation: Although inflation has eased since the sharp rise in 2022, it remains at a high level in many key markets. Inflationary trends have made a major portion of Emmi's input costs significantly more expensive. This applies not only to a wide range of raw materials and packaging materials, but to energy costs too, for example. As a secondary effect, the high inflation rates of recent years have also resulted in an adjustment in real wages and thus significantly higher wage costs. If Emmi is unable to compensate for further rises in costs through efficiency gains or higher sales prices in future, or only with a lag, this may lead to a decline in margins.

- Currency risk: Currency movements represent a significant risk for the Emmi Group, and has a tendency to increase based on the continuing internationalisation of business activities. We aim to achieve natural hedges with purchases in foreign currencies. Furthermore, in line with the Emmi strategy, expenditure and production volumes in foreign currency zones are being increased through capital expenditures and acquisitions.
- Price pressure: National and international product tenders threaten in the medium term to result in price erosion, which could lead to a loss of margin mainly for generic products. If the prices of Emmi products remain stable in foreign currency, this may lead to a margin loss. If prices increase, market shares might be lost. However, the successfully established Emmi brands, including those in the milk alternatives segment, offer long-term value creation potential.
- Trade agreements: The drafting of trade agreements with countries in which Emmi operates presents both opportunities and risks for the company. Switzerland is currently engaged in various talks aimed at negotiating new trade agreements and renegotiating existing ones, but progress is slow. As a result, the Swiss dairy industry is increasingly falling behind its competitors – especially those from the European Union – on the international market in terms of market access conditions. Negotiations that are unfavourable for Emmi could potentially also lead to heavy import pressure in Switzerland. A suspension of the bilateral agreements with the European Union would make it harder for Swiss export products to gain access to the market (e.g. due to the reintroduction of customs duties on cheese), posing a considerable risk. With the growth and local anchoring of our foreign subsidiaries, this risk is becoming smaller in its effect.
- IT outages: With the growing continuity of processes and increasing penetration and standardisation of IT systems, the extent of damage caused by a potential outage increases. Shutdowns of entire plants can very quickly lead to high losses. With increasing investments in IT security, this risk is continuously analysed and mitigated; however, a residual risk remains.

The Emmi Group is exposed to various financial risks through its business activities, including credit, liquidity and other market risks. Credit risks are managed by means of continual monitoring of day-to-day business and appropriate risk assessment when closing a transaction. Liquidity risk is managed by means of central cash management, which ensures that the planned liquidity requirement is covered by corresponding financing agreements. Other market risks, such as currency and interest rate risks, are partially hedged using derivative instruments. The non-hedged portion is consciously borne as a risk. The currencies of particular relevance to the Emmi Group are the euro, the US dollar and the British pound.



To ensure that the consolidated financial statements comply with the applicable accounting standards and are reported accurately, the Emmi Group has set up effective internal control and management systems, which are reviewed regularly. Accounting and valuation include estimates and assumptions regarding the future. These are based on the knowledge possessed by the respective employees and are regularly examined with a critical eye. Where a financial position includes a major valuation uncertainty that could lead to a significant change in the carrying amount, this uncertainty is disclosed accordingly in the Notes. However, no risks that could lead to a significant correction to the company's assets, financial position or results of operations as reported in the annual accounts were identified as at the balance sheet date.

## **32. Subsequent events**

From the balance sheet date until the consolidated financial statements were approved by the Board of Directors on 25 February 2025, no other major events occurred that could have adversely affected the validity of the consolidated financial statements for 2024 or which would have to be disclosed.

### 33. Summary of consolidated companies, associates and joint ventures

Consolidated companies	Head office	Currency	Capital in 000s 31.12.2024	Capital share 31.12.2024	Capital share 31.12.2023
<b>Switzerland</b>					
caffè Don George Gourmetrösterei AG <sup>1)</sup>	Untervaz	CHF	100	100%	–
Emmi AG	Lucerne	CHF	53,498	100%	100%
Baumann Käse AG	Münchenbuchsee	CHF	100	100%	100%
Emmi Dessert International SA in liquidation	Lugano	CHF	250	100%	100%
Emmi Finanz AG	Lucerne	CHF	100	100%	100%
Emmi International AG	Lucerne	CHF	5,000	100%	100%
Emmi Langnau AG	Langnau i.E.	CHF	3,000	100%	100%
Emmi Management AG	Lucerne	CHF	500	100%	100%
Emmi Schweiz AG	Lucerne	CHF	5,700	100%	100%
FDS Fromagerie de Saignelégier SA	Saignelégier	CHF	1,050	86%	86%
Fromco S.A. Moudon	Moudon	CHF	2,100	60%	60%
Hochstrasser AG Littau <sup>1)</sup>	Lucerne	CHF	480	100%	–
Käserei Studer AG	Hefenhofen	CHF	720	100%	100%
Lesa Lataria Engiadinaisa SA	Bever	CHF	2,000	80%	80%
Mediato AG <sup>1)</sup>	Lucerne	CHF	100	100%	–
Mittelland Molkerei AG	Suhr	CHF	20,000	100%	100%
MOPRO Luzern AG	Lucerne	CHF	120	100%	100%
Regio Molkerei beider Basel AG	Frenkendorf	CHF	3,000	80%	80%
Swissexport, Aktiengesellschaft Schweizerischer Käseexporteure	Berne	CHF	100	79%	79%
<b>France</b>					
Distribution Frais Disfrais SAS	Avignon	EUR	192	100%	100%
EF Immo 84 SCI	Nice	EUR	270	100%	100%
Emmi France SAS	Nice	EUR	6,000	100%	100%
Ets Schoepfer SAS	Avignon	EUR	1,252	100%	100%
Groupe Mademoiselle Desserts SAS <sup>2)</sup>	Montigny-Le-Bretonneux	EUR	276,776	99%	–
Holding Mademoiselle Desserts SAS <sup>2)</sup>	Montigny-Le-Bretonneux	EUR	249,416	99%	–
Indulgent Moments SAS <sup>3)</sup>	Montigny-Le-Bretonneux	EUR	36,699	99%	–
Mademoiselle Desserts Argenton SAS <sup>2)</sup>	Argenton-sur-Creuse	EUR	142	99%	–
Mademoiselle Desserts Broons SAS <sup>2)</sup>	Broons	EUR	1,000	99%	–
Mademoiselle Desserts France SAS <sup>2)</sup>	Montigny-Le-Bretonneux	EUR	500	99%	–
Mademoiselle Desserts International SAS <sup>2)</sup>	Montigny-Le-Bretonneux	EUR	177,813	99%	–
Mademoiselle Desserts Renaison SAS <sup>2)</sup>	Renaison	EUR	500	99%	–
Mademoiselle Desserts Saint Renan SAS <sup>2)</sup>	Saint-Renan	EUR	62	99%	–
Mademoiselle Desserts Tincques SAS <sup>2)</sup>	Tincques	EUR	1,619	99%	–
Mademoiselle Desserts Valade SAS <sup>2)</sup>	Champagnac-de-Belair	EUR	542	99%	–

<sup>1)</sup> Part of Hochstrasser, which was acquired on 1 October 2024.

<sup>2)</sup> Part of Mademoiselle Desserts Group, which was acquired on 3 October 2024.

<sup>3)</sup> Indulgent Moments SAS was founded on 27 June 2024.

<b>Consolidated companies</b>	Head office	Currency	Capital in 000s 31.12.2024	<b>Capital share 31.12.2024</b>	Capital share 31.12.2023
<b>Spain</b>					
Admilac Servicios Profesionales, S.L.	San Sebastian	EUR	3	<b>73%</b>	73%
Altamira Alimentaria, S.L.	Renedo	EUR	3	<b>73%</b>	73%
Kaiku Corporación Alimentaria, S.L.	San Sebastian	EUR	82,110	<b>73%</b>	73%
Kaiku Internacional, S.L.	San Sebastian	EUR	77,877	<b>73%</b>	73%
Kaiku Km0, S.L.	Bilbao	EUR	625	<b>73%</b>	73%
Lácteos de Navarra, S.L.	Pamplona	EUR	9,647	<b>73%</b>	73%
Lecherías de Madrid, S.L.	Madrid	EUR	3	<b>29%</b>	29%
Llet Nostra Alimentaria, S.L.	Barcelona	EUR	2,764	<b>33%</b>	33%
SDA Catalunya	Barcelona	EUR	3	<b>53%</b>	53%
Servicios Logísticos Jundiz, S.L.	Vitoria	EUR	102	<b>73%</b>	73%
Soc. Servicios Logísticos SDA Central, S.L.	Bilbao	EUR	3	<b>73%</b>	73%
Tecnología y Calidad Láctea, S.L.	San Sebastian	EUR	3	<b>73%</b>	73%
<b>United Kingdom</b>					
Cake and Bake Club Limited <sup>2)</sup>	Taunton	GBP	p.m.	<b>99%</b>	–
Case Topco Limited <sup>2)</sup>	Taunton	GBP	113	<b>99%</b>	–
Emmi UK Limited	London	GBP	4,717	<b>100%</b>	100%
Mademoiselle Desserts Corby Ltd <sup>2)</sup>	Corby	GBP	1	<b>99%</b>	–
Mademoiselle Desserts Taunton Ltd <sup>2)</sup>	Taunton	GBP	5	<b>99%</b>	–
Mademoiselle Desserts UK Ltd <sup>2)</sup>	Taunton	GBP	p.m.	<b>99%</b>	–
The Handmade Cake Company Ltd <sup>2)</sup>	Taunton	GBP	399	<b>99%</b>	–
<b>Netherlands</b>					
Bettinehoeve B.V. <sup>4)</sup>	Etten-Leur	EUR	–	–	100%
Emmi Bettine B.V. <sup>4) 5)</sup>	Tiel	EUR	525	<b>100%</b>	100%
Emmi Finance Netherlands B.V.	Tiel	EUR	p.m.	<b>100%</b>	100%
ENS International B.V. <sup>6)</sup>	Heerhugowaard	EUR	–	–	100%
Goat Milk Powder B.V. <sup>6)</sup>	Etten-Leur	EUR	1	<b>100%</b>	100%
Mademoiselle Desserts Weert B.V. <sup>2)</sup>	Weert	EUR	20	<b>99%</b>	–
<b>Italy</b>					
Emmi Dessert Italia S.p.A.	Milan	EUR	1,000	<b>100%</b>	100%
Emmi Holding Italia S.r.l.	Milan	EUR	1,714	<b>100%</b>	100%
Emmi Italia S.p.A.	Milan	EUR	500	<b>100%</b>	100%
Pasticceria Quadrifoglio S.r.l.	Piumazzo	EUR	104	<b>100%</b>	100%
<b>Austria</b>					
Emmi Österreich GmbH	Nüziders	EUR	2,800	<b>100%</b>	100%
Hale GmbH <sup>7) 8)</sup>	Wartberg	EUR	–	–	92%
Leeb Biomilch GmbH <sup>7)</sup>	Wartberg	EUR	106	<b>100%</b>	92%
<b>Belgium</b>					
B.R. Holding B.V. <sup>2)</sup>	Waregem	EUR	6,628	<b>99%</b>	–
Mademoiselle Desserts Waregem NV <sup>2)</sup>	Waregem	EUR	500	<b>99%</b>	–
<b>Germany</b>					
Emmi Deutschland GmbH	Essen	EUR	75	<b>100%</b>	100%
Molkerei Biedermann GmbH in liquidation <sup>9)</sup>	Constance	EUR	25	<b>100%</b>	100%
<b>Tunisia</b>					
Centrale Laitière de Mahdia, S.A.	Mahdia	TND	43,300	<b>47%</b>	47%
Société tunisienne d'élevage des veaux S.A.R.L. in liquidation	Mahdia	TND	140	<b>47%</b>	47%

4) Bettinehoeve B.V. was merged into Emmi Benelux B.V. on 30 December 2024.

5) Emmi Benelux B.V. was renamed to Emmi Bettine B.V. on 30 December 2024.

6) ENS International B.V. was merged into Goat Milk Powder B.V. on 30. Dezember 2024.

7) Emmi increased both of its stakes in Hale GmbH and Leeb Biomilch GmbH from 92% to 100% on 31 July 2024.

8) Hale GmbH was merged with Leeb Biomilch on 11 December 2024.

9) Molkerei Biedermann GmbH was placed in liquidation on 31 December 2024.

<b>Consolidated companies</b>	Head office	Currency	Capital in 000s 31.12.2024	<b>Capital share 31.12.2024</b>	Capital share 31.12.2023
<b>United States</b>					
Bello LLC	Delaware	USD	p.m.	<b>88%</b>	88%
Classe Foods LLC	Delaware	USD	p.m.	<b>88%</b>	88%
Cypress Grove Chèvre, Inc.	Arcata	USD	202	<b>100%</b>	100%
Emmental Cheese Corp.	Orangeburg	USD	6	<b>100%</b>	100%
Emmi Dessert Intermediate Holdings (USA) LLC	New York	USD	p.m.	<b>100%</b>	100%
Emmi Dessert Participations (USA) Corp.	Delaware	USD	p.m.	<b>100%</b>	100%
Emmi Dessert USA LLC	Delaware	USD	p.m.	<b>88%</b>	88%
Emmi Equator RTD Coffee LLC	Delaware	USD	p.m.	<b>70%</b>	70%
Emmi Holding (USA), Inc.	Stoughton	USD	1	<b>100%</b>	100%
Emmi Resume LLC	Delaware	USD	p.m.	<b>100%</b>	100%
Emmi Roth USA, Inc.	Monroe	USD	2	<b>100%</b>	100%
Emmi USA Inc.	Orangeburg	USD	800	<b>100%</b>	100%
Jackson-Mitchell, Inc.	Turlock	USD	27	<b>100%</b>	100%
Luce Foods LLC	New Jersey	USD	p.m.	<b>88%</b>	88%
Luna Foods LLC	Delaware	USD	p.m.	<b>88%</b>	88%
Mademoiselle Desserts USA LLC <sup>2)</sup>	Miami	USD	1	<b>99%</b>	–
Redwood Hill Farm & Creamery, Inc.	Sebastopol	USD	835	<b>100%</b>	100%
Switzerland Cheese Marketing (USA) Inc.	Orangeburg	USD	1	<b>79%</b>	79%
Tomales Bay Foods, Inc.	Petaluma	USD	895	<b>100%</b>	100%
Vivi Foods LLC	New York	USD	p.m.	<b>88%</b>	88%
Zingg + Co. Inc.	Orangeburg	USD	1	<b>100%</b>	100%
<b>Mexico</b>					
Alimentos Finos del Sureste, S.A. de C.V. <sup>10)</sup>	Cancun, Qroo	MXN	100	<b>51%</b>	46%
Comalca 2000, S.A. de C.V. <sup>10)</sup>	Cancun, Qroo	MXN	14,960	<b>51%</b>	46%
Comalca Gourmet, S.A. de C.V. <sup>10)</sup>	Cancun, Qroo	MXN	12,623	<b>51%</b>	46%
Distribuidora Internacional de Lacteos, S.A. de C.V.	Mexico City	MXN	50	<b>38%</b>	38%
Distribuidora Mexideli, S.A. de C.V.	Mexico City	MXN	100	<b>51%</b>	51%
Mexideli 2000 Holding S.A. de C.V.	Mexico City	MXN	101,759	<b>51%</b>	51%
Mexideli, S.A. de C.V.	Mexico City	MXN	68,350	<b>51%</b>	51%
Tecnologías Narcisco, S.A. de C.V.	Mexico City	MXN	60	<b>51%</b>	51%
<b>Chile</b>					
Chevrita S.p.A.	Santiago	CLP	676,077	<b>38%</b>	38%
Distribuidora de Alimentos Chile S.p.A.	Santiago	CLP	798,271	<b>38%</b>	38%
Eurolac Chile S.p.A.	Santiago	CLP	47,040,582	<b>73%</b>	73%
Surlat Corporación S.p.A.	Santiago	CLP	47,008,983	<b>73%</b>	73%
Surlat Industrial S.p.A.	Pitrufrquen	CLP	31,310,389	<b>38%</b>	38%
Quillayes Peteroa S.p.A.	Santiago	CLP	12,222,584	<b>38%</b>	38%
Quillayes Surlat S.p.A.	Santiago	CLP	54,392,884	<b>38%</b>	38%
Quillayes Surlat Comercial S.p.A.	Santiago	CLP	7,934,483	<b>38%</b>	38%
<b>Brazil</b>					
Emmi do Brasil Holding Ltda.	Sao Paulo	BRL	891,000	<b>100%</b>	100%
Laticínios Porto Alegre Indústria e Comércio S.A.	Ponte Nova	BRL	563,312	<b>70%</b>	70%
Laticínios Verde Campo S.A. <sup>11)</sup>	Linhares	BRL	484,082	<b>49%</b>	–
<b>Canada</b>					
Emmi Canada Inc.	Saint-Hubert	CAD	19,150	<b>100%</b>	100%
Switzerland Cheese Marketing Inc.	Saint-Hubert	CAD	1	<b>79%</b>	79%
9314–8591 Québec Inc.	Saint-Hubert	CAD	3,137	<b>100%</b>	100%

<sup>10)</sup> On 11 June 2024, Mexideli 2000 Holding S.A. de C.V., in which Emmi holds a 51% stake, increased its holdings in Comalca 2000, S.A. de C.V. and in Comalca Gourmet, S.A. de C.V. from 90% to 100%, respectively. This also increased Emmi's share of Alimentos Finos del Sureste, S.A. de C.V., which is wholly owned by Comalca Gourmet, S.A. de C.V.

<sup>11)</sup> Trop Frutas do Brasil Ltda. was acquired on 31 May 2024 and renamed to Laticínios Verde Campo S.A. on 29 November 2024.

For the subsidiaries of Kaiku Corporación Alimentaria, S.L. and the subsidiaries of Mexideli 2000 Holding S.A. de C.V., the controlled voting rights differ from the stated capital share, as Emmi, through the control of the parent companies, also controls their subsidiaries.

<b>Associates and joint ventures</b>	Head office	Currency	Capital in 000s 31.12.2024	<b>Capital share 31.12.2024</b>	Capital share 31.12.2023
<b>Switzerland</b>					
BO Butter GmbH	Berne	CHF	500	<b>33%</b>	33%
Cetra Holding SA	Mezzovico-Vira	CHF	250	<b>34%</b>	34%
FDC Fromagerie de Courgenay SA	Courgenay	CHF	990	<b>25%</b>	25%
Floralp Butter GmbH	Berne	CHF	125	<b>33%</b>	33%
Sbrinz Käse GmbH	Sursee	CHF	180	<b>24%</b>	24%
Switzerland Cheese Marketing AG	Berne	CHF	290	<b>23%</b>	23%
Thurgauische Käse-Reifungs AG	Weinfelden	CHF	2,000	<b>25%</b>	25%
<b>Spain</b>					
Batiovo I.A.E.	Madrid	EUR	12	<b>37%</b>	37%
NaturAll BBVV-2018, S.L.	Corella	EUR	2,617	<b>18%</b>	18%
Serkolat Bide, S.L.	San Sebastian	EUR	8	<b>37%</b>	37%
<b>Germany</b>					
Carl Fr. Scheer GmbH + Co. KG	Willstätt	EUR	500	<b>25%</b>	25%
Scheer Verwaltungs u. Beteiligungs GmbH	Willstätt	EUR	26	<b>25%</b>	25%
<b>United States</b>					
Emmi Meister LLC	Fitchburg	USD	2	<b>50%</b>	50%
Kindred Creamery LLC	Fitchburg	USD	1	<b>30%</b>	30%
<b>Italy</b>					
Sepa S.r.l.	Pieve Porto Morone	EUR	100	<b>40%</b>	40%

# Auditor's report



## Statutory Auditor's Report

To the General Meeting of Emmi AG, Lucerne

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Emmi AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 108 to 148) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters



REVENUE RECOGNITION FROM SALES OF PRODUCTS



ACQUISITION OF MADEMOISELLE DESSERTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



 **REVENUE RECOGNITION FROM SALES OF PRODUCTS**

**Key Audit Matter**

Consolidated net revenue from sales of products amount to CHF 4,314.3 million in the financial year 2024.

Revenue from the sale of products is recognised in the income statement when the risks and rewards as well as the title over the goods are transferred to the buyer, generally upon shipment. Net sales are reported net of credit notes and sales deductions.

Net sales form an important basis for assessing the course of business and the performance of the group and are therefore in the focus of internal and external stakeholders.

The fact that different delivery times, contractual terms and Incoterms have to be considered when determining the correct time for recognising revenue leads to an increased audit risk.

In addition, there is a risk of management overriding controls to achieve planned results.

Accordingly, we focused our audit in this area on the existence of revenue transactions and their recognition in the correct period.

Based on these considerations, we determined revenue recognition to be a key audit matter.

**Our response**

As part of our audit, we assessed the appropriateness of the accounting policies used for recognising revenue and specifically, regarding the recognition in the correct accounting period.

We obtained an understanding of the revenue recognition process from order to receipt of payment and, based on this, critically assessed whether the transactions are completely and accurately recognised in the consolidated financial statements.

For the identified key controls in the area of revenue recognition, we assessed the existence (design and implementation) of the relevant controls and tested their operating effectiveness on a sample basis.

Our procedures included, amongst others, the following audit procedures:

- On a sample basis, we reconciled sales transactions before and after the balance sheet date with delivery notes and customer contracts. Based on this, we verified the transfer of title to the buyer and thus the recording in the correct reporting period in accordance with the agreed terms.
- On a sample basis, we reconciled the accounts receivables balances as at the balance sheet date with third party confirmations or, alternatively, with delivery documents, invoices and/or incoming payments.
- For selected companies, we have verified the existence and accuracy of sales transactions by using data analytics.
- On a sample basis, we examined credit notes issued after year-end and payments received.
- In addition, we performed analytical procedures at Group level as well as at company level for selected entities. These included, among other things, analyses of the developments of sales and margins.

In addition to the audit procedures described above, we assessed the risk of management overriding controls by analysing manual journal entries in sales accounts.

For further information on revenue recognition refer to the following:

- Principles of valuation, pages 115 to 119
- Segment reporting, pages 120 to 121



## ACQUISITION OF MADEMOISELLE DESSERTS

### Key Audit Matter

On 3 October 2024, Emmi Group acquired Mademoiselle Desserts Group. The net assets acquired amount to CHF 405 million.

In addition to reflecting the transaction in accordance with Swiss GAAP FER the accounting for this acquisition involves applying significant judgment and assumptions regarding the

- Identification and measurement of assets and liabilities at fair value as of the acquisition date, in particular of the previously unrecognised intangible assets, the determination of acquisition costs and the goodwill resulting from the acquisition,
- Presentation of the acquisition and the related disclosures.

As the transaction has a significant impact on the consolidated financial statements due to its size and because management has to make assumptions in the presentation, we have classified the acquisition of Mademoiselle Desserts as a key audit matter.

### Our response

We have essentially conducted the following audit procedures:

- Critically assessed and analysed the purchase agreement to identify significant factors relating to the transaction, the acquisition costs and the accounting treatment.
- Auditing selected items of the opening balance sheet of the acquired business.
- Assessment of the appropriateness of the identification and measurement of the assets and liabilities recognised as of the acquisition date.
- Scrutinizing and evaluating the assumptions used by management in the recognition and measurement of the assets and liabilities, with the involvement of our own valuation specialists.
- Assessment of the correctness of the presentation and the disclosures of this acquisition in the consolidated financial statements.

For further information on the acquisition Mademoiselle Desserts refer to the following:

- Principles of consolidation, pages 112 to 115
- Acquisitions, page 134
- Goodwill from acquisitions, pages 135 to 136

### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





#### **Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

François Rouiller  
Licensed Audit Expert  
Auditor in Charge

Manuel Odoni  
Licensed Audit Expert

Lucerne, 25 February 2025



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# Income statement

in CHF 000s

	Notes	2024	2023
Income from investments	2.1	140,931	126,619
Other financial income	2.2	9,397	20,081
Other operating income		7,630	7,523
<b>Total income</b>		<b>157,958</b>	154,223
Financial expenses	2.3	-9,708	-18,500
Personnel expenses		-1,448	-1,460
Other operating expenses		-8,807	-7,628
Direct taxes		-109	-488
<b>Total expenses</b>		<b>-20,072</b>	-28,076
<b>Net profit</b>		<b>137,886</b>	126,147

# Balance sheet

in CHF 000s

Assets	Notes	31.12.2024	%	31.12.2023	%
Cash and cash equivalents		393		2,934	
Other current receivables from third parties		68		47	
Other current receivables from companies in which the entity holds an investment		987		60,317	
Prepayments and accrued income		169		341	
<b>Current assets</b>		<b>1,617</b>	<b>0.1</b>	63,639	4.0
Loans to companies in which the entity holds an investment		93,955		92,600	
Investments in subsidiaries and associates	2.4	1,855,998		1,432,343	
Financial assets		1,949,953		1,524,943	
Prepayments and accrued income		62		84	
<b>Non-current assets</b>		<b>1,950,015</b>	<b>99.9</b>	1,525,027	96.0
<b>Total assets</b>		<b>1,951,632</b>	<b>100.0</b>	1,588,666	100.0
<b>Liabilities and shareholders' equity</b>					
Current interest-bearing debts due to third parties		–		27,780	
Other current payables to third parties		1,719		222	
Other current payables due to companies in which the entity holds an investment		333,321		–	
Accrued liabilities and deferred income		2,557		2,438	
Provisions		200		62	
<b>Current liabilities</b>		<b>337,797</b>	<b>17.3</b>	30,502	1.9
Non-current interest-bearing debts due to third parties		93,955		92,600	
Provisions		–		648	
<b>Non-current liabilities</b>		<b>93,955</b>	<b>4.8</b>	93,248	5.9
<b>Liabilities</b>		<b>431,752</b>	<b>22.1</b>	123,750	7.8
Share capital	2.5	53,498		53,498	
Legal capital reserves					
– Reserves from capital contributions	2.6	8,294		8,294	
Legal retained earnings		2,886		2,886	
Voluntary retained earnings		1,315,000		1,270,000	
Available earnings					
– Profit brought forward		2,316		4,091	
– Net profit		137,886		126,147	
<b>Shareholders' equity</b>		<b>1,519,880</b>	<b>77.9</b>	1,464,916	92.2
<b>Total liabilities and shareholders' equity</b>		<b>1,951,632</b>	<b>100.0</b>	1,588,666	100.0

# Statement of changes in equity

in CHF 000s

	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Available earnings	Total
<b>Shareholders' equity at 1 January 2021</b>	53,498	8,294	2,886	1,145,000	103,285	<b>1,312,963</b>
Allocation	-	-	-	30,000	-30,000	-
Dividend	-	-	-	-	-69,548	<b>-69,548</b>
Net profit for the year	-	-	-	-	123,067	<b>123,067</b>
<b>Shareholders' equity at 31 December 2021</b>	53,498	8,294	2,886	1,175,000	126,804	<b>1,366,482</b>
Allocation	-	-	-	50,000	-50,000	-
Dividend	-	-	-	-	-74,897	<b>-74,897</b>
Net profit for the year	-	-	-	-	124,756	<b>124,756</b>
<b>Shareholders' equity at 31 December 2022</b>	53,498	8,294	2,886	1,225,000	126,663	<b>1,416,341</b>
Allocation	-	-	-	45,000	-45,000	-
Dividend	-	-	-	-	-77,572	<b>-77,572</b>
Net profit for the year	-	-	-	-	126,147	<b>126,147</b>
<b>Shareholders' equity at 31 December 2023</b>	53,498	8,294	2,886	1,270,000	130,238	<b>1,464,916</b>
Allocation	-	-	-	45,000	-45,000	-
Dividend	-	-	-	-	-82,922	<b>-82,922</b>
Net profit for the year	-	-	-	-	137,886	<b>137,886</b>
<b>Shareholders' equity at 31 December 2024</b>	53,498	8,294	2,886	1,315,000	140,202	<b>1,519,880</b>

# Notes to the financial statements

in CHF 000s

## 1. Principles

### 1.1 General aspects

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting ([32nd title of the Swiss Code Obligations](#)).

Where not prescribed by law, the significant accounting and valuation principles applied are described below.

### 1.2 Securities listed on a stock exchange

Securities with a short-term holding period are valued at their quoted market price as at the balance sheet date. A valuation adjustment reserve has not been accounted for.

### 1.3 Financial assets

Financial assets include long-term loans and investments. Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealised losses are recorded but unrealised profits are not recognised (impairity principle).

### 1.4 Current and non-current interest-bearing debts

Interest-bearing debts are recognised in the balance sheet at nominal value.

### 1.5 Foregoing a cash flow statement and additional disclosures in the Notes

As Emmi AG has prepared its consolidated financial statements in accordance with a recognised accounting standard ([Swiss GAAP FER](#)), it was decided not to present additional information on interest-bearing liabilities and audit fees in the Notes as well as a cash flow statement, in accordance with the law.



## **2. Information on balance sheet and income statement items**

### **2.1 Income from investments**

This position includes dividend income from investments.

### **2.2 Other financial income**

Other financial income mainly comprises foreign currency gains and interest income on loans granted to companies in which the entity holds an investment.

### **2.3 Financial expenses**

Financial expenses mainly comprise foreign currency losses and interest expenses.

## 2.4 Investments

	Currency	Capital in 000s 31.12.2024	Capital share 31.12.2024	Capital share 31.12.2023
<b>Switzerland</b>				
Baumann Käse AG, Münchenbuchsee	CHF	100	100%	100%
Cetra Holding SA, Mezzovico-Vira	CHF	250	34%	34%
Emmi Finanz AG, Lucerne	CHF	100	100%	100%
Emmi International AG, Lucerne	CHF	5,000	100%	100%
Emmi Langnau AG, Langnau i.E.	CHF	3,000	100%	100%
Emmi Management AG, Lucerne	CHF	500	100%	100%
Emmi Schweiz AG, Lucerne	CHF	5,700	100%	100%
Fromco S.A. Moudon, Moudon	CHF	2,100	60%	60%
<b>Hochstrasser</b>				
Hochstrasser AG Littau, Lucerne <sup>1)</sup>	CHF	480	100%	–
Käserei Studer AG, Hefenhofen	CHF	720	100%	100%
Mittelland Molkerei AG, Suhr	CHF	20,000	100%	100%
MOPRO Luzern AG, Lucerne	CHF	120	100%	100%
Switzerland Cheese Marketing AG, Berne	CHF	290	23%	23%
<b>Austria</b>				
Hale GmbH, Wartberg <sup>2) 3)</sup>	EUR	–	–	92%
Leeb Biomilch GmbH, Wartberg <sup>2)</sup>	EUR	106	100%	92%
<b>Germany</b>				
Emmi Deutschland GmbH, Essen	EUR	75	100%	100%
<b>France</b>				
Indulgent Moments SAS, Montigny-le-Bretonneux <sup>4)</sup>	EUR	36,699	99%	–
<b>United Kingdom</b>				
Emmi UK Limited, London	GBP	4,717	100%	100%
<b>Italy</b>				
Emmi Holding Italia S.r.l., Milan	EUR	1,714	70%	70%
<b>Canada</b>				
Emmi Canada Inc., Saint-Hubert	CAD	19,150	100%	100%
<b>Netherlands</b>				
Emmi Finance Netherlands B.V., Tiel	EUR	p.m.	100%	100%
<b>Spain</b>				
Kaiku Corporación Alimentaria, S.L., San Sebastián	EUR	82,110	73%	73%
<b>United States</b>				
Emmi Holding (USA), Inc., Stoughton	USD	1	100%	100%

1) Hochstrasser was acquired on 1 October 2024. Hochstrasser consists of the company mentioned above as well as caffè Don George Gourmetrösterei AG and Mediato AG.

2) Emmi increased both of its stakes in Hale GmbH and Leeb Biomilch GmbH from 92% to 100% on 31 July 2024.

3) Hale GmbH was merged with Leeb Biomilch on 11 December 2024.

4) Indulgent Moments SAS was founded on 27 June 2024.

The above-mentioned investments are directly held by Emmi AG. Investments that are indirectly held by Emmi AG are mentioned in [note 33](#) of the consolidated financial statements.

## 2.5 Share capital and significant shareholders

The share capital of KCHF 53,498 as at 31 December 2024 consists of 5,349,810 registered shares with a nominal value of CHF 10 (unchanged from previous year).

1,038,846 shares or 19.4% were not registered as at 31 December 2024 (previous year: 1,035,724 shares were not registered or 19.4%).

The following significant shareholders with more than 3% of voting rights are known to the company.

Nominal capital	31.12.2024	%	31.12.2023	%
ZMP Invest AG, Lucerne <sup>1)</sup>	<b>28,520</b>	<b>53.3</b>	28,488	53.2
Zentralschweizer Käsermeister Genossenschaft, Sursee <sup>1)</sup>	<b>2,150</b>	<b>4.0</b>	2,150	4.0
MIBA Genossenschaft, Aesch (BL) <sup>1)</sup>	<b>1,677</b>	<b>3.1</b>	1,697	3.2
Other	<b>21,151</b>	<b>39.6</b>	21,163	39.6
<b>Total</b>	<b>53,498</b>	<b>100.0</b>	53,498	100.0

<sup>1)</sup> ZMP Invest AG, Lucerne, Zentralschweizer Käsermeister Genossenschaft, Sursee, and MIBA Genossenschaft, Aesch (BL), form a Group in the sense of Article 121 FinMIA. The Group owns 60.4% (previous year: 60.4%) of the total voting rights.

As at 7 June 2016, [Capital Group Companies Inc.](#), Los Angeles, USA, informed us that it owned 268,500 registered shares of Emmi AG (5.019%). Since then, no further disclosure notifications were made until the balance sheet date of 31 December 2024.

On 3 May 2024, [UBS Fund Management](#) (Switzerland) AG reported a holding of 177,731 registered shares (3.322%).

As at 31 December 2024, Emmi Wohlfahrtsfonds (welfare fund) owned a total of 6,000 shares of (unchanged from previous year).

## 2.6 Capital contribution reserve

	31.12.2024	31.12.2023
Confirmed by the tax authorities	<b>2,522</b>	2,522
Not confirmed by the tax authorities	<b>5,772</b>	5,772
<b>Total</b>	<b>8,294</b>	8,294

The capital contribution reserve results from capital contribution payments above the nominal amount over past years.

### 3. Other disclosures

#### 3.1 Full-time equivalents

In the reporting year and in the previous year, Emmi AG employed fewer than 10 employees on average.

#### 3.2 Collateral provided for liabilities of third parties

	31.12.2024	31.12.2023
Guarantees and joint liability for loans of Group companies	1,384,875	698,530
Of which used by Group companies	1,127,227	504,727
Other guarantees for Group companies	1,339	1,339

#### 3.3 Contingent liabilities

Emmi AG is jointly and severally liable for the VAT liabilities of the other Swiss-domiciled Emmi companies (Hochstrasser as of January 2025) and of the Central Switzerland Milk Producers Cooperative (ZMP) and ZMP Invest AG.

#### 3.4 Net release of hidden reserves

No hidden reserves were released in the reporting year or in the previous year.

#### 3.5 Significant events after the balance sheet date

From the balance sheet date until the financial statements were approved by the Board of Directors on 25 February 2025, no other major events occurred that could have adversely affected the validity of the financial statements for 2024 or which would have to be disclosed.

# Proposed appropriation of available earnings

in CHF 000s

Available earnings	31.12.2024	31.12.2023
Retained earnings carried forward	2,316	4,091
Net profit	137,886	126,147
<b>Available for distribution by the General Meeting</b>	<b>140,202</b>	<b>130,238</b>

## Appropriation of available earnings

The Board of Directors proposes that the General Meeting approve the distribution of a dividend of CHF 16.50 (previous year: CHF 15.50) gross per registered share for financial year 2024, to be paid out of retained earnings (subject to withholding tax).

Earnings available for distribution by the General Meeting	140,202	130,238
Dividend	-88,272	-82,922
Allocation to voluntary retained earnings	-45,000	-45,000
<b>Carried forward to new account</b>	<b>6,930</b>	<b>2,316</b>
Total distribution	88,272	82,922
Of which from other available earnings	-88,272	-82,922

# Auditor's report



## Statutory Auditor's Report

To the General Meeting of Emmi AG, Lucerne

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Emmi AG (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement for the year then ended, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 156 to 163) comply with Swiss law and the Company's articles of incorporation.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

#### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### **Board of Directors' Responsibilities for the Financial Statements**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

A handwritten signature in black ink, appearing to read 'FR-11'.

François Rouiller  
Licensed Audit Expert  
Auditor in Charge

A handwritten signature in black ink, appearing to read 'MO'.

Manuel Odoni  
Licensed Audit Expert

Lucerne, 25 February 2025



# Share information of Emmi AG

Stock exchange information		2024	2023	2022	2021	2020
Share price at 31.12.	in CHF	<b>736.00</b>	911.00	783.00	1,076.00	911.50
Year's high (end-of-day position)	in CHF	<b>955.00</b>	968.00	1,138.00	1,101.00	949.50
Year's low (end-of-day position)	in CHF	<b>733.00</b>	798.00	737.00	896.50	732.50
Market capitalisation at 31.12.	in CHF million	<b>3,937</b>	4,874	4,189	5,756	4,876
Average trading volume	Units	<b>2,762</b>	2,224	3,643	3,086	5,454

Key share data						
Earnings per share	in CHF	<b>41.18</b>	34.82	34.12	40.51	35.21
Adjusted earnings per share	in CHF	<b>41.18</b>	39.70	36.31	40.51	37.86
Shareholders' equity per share	in CHF	<b>185.81</b>	241.68	218.58	202.07	210.67
Return on shareholders' equity <sup>1)</sup>	in %	<b>-17.51</b>	18.20	-25.93	19.47	9.61
Distribution per share	in CHF	<b>16.50</b>	15.50	14.50	14.00	13.00
Distribution rate <sup>2)</sup>	in %	<b>40.07</b>	44.52	42.49	34.56	36.92
Adjusted distribution rate <sup>3)</sup>	in %	<b>40.07</b>	39.04	39.93	34.56	34.34
Dividend return <sup>4)</sup>	in %	<b>2.24</b>	1.70	1.85	1.30	1.43

1) (Share price gain per share + distribution per share)/share price at the beginning of the year

2) Distribution per share/earnings per share

3) Distribution per share/adjusted earnings per share

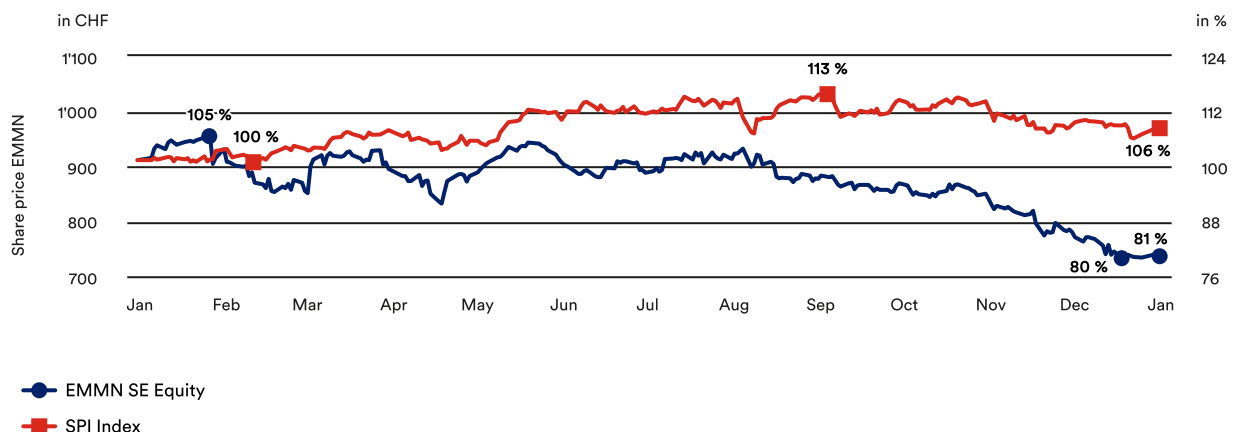
4) Distribution per share/year-end closing price

Capital structure at 31.12.

Share capital	CHF 000s	<b>53,498</b>	53,498	53,498	53,498	53,498
Divided into number of registered shares	Units	<b>5,349,810</b>	5,349,810	5,349,810	5,349,810	5,349,810
Par value per registered share	in CHF	<b>10</b>	10	10	10	10

Share ranking for dividends	All
Voting rights	All registered shareholders have full voting rights
Securities number	1,282,989
ISIN code	CH0012829898
Ticker	EMMN
Common code	20,592,664
Traded	in the SIX Local Caps segment on the SIX Swiss Exchange
Index inclusion	SPI, SPI Extra, SPI ex SLI, Swiss All Share Index

## Share price 2024





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# Sustainability Report

## 1. Emmi's sustainability strategy and model

### 1.1 Sustainability strategy

Continuing Emmi's tradition, sustainability is an integral part of the business model and one of the five core elements of the Group's strategy, which aims to achieve long-term, profitable growth and added value for all its stakeholders. With this in mind, Emmi is committed to actively optimising its value chain while taking responsibility for future generations.

[Emmi Group strategy](#)

### 1.2 The Emmi sustainability model

The Emmi sustainability model is based on the three strategic pillars: "People", "Communities" and "Planet". The model underpins the resource-efficient, environmentally friendly and socially responsible way in which Emmi aims to conduct its business. To achieve this and other areas of progress, sustainability is embedded in the core business processes of all Emmi companies. Emmi sees this as the key to jointly achieving its ambitious sustainability goals within the three strategic pillars.

[The Emmi sustainability model](#)



To implement the strategy, attention is given to the following five topics, which are each aligned with the three strategic pillars. Each topic includes ambitious targets set for 2027. Emmi also supports the [Sustainable Development Goals \(SDGs\)](#) and the global community's ambitious plan to tackle global challenges such as climate change and sustainable growth.

## Developing employees

The skills and knowledge of its employees are among Emmi's most valuable resources. In an ever-evolving environment driven by rapid technological advancements, the company aims to ensure its employees are equipped with the necessary skills. Therefore, by 2027, all employees are expected to have a development plan in place and to continue their development through a range of attractive initiatives. Emmi hopes this will provide the company with access to a pool of skilled workers. For example, Emmi aims to fill half of its vacancies with internal candidates by 2027.

### Developing employees



## Sustainable dairy

Emmi aims to be known as a company that makes products from sustainable milk – in all the markets in which it is active. To achieve this goal, all milk suppliers must exceed average local standards by 2027. Emmi assesses this using a science-based criteria catalogue. In its domestic market in Switzerland, Emmi has championed the establishment of the Sustainable Swiss Milk industry standard, which has been mandatory since 2024. Emmi continues to be committed to its further development.

### Sustainable dairy



## Reducing emissions

Emmi is committed to reducing its direct greenhouse gas emissions by 60% by 2027 (Scope 1 and 2, compared to 2014). It is also extending its commitments to encompass its entire value chain (Scope 3): together with its milk producers, Emmi aims to reduce CO<sub>2</sub>e by 25% per kg of milk by 2027 (compared to 2019). Emmi is committed to its netZERO 2050 vision and pledges to adhere to science-based emission reduction targets in line with the Greenhouse Gas Protocol and the Science Based Targets initiative (SBTi).

### Reducing emissions



## Reducing waste

Emmi is committed to advancing the circular economy by 2027 by pursuing the following goals: to halve the amount of waste and food waste produced in its companies (compared to 2017). The remaining waste may no longer be disposed of in landfill sites after that time. Packaging is also very important to Emmi. The company aims to achieve 100% recyclability and to use at least 30% recycled material.

### Packaging

### Food waste

### Waste



## Reducing water use

Water is an increasingly scarce resource, especially in vulnerable regions. Emmi is therefore committed to reducing freshwater consumption in its operations in high-risk regions by 50% by 2027 (compared to 2019). In the remaining countries, Emmi is aiming for a reduction of 15% (compared to 2019).

### Reducing water use



## 1.3 The Emmi sustainability governance model

Emmi's Board of Directors is responsible for the sustainable development of the company, including the sustainability strategy and reporting. The Board has delegated implementation to the CEO and Group Executive Management, who have appointed a Sustainability Steering Committee to oversee further implementation. The Committee acts as a decision-making and approval body, taking into account costs, efficiency and local conditions. It regularly monitors progress and tracks the achievement of the established sustainability goals. It comprises the Chief Supply Chain Officer (CSCO), Chief Human Resources Officer (CHRO), Chief Financial Officer (CFO), Chief Marketing Officer (CMO), Executive Vice President Switzerland, Executive Vice President America, Executive Vice President Europe, Head Corporate Communications and Head Group Sustainability.

The global sustainability team implements, develops and monitors the sustainability strategy. It provides leadership and offers guidance and support throughout the Group. The team manages internal and external communication to ensure transparency and the flow of information. Knowledge transfer and networking with internal and external stakeholders play a key role in creating synergies and sharing best practices. The team also prepares reports, conducts assessments and oversees stakeholder management. Through coaching, advice and networking, companies within Emmi are empowered to define measures and achieve their goals.

Working closely with the Head Group Sustainability in the individual divisions and the appointed representatives within the Group departments (HR, Marketing, Communications, Purchasing, etc.), the sustainability team continuously assesses progress and adjusts the approach if necessary. An essential part of these efforts is ensuring the quality of the data for the relevant KPIs. This includes the impact of current and future projects, the timeline, and capital and operating expenditures. The sustainability team also strives to gain a clear understanding of the gaps within the established targets, taking into account the scope, location, type and time frames. Priorities are set on this basis, whether at division level or for specific projects.

#### Emmi sustainability governance model

#### Corporate governance of the Emmi Group

### 1.4 Memberships of associations and interest groups

The challenges facing society are enormous and complex. Emmi is aware that long-term success depends on sustainable growth, collective action, broad coalitions and strong partnerships. Emmi therefore actively engages in dialogue with numerous stakeholder groups. Working in partnership with other innovative companies, organisations and partners, Emmi focuses its efforts on areas that underpin the sustainability model.

Emmi's main memberships are as follows:

- Branchenorganisation Milch (BOM) – dairy industry association: board member
- Kommission Agrar- und Wirtschaftspolitik der Föderation der Schweizerischen Nahrungsmittel-Industrien (fial) – Commission on Agricultural and Economic Policy of the Federation of Swiss Food Industries: board member
- Interessensgemeinschaft Agrarstandort Schweiz (IGAS) – advocacy group for the Swiss agricultural sector: board member
- Vereinigung Schweizerische Milchindustrie (VMI) – Swiss Dairy Industry Association: board member
- KlimaStaR Milk – industry resource project: member of the governing body
- Promarca – branded goods association: board member
- Swiss Cheese Marketing (SCM): board member
- Recypac – non-profit organisation for a packaging recycling system: board member

Emmi is a member of other associations and interest groups both in Switzerland and internationally.

#### Initiatives & partnerships

## 2. Derivation of the material reporting topics

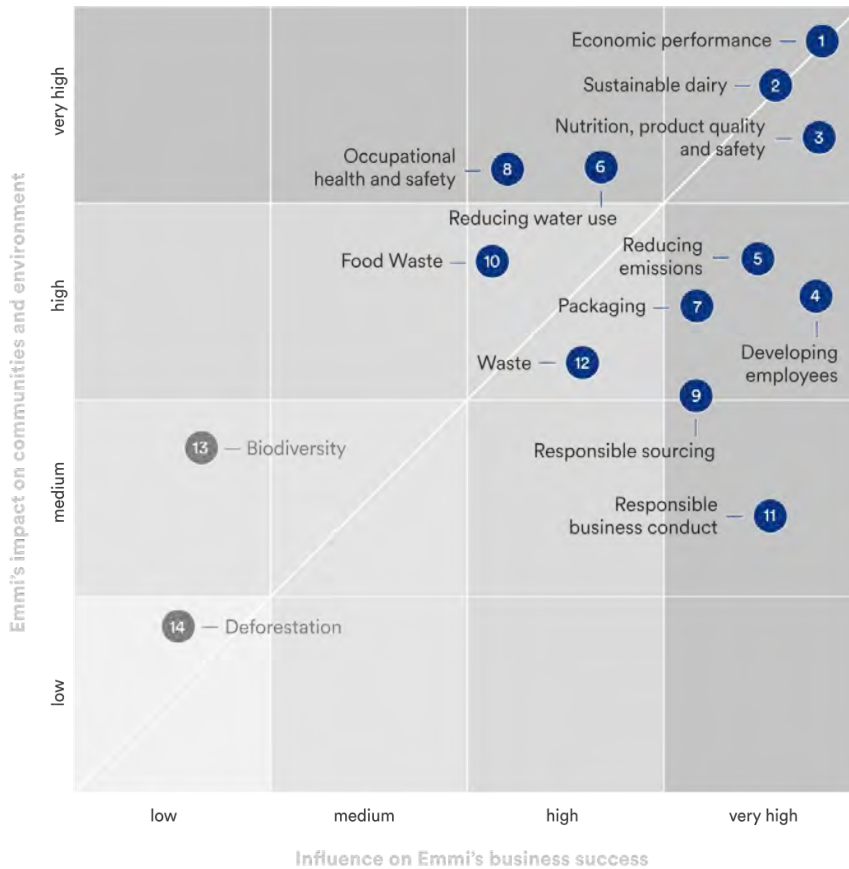
With regard to the 2021/22 Sustainability Report, an update was made to the previous materiality matrix. At that time, the material topics were determined by means of a double materiality analysis, in which both financial materiality and impact materiality were assessed internally (as part of a due diligence review). To update the materiality matrix, Emmi added new potentially relevant material topics, based on the altered framework conditions, to those it had previously considered to be material. All topics were then assessed by internal experts in terms of their impact on the business environment and recorded in a materiality matrix. Based on this and supplemented by a selection of material topics derived from it, the Sustainability Steering Committee finally validated the matrix, including all materiality topics.

In terms of this report, the existing material topics were once again critically examined by internal experts in consultation with external experts and prioritised based on their position in the matrix in accordance with the requirements of the 2021 GRI Standards. Digitalisation and innovation can support and accelerate Emmi's economic success and sustainability in a large number of areas. They are therefore not to be seen as sustainability topics in their own right, but rather as topics that span multiple areas that are dealt with where relevant. The topic of community engagement was classified as "non-material" because it is difficult to quantify its impacts. It is no longer covered in the reporting. The material topic previously dealt with under the heading "Governance" is now referred to as "Responsibility in business conduct" in order to avoid any confusion with the chapter on corporate governance and sustainability governance. The two material topics "Nutrition" and "Product quality and safety" have been combined into one topic due to their similarity in terms of content (including product-relatedness and consumers as the main target group).



## 2.1 List of material topics

### Emmi's double materiality matrix



**The material topics in descending order of priority are:**

1. Economic performance
2. Sustainable dairy
3. Nutrition, product quality and safety
4. Developing employees
5. Reducing emissions
6. Reducing water use
7. Packaging
8. Occupational health and safety
9. Responsible sourcing
10. Food Waste
11. Responsible business conduct
12. Waste
13. Biodiversity
14. Deforestation

In this report, Emmi comprehensively addresses the first twelve material topics in accordance with the requirements of the 2021 GRI Standards.

For the latter two topics, biodiversity and deforestation, the impact on society and the environment was classified as non-material (medium or low) according to the materiality analysis on which this report is based. The financial risks to business success were also classified as low in both areas. As a result, these topics are currently excluded from the scope of this Sustainability Report but are still being monitored.

However, Emmi is well aware of the importance of biodiversity and deforestation in relation to the following material sustainability topics: sustainable dairy, reducing greenhouse gases and responsible procurement. It is already integrating relevant aspects into the respective chapters.

## **2.2 Outlook**

Emmi has placed a double materiality analysis on its agenda in accordance with the ESRS (European Sustainability Reporting Standards) and will focus intensively on the relevant topics next year. Within this context, Emmi is reassessing biodiversity and deforestation.

## 3. Material topics

### 3.1 Economic performance

The Emmi Group understands “economic performance” to mean the creation of value in an economic and social context. In addition to the growth and profitability targets it has set, the Emmi Group considers the way in which the company’s targets are implemented along the value chain to be relevant (see section “[Responsible business conduct](#)”). The Emmi Group pursues its corporate goals as part of its corporate and sustainability strategy, which together form the overarching framework. In addition to direct economic impacts, economic performance also includes indirect economic impacts, such as those that arise through procurement, tax payments made by Emmi or its employees’ income.

#### 3.1.1 Impact on the environment and society, and opportunities and risks for Emmi

The global dairy industry plays an important role in driving value creation within the agricultural economy. The overall economic performance of the global dairy industry is significant. Approximately 930 million tonnes (t) of milk are produced worldwide every year. Around one billion people make a living directly or indirectly from the dairy industry ([The State of Food and Agriculture, 2023](#)). An important socio-economic factor is the large number of jobs in agriculture and manufacturing primarily in rural areas, which are supported by hundreds of millions of farms. The world’s 20 largest milk processors alone generate sales of around CHF 200 billion. Global sales exceed CHF 720 billion ([IFCN Annual Sector Database with Long Term Dairy Outlook, 2023](#)). With sales of around CHF 4.3 billion (2024), Emmi’s impact is less significant at the global level. However, its socio-economic contribution is definitely relevant in terms of the Group’s direct business environment, especially for employees, milk suppliers, shareholders and the communities at the production sites.

Job losses and the removal of economic factors that support individual locations could have significant economic and social consequences, especially in rural areas. In these areas, many people are directly or indirectly dependent on successful milk marketing. The loss of these jobs would not only put a financial burden on the affected families but would also weaken the local economy by slowing the circulation of money in the region. Strengthening rural areas by creating jobs and ensuring security of supply is therefore of key importance. This not only contributes to economic stability, but also to improving the quality of life in rural areas.

A decline in the economic performance of the dairy industry could also affect food security on a global scale. The dairy industry makes a significant contribution to the supply of essential foodstuffs. A decline in production could lead to shortages and higher prices. Overall, this could jeopardise the stability of the global food supply. Continuity provided by the Emmi Group and its achievements in terms of innovation, which are geared towards consumer needs and current nutritional trends, are therefore important. By developing innovative products and services that promote a balanced diet, Emmi is able to meet market requirements and contribute to consumer health and satisfaction. This requires a deep understanding of consumer trends and needs as well as the ability to translate these findings into practical and attractive solutions.

### 3.1.2 Management approach and goals

The economic performance of the Emmi Group is under the strategic control of the Board of Directors and the operational management of Group Executive Management. Emmi's management model is designed for the medium to long term, with the aim of sustainable and profitable growth and added value for its stakeholders.

#### Strategic goals and priorities

Long-term strategic goals and financial "north stars" (growth, profitability and return on capital) form the basis of Emmi's management model. These long-term goals are translated into annual goals and cascaded across the entire organisation. The (strategic) progress is reviewed three times a year on the basis of rolling forecasts and a qualitative assessment. Important principles in the management model are foresight and adaptability.

While the company is further strengthening its leading position as a milk processor in the Swiss domestic market, it is also focusing on the Group's international growth in the strategic markets of the USA, Chile and Brazil. Emmi aims to continuously optimise its brand, product and corporate portfolio and focuses on innovations in strategic niches such as ready-to-drink coffee, speciality cheeses, chilled premium desserts and plant-based milk alternatives. It also aims to develop strong brand concepts that meet current consumer needs and market trends. The company seeks to achieve cross-divisional excellence and to be a leader in sustainability. To enable investment in long-term profitable growth and innovation, the company also emphasises consistent cost management across the Group.

#### Emmi Group strategy

##### Short- and medium-term goals

Emmi sets itself short- and medium-term targets for economic success. These include target ranges for organic sales growth in the divisions and for the Group as a whole. Target ranges are also set for the operating result (EBIT) and the net profit margin from a Group perspective. Other medium-term goals in connection with economic success relate to return on invested capital (ROIC) and the payout ratio.

The short-term targets for the following or current financial year and the medium-term targets are part of the outlook in the [financial commentary](#).

Emmi creates value for investors in several ways. For shareholders, this is achieved through a sustained increase in the share price and a continuous dividend policy with a payout ratio of between 35% and 45%. The foundation for this is built on consistently meeting the announced targets (guidance). Emmi is also a safe and reliable investment option for debt providers (e.g. via the bond market) by keeping debt within a narrowly defined limit.

**Added value for other stakeholders**

Emmi also aims to take responsibility for stakeholders in the upstream value chain and create added value as part of sustainable and profitable growth. In addition to respecting human rights, ensuring fair working conditions and a living wage for people working in raw material production and logistics is particularly relevant from a social perspective. For example, Emmi aims to pay a milk price above the industry average and to compensate suppliers for their sustainability performance via the market.

The Board of Directors formed a group of experts under the title of Agricultural Council to monitor current and future agricultural policy matters and general dairy industry developments in Switzerland. In the year under review, the Agricultural Council consisted of five members of the Board of Directors and the five following external experts: The Managing Director of regional milk producer organisation ZMP, which has a stake in Emmi; the Director of national milk producer organisation SMP; the President of national industry organisation Milch (BOM); the President of milk producer organisation Mittelland Milch; and the Managing Director of milk producer organisation mooh. The external members of the Agricultural Council receive annual compensation of CHF 5,000 each, plus compensation for meetings (of which there are generally two per year) and travel expenses. For all five members of the Board of Directors, their activities as part of the Agricultural Council are included in the compensation disclosed in the Compensation Report under Clause 6.

Information on the management approach in terms of promoting a sustainable dairy industry and responsible sourcing can be found in the relevant chapters on these material topics.

[Sustainable dairy](#)

[Responsible sourcing](#)

### 3.1.3 Developments in the year under review

#### Breakdown of economic performance

Emmi spends more than half a billion Swiss francs per year on its employees, procures goods and services worth more than CHF 3 billion from its suppliers, pays almost CHF 40 million in income taxes and distributes more than CHF 80 million in dividends to its shareholders, which is in line with the target payout ratio of 35% to 45% of net profit. A significant proportion of the dividend goes to the majority shareholder (Zentralschweizer Milchproduzenten [ZMP]) and ultimately to more than 2,800 milk suppliers.

#### Direct economic value generated and distributed<sup>a)</sup>

		2024	2023	2022
Net sales	KCHF	4,348,812	4,242,407	4,230,009
Other operating income	KCHF	7,574	6,744	9,022
Interest income	KCHF	5,359	2,515	2,155
Other financial income	KCHF	322	170	499
Dividend received	KCHF	404	425	782
<b>Total</b>	<b>KCHF</b>	<b>4,362,471</b>	<b>4,252,261</b>	<b>4,242,467</b>

#### Economic value distributed<sup>a)</sup>

		2024	2023	2022
Costs of materials and services	KCHF	2,656,477	2,640,964	2,752,198
Marketing and sales-related expenses	KCHF	149,739	140,738	130,116
Occupancy expense, maintenance and repair, leasing	KCHF	105,342	99,760	87,758
Insurance, fees and HGV road tax	KCHF	19,689	18,468	19,459
Energy, operating material and supplies	KCHF	125,094	118,571	95,045
Administrative expenses	KCHF	52,819	47,738	44,639
Logistic expenses	KCHF	144,085	139,572	161,493
Other operating expenses, incl. grants and donations	KCHF	19,516	17,951	17,816
Employee wages and benefits	KCHF	625,599	566,126	556,487
Dividend payments to shareholders	KCHF	82,922	77,572	74,897
Dividend payments to minority shareholders	KCHF	3,314	3,613	2,148
Interest expense	KCHF	22,024	18,987	16,227
Payments to the government	KCHF	35,168	42,945	41,871
<b>Total</b>	<b>KCHF</b>	<b>4,041,788</b>	<b>3,933,005</b>	<b>4,000,154</b>

#### Economic value retained<sup>a)</sup>

		2024	2023	2022
<b>Total</b>	<b>KCHF</b>	<b>320,683</b>	<b>319,256</b>	<b>242,313</b>

<sup>a)</sup> The scope of consolidation of the figures corresponds to the financial report, see "Notes to the consolidated financial statements".

### 3.1.4 Outlook

Information on the outlook for the 2025 financial year can be found in the [financial commentary](#).

## 3.2 Sustainable dairy

Emmi understands “sustainable dairy” to refer to all matters relating to people, animals, the environment and the economy in the context of milk production. Milk is Emmi’s most important raw material and an important economic factor for rural regions. Milk production also has a significant impact on animal welfare and the environment.

### 3.2.1 Impact on the environment and society, and opportunities and risks for Emmi

Emmi considers milk production to be an important element in a **sustainable food system**. This is particularly true because farm animals kept for milk production convert indigestible plants – principally grass – into nutrient-rich food for humans. For Emmi, sustainable milk production means location-appropriate, animal-friendly, climate-friendly and resource-efficient production. Production is adapted to location, especially if the feed is based on the use of grassland and on by-products from food production. This also minimises competition for food and land. Feed-food competition occurs when animals use feed that would also be suitable for human consumption. Land competition occurs when the feed comes from land that could have been used to grow food for people. Resource-efficient refers to the preservation of soil, water and biodiversity, while climate-friendly refers to the reduction of greenhouse gases.

By carefully selecting its suppliers, Emmi influences the impact of the dairy industry on the **environment**. By promoting the establishment of sustainable standards and the processing of milk produced, Emmi is helping to gradually make local production systems more sustainable. This includes promoting animal welfare.

For Emmi, the key **social aspects** of a sustainable dairy industry are the creation of secure jobs in rural areas, a liveable income that can be generated from work and the maintenance of intact family structures. This is the only way to keep the agricultural sector attractive.

The cultivation of feed for milk production and the feeding of cereals suitable for human consumption can compete with food production. The sourcing of milk produced in competition with human food is critical, especially in areas in which there is food scarcity. This entails reputational risks for Emmi.

Criticism of the dairy industry is dominated by two environmental issues in particular: **greenhouse gas emissions and animal welfare**. As a milk processor that does not produce its own milk – with the exception of a small goat farm in California – Emmi can only influence animal welfare indirectly by imposing requirements on milk suppliers. The company also bears significant reputational risks in the event of any violations. Through joint projects with suppliers, associations and politicians, Emmi is driving forward the reduction of Scope 3 greenhouse gas (GHG) emissions.

The **majority of the company’s shares** are held by Genossenschaft Zentralschweizer Milchproduzenten (ZMP). Consequently, farmers, politicians and the general public have high expectations of Emmi regarding its responsible conduct towards its milk suppliers. Emmi’s reputation as a player in the Swiss dairy industry depends to a large extent on its behaviour.

In many countries where Emmi buys and processes milk, milk production is an important economic and income factor for the rural population in the regions concerned. A **milk price** that covers the costs of production plays a key role in this. Should this not be the case in the long term, there is a risk that milk production will decline. On the other hand, milk prices that are higher than the market average may jeopardise Emmi’s competitiveness and the company’s long-term existence.

### 3.2.2 Management approach and goals

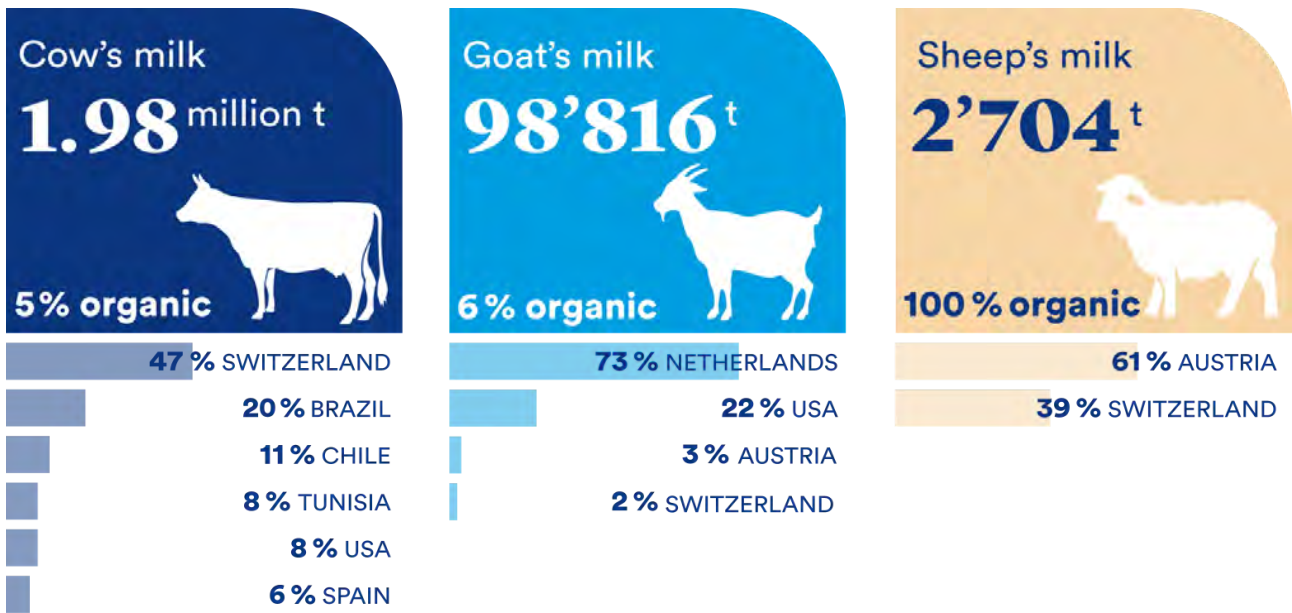
#### Taking responsibility across the Group

A focus team consisting of milk buyers and sustainability and agriculture specialists is responsible for implementing the Emmi Sustainable Milk Strategy and coordinates activities at Group level. Across the Group, Emmi’s milk buyers and sustainability specialists engage in knowledge sharing and dialogue six times a year, with procurement and sustainability issues increasingly going hand in hand. The Sustainability Steering Committee regularly reviews progress and the achievement of goals.

#### Moving step by step towards sustainable milk production

With the involvement of its milk suppliers and in collaboration with other stakeholders, Emmi is committed to promoting sustainable milk production, which involves producing milk to above-average standards. As a globally active company with production sites in 13 countries, Emmi aims to make the dairy industry in the regions in which it operates more sustainable step by step.

#### Milk volumes processed by Emmi worldwide (2024)



Back in 2016, Emmi announced its goal of only processing milk in Switzerland in accordance with a defined sustainability standard. This memorandum of understanding triggered a process that lasted several years throughout the industry and led to the creation of the [Sustainable Swiss Milk](#) production standard in September 2019. Since 1 January 2024, all Swiss dairy farmers have been obliged to comply with this industry standard.



### 100% sustainable milk in Switzerland since 2024

Since the start of 2024, Emmi has only processed milk in Switzerland that is produced in accordance with the Sustainable Swiss Milk industry standard. Ten basic requirements of the standard, which focus on animal welfare, feeding, ecology and the use of medicines, are mandatory for all Swiss dairy farmers. Dairy farmers must meet at least two freely selectable requirements from the additional requirements, which primarily include social criteria such as social welfare protection for the family members employed on the farm, the training of apprentices and the professional development of the farm manager.

Emmi is aware of its shared responsibility for milk producers in its domestic market in Switzerland. The fact that milk in Switzerland is usually produced by family-owned farms must be considered. This can be achieved through measures such as developing transparent, long-term and predictable partnerships. These include detailed milk invoices, punctual milk payments, planning and supply security – and, last but not least, a mutually acceptable milk price in line with the market. As a member of the milk industry organisation – a platform for the Swiss dairy industry – Emmi works in a constructive manner to further develop the Swiss dairy industry and consistently implements the decisions made by this body, such as the agreed guide prices. Emmi strives to pay an above-average milk price and is committed to ensuring that sustainability performance is compensated beyond usual market factors (see e.g. Klimatisch).

[Milk prices | Swissmilk](#)

### Further development of the Sustainable Swiss Milk industry standard planned

Further requirements are to be included in the standard. In spring 2024, the milk industry organisation decided to take the first step in developing the industry standard further, focusing on climate-related measures. This has led to the development of a standard climate calculator for the industry. It is based on the climate calculator [KLIR](#), which was developed by the Bern University of Applied Sciences School of Agricultural, Forestry and Food Sciences (HAFL). The new climate calculator has been simplified and improved to ensure broad applicability. Its launch is planned for the first quarter of 2026 to collect data from 2025.

The climate calculator quantifies the company's own GHG emissions per kg of milk and shows milk producers which activities cause emissions. The results also enable comparisons to be made with similar farms. In addition, the climate calculator forms the basis for tailored improvement measures to reduce GHG emissions.

Emmi supports the gradual further development of the Swiss industry standard across the board. The company firmly believes that this will provide a significant competitive advantage for Swiss milk while securing the long-term future of the sector. In addition to the broad-based industry standard, various smaller organisations and sector participants in Switzerland contribute to the operation of a sustainable dairy industry. Through its memberships, Emmi therefore supports the organisations [Kometian](#) and [AgroCleanTech](#). Kometian advises farmers on all aspects of complementary veterinary medicine. AgroCleanTech conveys knowledge about climate protection in agriculture.

### **The Klimatisch platform for the Swiss meat and dairy industry**

The Klimatisch platform was launched in 2023 to address the challenge of financing measures, crediting reduced GHG emissions to the various sector participants and accelerating the implementation of emission reduction measures. All stakeholders across the entire value chain work together through the platform. The aim is to establish a collaborative “industry platform climate protection” that promotes the fair and efficient financing of all climate protection measures that are implemented and verified on farms. It also aims to ensure climate protection contributions are distributed in a centrally regulated way within the value chain. During the year under review, various approaches for financing and distributing these climate protection contributions were jointly developed. It was decided that the measures should be implemented outside the committee within the company context. Klimatisch now focuses primarily on the mutual exchange of information and ideas.

### **KlimaStaR Milk resource project in Switzerland**

The Swiss dairy industry is striving to achieve milk production that is grassland-based, suited to the local environment and climate-friendly. It should also be able to meet the challenges of climate change in a manner that conserves resources. To achieve this, the “Resource Project for the Promotion of Climate Protection, Site Adaptation and Resource Efficiency in Milk Production” ([KlimaStaR Milk](#)) aims to strengthen milk producers in their efforts to reduce GHG emissions and adapt their dairy farms to their local environment.

Together with the association Zentralschweizer Milchproduzenten (ZMP), Nestlé and aaremilch, Emmi has been working since 2022 to reduce GHG emissions and competition between dairy cows and humans for land and food on 230 farms. GHG emissions are recorded using the KLIR climate calculator. Jointly defined indicators are used to calculate direct competition for food and competition from cultivated land in the Swiss dairy industry and thus optimise resource efficiency.

86 pilot farms involved in the KlimaStaR Milk project are also taking part in a focus group that goes one step further. A holistic model (RISE Sustainability Analysis) is used to analyse ten different areas that influence both the sustainability and the efficiency of a farm. In addition to land use, water management and biodiversity, these also include profitability, working conditions and quality of life.

The initiative is supported by the Federal Office of Agriculture as part of the resources programme (Art. 77a of the Swiss Federal Law on Agriculture) and is supported by HAFL, which acts as a scientific partner.

By 2027, the 230 dairy farms participating in the KlimaStaR Milk project are expected to achieve the following targets on GHG emissions, food competition and land competition:

- reduction of GHG emissions by 20%
- reduction of feed-food competition in dairy cattle feed by 20%
- reduction of land competition by 20%

### Emmi's criteria catalogue for milk purchased outside Switzerland

By the end of 2027, Emmi would only like to process milk outside Switzerland that is produced in accordance with sustainability standards that exceed average local standards. Due to its niche activities in many countries, Emmi relies on commitments within the industry and on individual agreements with its milk suppliers.

Emmi has elaborated the basis for such agreements over the past four years. Based on a [criteria catalogue](#) developed with HAFL, it evaluated eight sustainable milk aspects: strategy, work and income, milk quality, animal welfare, biodiversity, energy and materials, climate and environment. For example, the following criteria are included in the animal welfare category:

- appropriate stabling for livestock
- regular access to pasture
- optimised feeding
- humane dehorning
- limited transport time to the slaughterhouse
- responsible use of antibiotics
- reasonable productive life per number of lactations
- rearing of offspring on the farm of birth (minimum number of days)

The Emmi catalogue contains additional specific criteria for suppliers of goat's or sheep's milk. In addition to the categories "strategy" and "work and income", the following criteria exist for analysing the social sustainability of Emmi's milk suppliers outside Switzerland:

- plans to ensure that the farm continues to produce milk in ten years' time
- legally binding employment contracts for salaried employees
- minimum wage for salaried employees
- profitability of the business

The Emmi Group's objective for 2027 that milk purchased outside Switzerland is produced according to local above-average standards is understood by the company as milk that exceeds conventional milk in at least one aspect of sustainability. In some countries or regions, this already applies to the entire volume of milk procured by our subsidiaries (Austria, the Netherlands, California). In other countries or regions, it currently affects part of the volume of milk procured (Chile, Spain, Wisconsin).

### 3.2.3 Developments in the year under review

#### Industry standard for Sustainable Swiss Milk

Since February 2024, all of Emmi's Swiss milk suppliers have been meeting the requirements set by the Sustainable Swiss Milk industry standard and the associated animal welfare and feeding requirements.

#### Bienestar Animal certification at Quillayes Surlat, Chile

Emmi's subsidiary Quillayes Surlat in Chile has set itself the goal of having all its suppliers certified with the animal welfare label [Bienestar Animal](#). Developed by IRTA (Institute of Agrifood Research and Technology) and certified by AENOR, the standard defines the requirements that livestock farms must meet in terms of animal welfare. Twelve different animal welfare criteria are defined within four different areas. The farms are audited annually in accordance with the criteria. Fourteen new farms were certified in the year under review. A total of 80 farms now provide 93% of the milk supply. This makes Quillayes Surlat the first South American company to purchase this animal welfare-certified milk. Additional farms are expected to be certified next year.

### Pilot project to reduce GHG emissions at Laticínios Porto Alegre, Brazil

During summer 2023, a pilot project was launched involving 18 farms to measure GHG emissions on dairy farms. The information derived from this will be used to define measures to reduce emissions. Baseline data were collected in the year under review. This made it possible to identify the most important mechanisms for reducing emissions: herd management, feed efficiency and increased productivity.

### Emmi measures progress by means of the following performance figures:

#### Milk volumes processed across the entire Group

		2024	2023 <sup>1)</sup>	2022 <sup>a)</sup>
Cow's milk	t	1,975,775	1,905,442	1,979,456
Goat's milk	t	98,816	99,176	82,573
Sheep's milk	t	2,704	2,745	2,506
<b>Total</b>	<b>t</b>	<b>2,077,295</b>	<b>2,007,363</b>	<b>2,064,535</b>

#### Organic milk volumes processed across the entire Group

		2024	2023	2022 <sup>a)</sup>
Organic cow's milk	t	104,964	105,742	186,109
Organic goat's milk	t	6,370	6,632 <sup>1)</sup>	5,546
Organic sheep's milk	t	2,704	2,745 <sup>1)</sup>	2,506
<b>Total</b>	<b>t</b>	<b>114,038</b>	<b>115,119<sup>1)</sup></b>	<b>194,161</b>

#### Proportion of "Sustainable Swiss Milk"

	2024	2023	2022	Base year 2019
Percentage of milk volume	100%	99%	94%	87%
Percentage of milk suppliers	100%	99%	87%	75%

#### Proportion of processed label milk international

	2024	2023	2022
Percentage of label milk international	39%	n/a	n/a

a) Including Gläserne Molkerei (divested in 2023).

1) Restatement based on new underlying data.

### Methodology for non-financial figures 2024

### **Fondation Vitalait supports smallholder farmers in Tunisia**

**Fondation Vitalait** is a foundation that supports dairy farmers, including many who are young and lack formal training. The foundation helps them to improve their working conditions through practical initiatives, focusing on feeding, animal welfare and training. A total of 978 farmers are supported by the foundation. A further 52 new milk suppliers received support in 2024. Farmer Field School is one of the most important measures that have been undertaken to increase farm yields and productivity. This collaborative educational approach encourages farmers to find solutions to production challenges in groups and to strengthen decision-making within local communities. In 2023, Fondation Vitalait partnered with the Swiss Agency for Development and Cooperation (SDC) to carry out a representative survey of farmers to test their abilities and determine the baseline. Trainers then received training and training sessions were held with farmers in the year under review. By the end of 2024, 420 farmers had taken part in the training.

### **Aspects in the criteria catalogue**

Emmi's subsidiaries Quillayes Surlat in Chile, Kaiku in Spain, Laticínios Porto Alegre in Brazil and Vitalait in Tunisia have applied the criteria catalogue with their milk suppliers. Together, these account for around 45% of the milk volume produced by Emmi. Kaiku and Quillayes Surlat have defined goals for 2027 based on the results of the criteria catalogue. Quillayes Surlat focuses on sustainable soy, animal welfare and GHG emissions when working with milk suppliers, while Kaiku has set targets for biodiversity and GHG emissions with its milk suppliers. Vitalait's goals are still pending, which means the application of the criteria catalogue has been deprioritised in Tunisia. Laticínios Porto Alegre is working to reduce GHG emissions on farms and to develop solutions for sustainable soy.

### **Determining the international baseline using the criteria catalogue**

Evaluating local labels helps to measure the international target of ensuring "100% of Emmi's milk suppliers worldwide produce according to above-average local standards". With the support of HAFL, Emmi is working for the first time to assess the international labels in terms of sustainability using the criteria catalogue and to assess whether the various labels meet the company's targets. According to current findings, 39% of milk purchased internationally by Emmi comes with a label that differentiates itself locally from conventional milk.

In the international companies with high milk volumes (Laticínios Porto Alegre, Brazil; Quillayes Surlat, Chile; Kaiku, Spain and Vitalait, Tunisia), the criteria catalogue is applied directly with selected milk suppliers. Due to the high milk volume, Emmi aims to create an even more sound basis for setting and pursuing clear goals. While targets were already set in 2023 with Kaiku and Quillayes Surlat, the baseline was assessed for the first time in the year under review with Laticínios Porto Alegre.

### **KlimaStaR Milk project**

Initial evaluations to determine the starting position showed that GHG emissions at the 230 farms are significantly lower than previously assumed. The assumption was confirmed that optimised feeding (e.g. even more grassland-based livestock feeding, the use of high-quality feed or feed additives), herd management and farmyard manure storage are the three decisive factors for reducing climate impact. As a result, the farms were able to reduce their GHG emissions by 4.9% per kilogram (kg) of milk in the first two years of the project. Despite the lower use of concentrated feed per cow (-8.6%), the annual milk yield remained the same. In addition, the use of renewable energy, such as biogas plants and solar energy, contributes to reducing emissions.

The second objective – to reduce feed-food competition by 20% – focuses on reducing the amount of food fed to animals that would also be suitable for humans. For example, instead of corn or soy, by-products from the processing of sugar beet, oil and cereals can be used. In the first two years of the project, the companies almost fully achieved the target set (-19.7%).

The land competition evaluation has not yet been completed for the year under review.

### **3.2.4 Outlook**

The aim for 2025 is to continue working on the above-mentioned goals and topics with the subsidiaries. While gathering baseline data, it was determined that the target Emmi set is difficult to measure because it is proving difficult to determine the local average for sustainable milk internationally. Emmi will review this challenge and refine its goals.

Chile is working on increasing the number of milk suppliers certified with the animal welfare label “Bienestar Animal” next year. The annual audits will be continued with the companies that have already been certified. In addition, a pilot project to survey GHG emissions on farms is to be initiated.

Brazil continues to focus on reducing Scope 3 GHG emissions and sustainable soy. Additional suppliers are to be integrated in the Scope 3 project. The aim is to implement initial measures with farmers for whom the baseline has already been established.

In Switzerland, Emmi will continue to work actively on the KlimaStaR Milk project and on the industry-wide roll-out of the climate calculator. At the same time, the focus is on developing a model that is intended to provide the necessary framework for implementing measures to reduce GHG emissions.

### 3.3 Nutrition, product quality and safety

Emmi takes responsibility for the health and quality aspects of its products that it can influence and control in terms of nutrition, product quality and safety. Specifically, this includes the processing of high-quality raw materials, the targeted avoidance of additives, the reduction of sugar, the handling of allergens and their declaration, as well as ensuring impeccable product quality and safety during storage and during the manufacturing and transport process.

#### 3.3.1 Impact on the environment and society, and opportunities and risks for Emmi

##### (Dairy) products, for a healthy and balanced diet

By developing and providing high-quality products, Emmi contributes to promoting a balanced and healthy diet in society. Milk is a high-quality food that contains a variety of valuable macro- and micronutrients (fat, protein, carbohydrates, vitamins and minerals) in a form that is easily digestible for humans. In 42 countries, nutritionists recommend including milk as a daily part of the diet, as it supports muscles, bones and the cardiovascular system, among other benefits ([Max Rubner Institut, 2014](#)).

Emmi also manufactures dairy products with additional nutritional benefits such as lactose-free dairy products, probiotic yogurts, natural recipes without artificial or unnecessary additives, and products with a high protein content and no added sugar. Products with high sugar content can increase the risk of diet-related diseases such as diabetes, obesity and cardiovascular disease.

Emmi is also considering the growing importance of vegan diets and their nutritional and environmental aspects. Vegan products manufactured by Emmi provide dietary diversity for consumer groups who, due to intolerances or a personal desire not to consume animal-based products, choose to avoid dairy products and opt for a high-quality alternative.

##### Safe and high-quality products to protect consumers

Emmi positions itself as a manufacturer of safe and high-quality products. The company adheres to the principles of good manufacturing practice, meets strict quality standards and complies with all legal and regulatory requirements. Consumers expect high-quality and safe products, which strengthens their confidence in Emmi as a food producer and brand. This trust forms the foundation for the company's long-term success. Consumers also benefit from high-quality food, because it has a longer shelf life and can often even be eaten beyond its best-before date. In doing so, they make an important contribution to preventing food waste (see section "[Food waste](#)").

If, despite all precautionary measures, a defective product is put on sale that endangers the health or safety of consumers, a product recall may be necessary. Such a measure can entail significant financial risks, negative consequences for the company's reputation and a loss of consumer confidence. Emmi therefore does everything in its power to prevent such incidents through comprehensive food safety and quality management. This primarily includes a proactive improvement process in which additional preventive measures are implemented by assessing specific risks.

High-quality products require high-quality raw materials that, among other things, are cultivated and produced in a climate-conscious and environmentally friendly manner and in compliance with social criteria. Emmi therefore promotes the use of suitable and more environmentally friendly packaging and production methods. These include reducing waste, using water and energy efficiently, and minimising GHG emissions.

### 3.3.2 Management approach and goals

#### Risk-based and continuous improvement in product quality and safety

A centralised department at Group level is responsible for global quality management and guaranteeing the highest product quality and safety. This department determines the strategic direction and primarily supports the organisations in each country. Food safety at Emmi is based globally on the HACCP concept (**Hazard Analysis Critical Control Points**). This methodology involves hazard analysis, risk assessment and risk management in food production, distribution and logistics. It is used to approve new process equipment and procedures and is an integral part of Emmi's quality management system. Important elements of the HACCP concept are the preventive programmes (PRP), such as personal hygiene, cleaning systems, avoidance of cross-contamination (particularly with regard to allergens) and the design of the production environment. The PRPs thus form the most important foundation for ensuring food safety. If the hazard analysis and risk assessment indicate a higher risk in certain locations, additional measures are taken to control chemical, microbiological and physical hazards.

#### Certification of sites according to market requirements

When certifying its sites, Emmi takes into account various factors, including specific market requirements. For example, different standards recognised by the GFSI (Global Food Safety Initiative) are applied. In the vast majority of cases, these are the FSSC 22000 standard (Food Safety System Certification), the IFS standard (International Featured Standards) and the BRCGS standard (Brand Reputation through Compliance Global Standards). GFSI standards are not required in all countries. In Mexico and Tunisia, for example, quality management systems are certified in accordance with the ISO 22000 standard (including the HACCP concept). All powder production at the Brazilian company is FSSC 22000 certified. A comprehensive quality management system is also used in the other production areas, but this is not certified. In Switzerland, the large industrial production sites are FSSC 22000 and, in some cases, IFS certified. Three very small, artisanal Emmi production facilities – known as cheese kitchens – are not GFSI certified but, like all other sites, are subject to regular internal audits. As a result, eight of the Emmi Group's 74 production sites are not certified in accordance with a GFSI standard.

#### Aiming for the highest level of consumer protection

Emmi's food safety, hygiene and quality standards for its product portfolio and the environment, in terms of how these products are manufactured, are risk-based and are continuously improved according to the **Plan-Do-Check-Act (PDCA) cycle**. The risk analysis for the food safety of the products, raw materials and processes used is carried out in accordance with the standards set out in the **Codex Alimentarius**. The aim is to ensure the highest level of public health and consumer protection.



**On-site food safety sprints**

In addition to commonly used methods for checking the effectiveness of the quality management system, such as annual internal and external audits and the collection of key metrics, Emmi uses food safety sprints. Emmi uses these to monitor processes and materials at specific sites over an extended period, enabling detailed insights into the effectiveness of the measures.

With all of the measures mentioned, Emmi is pursuing the goal of ensuring impeccable product quality, ruling out product recalls and minimising quality failure costs.

**Product quality indicators – quality failure costs and critical incidents**

Emmi assesses product quality based on multiple indicators. Key indicators include quality failure costs and critical incidents in the market such as returns and recalls. In addition, external complaints and internal deviations are also investigated locally. Numerous internal process controls inspect raw materials, semi-finished and finished goods as well as packaging. Microbiological controls ensure that the production environment provides optimal conditions for food production.

**Focusing on sugar reduction**

Emmi has been incrementally reducing the sugar content of its products for many years in order to reduce potential health risks for consumers and gradually familiarise them with the resulting changes in taste. New products are already being developed with a lower sugar content. In its Swiss domestic market, Emmi has voluntarily committed itself to implementing the [Milan Declaration](#), which is part of the Swiss nutrition strategy to promote a balanced diet. The aim was to reduce added granulated sugar in yogurts, quark and milk-based beverages by 10% by 2024 compared with 2019. For the other markets in which Emmi is active, the local legal regulations and market conditions apply. In the UK, for example, the sugar content for HFSS (High in Fat, Salt and Sugar) products is prescribed by law ([The Food \(Promotion and Placement\) \(England\) Regulations, 2021](#)). These requirements are implemented and adhered to by our local subsidiary.

**Vegan alternatives**

When it comes to product innovation and development, Emmi focuses on strategic growth areas that serve as the basis for innovative product developments. One of these growth areas is vegan nutrition and vegan product alternatives. Vegan milk substitutes have been playing a role at Emmi for over 20 years. Emmi manufactures these products in Switzerland, Spain, Austria, Italy and the USA. Emmi assesses product innovations for their sustainability impact.

### 3.3.3 Developments in the year under review

#### Meeting of all Emmi Group quality managers in Switzerland

As a Group-wide initiative, the most important joint quality indicators at production site and business level were developed together by the Emmi Quality Community. The key indicators were defined and published at the end of the year in the Group Supply Chain performance management framework. In addition, a meeting of all Emmi Group quality managers in Switzerland was organised for the first time. Participants worked together during the meeting to develop and define the basic principles of quality and food safety culture. Furthermore, various lectures with a practical focus were held, providing insights into quality incidents. Several small workshops were also held to discuss topics relating to supplier quality and improvement processes, and to define common approaches.

#### Focus areas in Switzerland – further strengthening food safety

**Käserei Studer** was integrated into Emmi Switzerland's quality management system this year. Vulnerabilities were identified during food safety sprints and the identified gaps were closed using an action plan. In particular, zoning, hygiene instructions and good manufacturing practice were optimised, and cleaning plans and various work instructions were revised. In **Ostermündigen** and at the cheese packaging plant in **Emmen**, product safety was increased by integrating further x-ray inspection systems for detecting foreign bodies. Pathogen Environmental Monitoring (PEM) has also been expanded to better assess the risk of environmental contamination. The food safety culture was further strengthened through roadmaps developed individually at the sites. Instructional films on various food safety topics were also produced to be distributed through internal communication channels and for training.

#### Focus areas in Europe – food safety and supplier management

The food safety sprints carried out at **Leeb Biomilch in Austria** in 2023 were continued during the year under review. The local action plan was systematically implemented. Strengthening the food safety culture was defined as a key task. A survey in 2023 revealed the need for action in this regard in the areas of feedback, employee engagement and communication. The on-site team made great progress in the year under review, which was highlighted as especially positive during the annual IFS audit.

In the **Netherlands**, quality management was strengthened and realigned following the commissioning of the new goat's milk powder production facility. Particular attention was paid to the individual strengths and preferences of employees to maximise their potential. The HACCP teams for the individual production areas were also restructured. They will now be even more closely involved in operational activities.

Quality was also strengthened at Emmi Dessert Italia. Regulatory and Supplier Quality departments were created and the focus was placed on improved collaboration with suppliers. Of particular note was the optimisation and updating of specifications and raw material requirements.

Following its move to a new building, **Pasticceria Quadrifoglio** focused on optimising production and quality processes. By meeting international customer standards, the foundation for exporting to international retailers was laid. Successfully receiving BRCGS certification was an important first step in this regard.

At **Emmi France**, the focus was also on optimising supplier management, in particular with regard to quality agreements for purchased cheeses, which are packaged at the site.

At **Kaiku in Spain**, supplier management processes were harmonised through cross-functional collaboration with the Procurement department. A quality management module was integrated into the existing ERP (Enterprise Resource Planning) system. Based on targets defined annually for key material groups, Kaiku now works more closely with its suppliers to further advance the improvement process and thus process efficiency. This is supported by a Power BI, which presents all complaints from co-packers in a digitised form and is updated daily.

#### **Focus areas outside Europe – improvement process and supplier management**

Quality failure cost management has been introduced at both **Emmi Dessert USA** and **Darey in California**. To achieve this, training sessions were held at all six locations based on the RAFT (right at first time) concept and the continuous improvement process. At Darey, a food safety sprint in combination with a process/loss analysis was carried out at the same time. The action plan drawn up in collaboration with the Group functions Emmi Operational Excellence (EOE) and Quality, Safety and Environment (QSE) is now being implemented by various improvement teams at the Sebastopol site.

The commissioning of the **Emmi Roth plant in Stoughton, Wisconsin (USA)**, challenged the local team significantly. The site has completed initial certification in accordance with FSSC 22000 and, after several months of support, the quality processes have been stabilised. Further support was provided in the form of food safety sprints at the Seymour site, where areas of improvement were identified in terms of good manufacturing practice and process management.

The quality team at **Vitalait in Tunisia** implemented a large number of measures during the year under review, which notably included a survey on the quality culture. This showed potential for improvement in employee engagement and the need for clearer communication. The introduction of quality management software that transparently presents deviations means measures can now be better monitored and their implementation carried out more efficiently.

In addition to maintaining the quality management system for goat's cheese production, which has been recertified with great success, the team at the **US subsidiary Cypress Grove** integrated a new production area for Emmi Equator Cold Coffee into the existing building and successfully commissioned it. Quality documentation has been drawn up for these new processes and employees have been trained.

For the first time at **Laticínios Porto Alegre in Brazil**, the quality and safety processes were aligned with Emmi processes and a roadmap outlining key areas for improvement was drawn up. The local management team has been trained in crisis management and the local crisis management system has been aligned with the Emmi system.

#### **Product quality at Emmi Switzerland – zero violations of guidelines and regulations**

At Emmi Switzerland, each product was tested in the year under review in terms of its ingredients (composition) and labelling based on Emmi's specifications in accordance with a defined test plan. In the case of private labels, testing was carried out by the respective customer and, in the case of use of quality marks, by the standard issuer of the quality mark.

During the year under review, zero violations of guidelines and regulations or voluntary codes of conduct were identified for Emmi Switzerland, either with regard to product information and labelling or in terms of marketing/communication. There were no reminders and no fines had to be paid.

To safeguard against competitive risks, Emmi does not publish key figures on product quality and safety at Group level.

### **Milan Declaration (Switzerland)**

In the yogurt and milk-based beverages product categories, Emmi achieved its target of reducing sugar by 10% by 2024, as defined in the Milan Declaration. The quark product category was included at a later date. In this respect, Emmi continues to pursue the goal of reducing sugar content without compromising taste or quality. Emmi is also aiming to keep the sugar content of newly launched products as low as possible, as exemplified by the following new product launches in Switzerland during the current reporting period:

- Vitamin Yogurt containing 50% less granulated sugar compared to conventional yogurt
- Emmi Energy Milk High Protein Double Zero with no added sugar or sweeteners
- Aktifit Globi Minidrink containing 35% less sugar compared to conventional mini drinks

### **3.3.4 Outlook**

The first face-to-face meeting of quality managers in Switzerland in October 2024 laid the foundation for further intensive networking and collaboration over the coming years. Through regular dialogue and targeted measures, Emmi aims to consolidate the common understanding of its quality culture. The quality strategy is to be further implemented based on a regular gap analysis to continuously improve quality procedures. The integration of new companies plays a special role here.

Emmi continues to work on reducing sugar in its products in line with the Milan Declaration. Development will continue to focus on products with additional nutritional benefits.

Over the next few years, a Group-wide community focusing on nutrition will be developed. The goal of the community is to exchange knowledge and share best practices.

### 3.4 Developing employees

The Emmi Group aims to develop and empower its approximately 12,000 employees worldwide, equipping them to meet both current and future job demands. This ensures Emmi's job market competitiveness and strengthens the Group's most important resource – its skilled, motivated and committed employees.

#### 3.4.1 Impact on the environment and society, and opportunities and risks for Emmi

By offering basic apprenticeship and further professional development, Emmi has a significant impact on its employees as part of society. This includes their happiness, health, well-being, performance, employability and economic situation.

Developing its employees also offers Emmi numerous opportunities. Targeted training and professional development enhance the knowledge, skills and competencies of employees. This increases their productivity and efficiency as well as occupational safety. Training and development promote a more conservative use of resources and reduce the company's environmental impact. Employees who continuously develop are also more adaptable to changes and challenges and boost the company's innovative strength. If employee development is insufficient, these opportunities are counterbalanced by financial risks in the same areas, along with negative effects on society and the environment.

Continuous skill development and training for employees is therefore essential in order to meet the increasing demands of the market and the expectations of existing and potential employees.

#### 3.4.2 Management approach and goals

##### Dual responsibility as a starting point

Emmi believes that responsibility for employee development lies with both managers and each individual employee. Emmi employees themselves are responsible for thinking about their future and showing openness and willingness to continuously develop in their day-to-day work, seize opportunities that arise and accept new challenges. Equally, Emmi's managers must keep the future of their teams or departments in mind and focus on strategic workforce planning. They must also empower, develop and support their employees individually in their personal development journey.

##### Personal development plans and internal recruitment as key goals

This dual responsibility is reflected in the two goals in the area of employee development. Firstly, all employees of the Emmi Group should have a personal development plan by 2027. Secondly, 50% of all vacancies are to be filled by internal candidates by 2027. These two goals are intended to ensure the broad-based development of employees in the Emmi Group for their current and future areas of responsibility. The aim is to lay the foundations for the Emmi Group to fill vacant positions with tailored skills from within its own ranks and offer its employees exciting development opportunities and diverse perspectives.

### **Diverse, balanced development measures**

Emmi uses the 70–20–10 development approach to promote the entrepreneurial, personal, social, technical and methodological skills of its employees in a balanced way. 70% of professional development takes place directly in day-to-day work, 20% through targeted feedback and reflection, and 10% through internal and external training. At Emmi, this approach begins when new employees first start at the company and is guided by the mantra “Keep exploring”, which encapsulates the idea of nurturing constant curiosity and an interest in new things in everyday working life. Emmi uses structured onboarding programmes for new employees that help them navigate the company’s environment, perform their new duties and continuously acquire new skills.

### **Excellent leadership beyond an individual’s specialist area**

Emmi strives to create a working environment in which all employees feel welcome, valued and inspired, and can access a wide range of development opportunities. Managers play a key role in shaping this work culture. With this in mind, Emmi has been making targeted investments in global leadership development since 2012.

Emmi’s Excellent Leadership initiative launched in 2018 provides tailor-made leadership training for various management levels across the Group. These programmes, which consist of individual self-learning modules and interactive formats, form the foundation for leadership within the Emmi Group. The programmes are specifically included for the onboarding and individual development of managers. The training includes an in-depth examination of Emmi Group’s management principles, the strategic positioning of each manager’s role and the practical reflection and application of individual management styles. This is reviewed annually in the development discussion and adapted to current requirements.

Emmi cultivates interdisciplinary competencies through the biennial Management Practice development programme. Selected managers and specialists from middle management develop their personal, social and professional skills beyond their specific specialist areas. Targeted skills development takes place through individual coaching, focused subject matter contributions and collaboration on a strategic corporate project within small interdisciplinary groups.

### **Talent development across departments and countries, and succession planning**

As part of the strategic Talent & Succession Management (TSM) initiative, Emmi’s HR team works with management to identify talented individuals and key positions across the Group, and systematically plans succession solutions. This enables the Emmi Group to develop and safeguard the relevant skills of today and tomorrow. It also enhances the company’s appeal as an employer, both internally and externally, strengthening employee engagement and loyalty. Great importance is attached to the topics of continuous learning and cultivating a growth mindset.

### **Apprenticeships as an important pathway for young skilled workers in Switzerland**

There is a wide variety of career opportunities at Emmi. Emmi employs staff for industry-specific roles, such as dairy technologists and food engineers, as well as for more general roles, such as commercial employees, logistics specialists and IT experts. Finding suitable employees can be challenging depending on the country, especially for industry-specific job profiles. Apprenticeships are therefore of great importance to Emmi. In Switzerland, Emmi therefore invests in training junior staff in industry-specific skills through apprenticeships.

### Country-specific models for future academic professionals

Emmi also increasingly needs employees with an academic background. Skills in food science, economics, business information technology and logistics are in demand. Emmi therefore offers internships and trainee programmes for university graduates as entry opportunities in Switzerland, Italy and the Netherlands.

### 3.4.3 Developments in the year under review

#### Progress towards target achievement

By 2027, 100% of Emmi Group employees are expected to have a personal development plan in place. At the end of 2024, this figure was 68% across the Group (57% in the previous year), with significant differences between the three divisions. In Switzerland, 86% (71% in the previous year) of employees already have a development plan. This figure is 70% (51% in the previous year) in division Europe, while in division Americas around 58% (50% in the previous year) of employees have a development plan. The progress made by all divisions in terms of target achievement is attributable to the significantly increased engagement and ongoing focus on development in day-to-day work. It is also due to increased management focus and the emphasis on the relevance of the topic, the numerous Group-wide and locally offered training and learning opportunities as well as the talent and succession management process supported and structured by HR. In 2025, the aim will be to maintain the high visibility of the topic, to make managers and employees more aware of their tasks and responsibilities in terms of employee development, to provide support with suitable tools, and to support the development and implementation of new training and learning opportunities

Across the Group, only 26% of the total 2,408 vacancies at Emmi in 2024 were filled by internal applicants. This remains virtually unchanged compared to previous years. This number is expected to increase to 50% by 2027. There are currently significant differences between the divisions, not least due to the different growth rates and the commissioning of new production sites. In the year under review, 39% (25% in the previous year) of vacancies in Switzerland were filled with internal candidates, 36% in division Europe (30% in the previous year) and 23% in division Americas (26% in the previous year). To boost the rate of internal recruitment, Emmi will strengthen succession management in 2025 by actively tracking internal talent and further expanding talent pools.

With regard to strategic talent development and succession planning, 175 talent review meetings were held in the year under review to discuss 4,140 employees and their development.

**Emmi measures progress by means of the following performance figures:**

<b>Development plan<sup>1)</sup></b>	<b>2024<sup>2)3)</sup></b>	<b>2023</b>	<b>2022<sup>a)</sup></b>
Share of employees with a development plan division Switzerland	86%	71%	75%
Share of employees with a development plan division Europe	70%	51%	55%
Share of employees with a development plan division Americas	58%	50%	24%
Share of employees with a development plan Emmi Group	68%	57%	45%
<b>Vacancies filled with internal candidates<sup>1)3)</sup></b>	<b>2024<sup>2)</sup></b>	<b>2023</b>	<b>2022<sup>a)</sup></b>
Number of vacancies filled with internal candidates division Switzerland	39%	25%	37%
Number of vacancies filled with internal candidates division Europe	36%	30%	28%
Number of vacancies filled with internal candidates division Americas	23%	26%	24%
Number of vacancies filled with internal candidates Emmi Group	26%	26%	29%

a) Including Gläserne Molkerei (divested in 2023) but excluding Emmi Dessert USA (data available as of 2023).

1) Emmi refers to the number of employees (headcount) at the end of the reporting period (31.12.).

2) Limited comparability of data from previous years due to data and calculation adjustments (see methodology for non-financial figures 2024).

3) Including apprentices, interns and trainees.

**Methodology for non-financial figures 2024****“Development” theme of the year put into practice**

During 2024, the theme of the year – Development – played an important role within the business. Many activities and initiatives in the areas of learning, growth and development were launched throughout the Group during the year under review, including the Sustainability Day on 5 June 2024. On Sustainability Day, inspiring stories of progress were shared, ideas were exchanged and new learning strategies and methods were introduced. The success of linking Sustainability Day with the focus topic “Developing employees” is also reflected in the key figures collected for all divisions.

**New initiatives for learning through experience**

The Emmi 70–20–10 development programme focuses on learning in everyday working life. A number of initiatives were rolled out across the Emmi Group in the year under review that further strengthened this approach. As part of its transformation, **Group Supply Chain** has turned to new, agile ways of working. Enquiries, problems and challenges can now be handled more efficiently by the team thanks to better use of swarm intelligence and cross-functional collaboration. The **mediamatics apprentices at Emmi IT** in Switzerland now support other employees as service providers in creating or editing videos, editing images or designing documents graphically. This allows the apprentices to apply and expand their knowledge and skills in real customer projects instead of depending on practice tasks. They also learn how to deal with pressure, interact with customers and communicate precisely. **Pasticceria Quadrifoglio** in Italy uses voluntary job rotation to align all managers and employees with the strategy, including the vision, mission and values. Interested employees change jobs for one day and work with colleagues from at least two other departments. Emmi UK has introduced an internal platform on which people with specific problems are brought together with people who can provide targeted help and empowerment in this area.



### Successful launch of the Finance Academy

The Finance Academy initiative aims to strengthen financial knowledge and expertise across the Emmi Group, particularly among employees who do not work in the financial sector. To support this, the Group is aiming to develop a common financial language, create an understanding of the drivers of value creation and thus create the basis for more informed decisions. A tailor-made learning programme and an e-learning programme have been developed for this purpose. During the first wave of the roll-out in 2024, the focus was on the management teams and their direct employees from all Business Units across the Group. In total, around 400 employees were trained in this way. The initiative will be continued in 2025, and the group of participants will be expanded.

### Excellent leadership needs to be learned

During the year under review, 89 managers successfully completed the Group-wide Excellent Leadership training course. The Management Practice 2024 development programme was then launched in spring 2024, involving 16 mid-level managers from nine different Emmi Group countries. The programme will be completed in the first quarter of 2025.

In addition, the new leadership development offering entitled “Emmi’s Cup – how to develop yourself and your employees” was launched during the year under review. Managers should be made aware of the importance of developing their employees, expand their skills and mindset, and become familiar with supporting tools and aids. Over a two month-period, managers receive support through a combination of self-study and synchronous learning sessions guided by trainers. In **Switzerland**, 46 managers took part in this newly launched training during the year under review. As part of its annual development programme, the Logistics Switzerland division worked together with all managers on the training content of the Emmi’s Cup, enabling them to deepen their development skills and adapt the content to their needs.

**Emmi Dessert Italia** conducted training for shift managers during the year under review. The 14 participants each underwent four training sessions in two groups on people, the working environment, products, performance and machines. In addition, a project management training course was launched in September 2024, which was attended by 23 people.

### Swiss apprenticeships in demand like never before

Emmi Switzerland was able to advertise and fill more apprenticeships in 2024 than ever before. 59 out of the 67 apprenticeship places advertised were filled (previous year: 42 out of the 50 advertised apprenticeships were filled). Emmi Switzerland has been offering an Interactive Media Designer apprenticeship since 2024. In doing so, Emmi is supplementing its training offering and responding to the growing importance of digital media and technologies in the professional world. Of the 37 successful apprentices who completed their apprenticeships at Emmi Switzerland in 2024, 26 (70%) remained with the company. At the end of 2024, Emmi Switzerland employed 145 apprentices, who are supervised by around 40 instructors.

### Successful initiatives for young academic professionals

In Switzerland, Emmi employed six interns and ten trainees during the year under review. Five trainees successfully completed the programme in autumn 2024 and all (100%) have taken up permanent positions within the Emmi Group. Counting from 2011, 73% of former trainees are still employed by Emmi. At **Emmi Dessert Italia**, four trainees are currently completing the programme. Since 2020, nine trainees have successfully completed the programme, of whom seven (78%) are still working for the company.

A trainee programme was introduced in the **Netherlands** during the year under review. The trainees complete four six-month internships over the course of two years, one of which is abroad. The focus is currently on the specialist areas of general management and supply chain management. Two trainees initially started the programme.

### 3.4.4 Outlook

In line with the 2025 theme of the year “Growing together”, the agenda will focus on learning, growth and further development. Emmi continues to focus on the two Group initiatives: Excellent Leadership and Talent & Succession Management. The Excellent Leadership conceptual framework, which is currently being revised, is expected to be finalised and communicated. A new onboarding concept is being developed and rolled out across the Group. In addition, a tool for measuring maturity levels and continuous improvement in leadership conduct is expected to be introduced. To support this, a pilot project including performance measurement is planned for one division and one subsidiary. This will serve as the basis for adjusting and aligning the concept for broader implementation across the Emmi Group. In parallel, a competence model is being developed for the Emmi Group. Through a variety of initiatives, managers and employees are being made more aware and empowered with regard to employee development. The Finance Academy is to be further developed in a second project phase. Measures to maintain the acquired level of financial awareness are expected to be developed, in-depth sessions conducted, and a shorter e-learning course developed so that new employees can be introduced to the topic more quickly in future.

Finally, another key initiative is planned in the area of Commercial Excellence. Emmi aims to enhance sales and marketing competencies across the Group and promote greater knowledge sharing.

### 3.4.5 Further key figures on Emmi Group employees

#### Training and education<sup>1)</sup>

Average hours of training and education	2024 <sup>a)2)</sup>	2023 <sup>b)2)</sup>	2022 <sup>c)</sup>
<b>By gender</b>			
Female	14.94	8.75	5.90
Male	15.52	10.96	6.40
<b>Total</b>	<b>15.32</b>	<b>10.22</b>	<b>6.20</b>

Percentage of employees receiving regular performance and career development reviews	2024	2023	2022 <sup>3)</sup>
<b>By gender</b>			
Female	18%	14%	n/a
Male	39%	32%	n/a
<b>Total</b>	<b>57%</b>	<b>46%</b>	<b>n/a</b>

By employee category	2024	2023	2022 <sup>3)</sup>
Management	9%	6%	n/a
Employees without management function	48%	40%	n/a
<b>Total</b>	<b>57%</b>	<b>46%</b>	<b>n/a</b>

a) Excluding Cypress Grove Chèvre, Redwood Hill Farm & Creamery, Jackson-Mitchell.

b) Excluding Cypress Grove Chèvre, Redwood Hill Farm & Creamery, Jackson-Mitchell, ENS International.

c) Excluding Gläserne Molkerei, Emmi Dessert USA, Emmi Österreich, Leeb, Pasticceria Quadrifoglio, Emmi Canada, Redwood Hill Farm & Creamery, Jackson-Mitchell, ENS International, Cypress Grove Chèvre, Sda Catalunya, Quillayes Surlat, Centrale laitière de Mahdia.

1) Emmi refers to the number of employees (headcount) at the end of the reporting period (31.12.). Excluding apprentices, interns and trainees.

2) Limited comparability of data from previous years due to data and calculation adjustments.

3) No Group-wide data collection by gender or employee category was conducted in 2022.

**Total number of employees<sup>1)</sup>**

<b>Employees Emmi Group</b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>a)</sup>b)</b>
<b>By gender</b>			
Female	3,270	3,102	2,818
Male	6,270	6,194	6,241
<b>By region</b>			
Division Switzerland	3,054	3,015	3,009
Division Europe	978	919	1,055
Division Americas	5,508	5,362	4,995
<b>Total</b>	<b>9,540</b>	<b>9,296</b>	<b>9,059</b>
<b>Employees division Switzerland</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>By gender</b>			
Female	851	824	822
Male	2,203	2,191	2,187
<b>Total</b>	<b>3,054</b>	<b>3,015</b>	<b>3,009</b>
<b>Employees division Europe</b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>a)</sup></b>
<b>By gender</b>			
Female	454	415	454
Male	524	504	601
<b>Total</b>	<b>978</b>	<b>919</b>	<b>1,055</b>
<b>Employees division Americas</b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>b)</sup></b>
<b>By gender</b>			
Female	1,965	1,863	1,547
Male	3,543	3,499	3,448
<b>Total</b>	<b>5,508</b>	<b>5,362</b>	<b>4,995</b>
<b>Employees by employment contract</b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>a)</sup>b)</b>
<b>Permanent by gender</b>			
Female	3,196	3,045	2,792
Male	6,010	5,882	6,144
<b>Permanent by region</b>			
Division Switzerland	2,994	2,959	2,963
Division Europe	926	874	1,018
Division Americas	5,286	5,094	4,975
<b>Total</b>	<b>9,206</b>	<b>8,927</b>	<b>8,956</b>
<b>Temporary by gender</b>			
Female	74	57	34
Male	260	312	89
<b>Temporary by region</b>			
Division Switzerland	60	56	46
Division Europe	52	45	37
Division Americas	222	268	20
<b>Total</b>	<b>334</b>	<b>369</b>	<b>103</b>
<b>Employees by employment type</b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>a)</sup>b)</b>
<b>Full-time by gender</b>			
Female	2,793	2,658	2,258
Male	6,028	5,940	5,963
<b>Full-time by region</b>			
Division Switzerland	2,487	2,464	2,335
Division Europe	841	790	937
Division Americas	5,493	5,344	4,949

<b>Total</b>	<b>8,821</b>	<b>8,598</b>	<b>8,221</b>
<b>Part-time by gender</b>			
Female	477	444	560
Male	242	254	278
<b>Part-time by region</b>			
Division Switzerland	567	551	674
Division Europe	137	129	118
Division Americas	15	18	46
<b>Total</b>	<b>719</b>	<b>698</b>	<b>838</b>

a) Including Gläserne Molkerei (divested in 2023).

b) Excluding Emmi Dessert USA (data available as of 2023).

1) Emmi refers to the number of employees (headcount) at the end of the reporting period (31.12.). Excluding apprentices, interns and trainees.

#### Methodology for non-financial figures 2024

<b>Number of apprentices, interns, trainees<sup>1)</sup></b>	<b>2024<sup>2)</sup></b>	<b>2023</b>	<b>2022<sup>a)</sup></b>
<b>By gender</b>			
Female	84	402	189
Male	160	693	307
<b>Total</b>	<b>244</b>	<b>1,095</b>	<b>496</b>

a) Including Gläserne Molkerei (divested in 2023) but excluding Emmi Dessert USA (data available as of 2023).

1) Emmi refers to the number of employees (headcount) at the end of the reporting period (31.12.).

2) Excluding workers who are not employees. Excluded as of 2024, included in previous years.

#### Methodology for non-financial figures 2024

<b>Workers who are not employees<sup>1)</sup></b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>a)</sup></b>
<b>Total</b>	<b>867</b>	<b>875</b>	<b>n/a</b>

a) Excluding Emmi Dessert USA (data available as of 2023).

1) Emmi refers to the number of workers who are not employees (headcount) at the end of the reporting period (31.12.). Workers who are not employees include various employment arrangements such as agency employees, contract employees and contingent employees.

**Diversity of governance bodies and employees<sup>1)</sup>**

<b>Board of directors</b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>a)</sup></b>
<b>By gender</b>			
Female	44%	44%	44%
Male	56%	56%	56%
<b>By age group</b>			
Under 30 years	0%	0%	0%
30 to 50 years	11%	21%	11%
Over 50 years	89%	79%	89%
<b>Executive Management</b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>a)</sup></b>
<b>By gender</b>			
Female	25%	25%	25%
Male	75%	75%	75%
<b>By age group</b>			
Under 30 years	0%	0%	0%
30 to 50 years	37%	50%	37%
Over 50 years	63%	50%	63%
<b>Employees Emmi Group</b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>a)</sup></b>
<b>By gender</b>			
Female	34%	33%	31%
Male	66%	67%	69%
<b>By age group</b>			
Under 30 years	19%	19%	14%
30 to 50 years	55%	55%	56%
Over 50 years	26%	26%	30%

a) Including Gläserne Molkerei (divested in 2023) but excluding Emmi Dessert USA (data available as of 2023).

1) Emmi refers to the number of employees (headcount) at the end of the reporting period (31.12.). Excluding apprentices, interns and trainees.

**New employee hires and employee turnover<sup>1)</sup>**

	<b>2024</b>	<b>2023</b>	<b>2022<sup>a)</sup></b>
Number of new employee hires	2,468	2,288	1,308
Rate of new employee hires	26%	25%	14%
Number of employee turnover	2,235	2,202	1,020
Rate of employee turnover	23%	24%	11%

a) Including Gläserne Molkerei (divested in 2023) but excluding Emmi Dessert USA (data available as of 2023).

1) Emmi refers to the number of employees (headcount) at the end of the reporting period (31.12.). Excluding apprentices, interns and trainees.

### 3.5 Reducing emissions

Climate change is a global challenge that all companies around the world must address. This is increasingly reflected in the legal framework of all the countries in which Emmi operates. Emmi is tackling this challenge with commitment and responsibility, recognising that it is the only way to secure the company's future.

Reporting in this section is based on the Federal Council's Ordinance on Climate Disclosures for large Swiss companies, which has been in force since 1 January 2024, and takes into account the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

#### 3.5.1 Governance

##### **Governance of climate issues by the Board of Directors**

Climate issues (the impact of the company's activities on climate change, the financial risks and opportunities of climate change for the company, and appropriate measures for mitigation and change) are an integral part of the processes and decisions made by the Board of Directors. For example, they are a key element of the Emmi Group's strategy review, risk management, due diligence in mergers and acquisitions, and the investment process.

Once a year, the Board of Directors receives a report from the Head Group Sustainability at an ordinary meeting on the performance, measures, outlook, and risks and opportunities in the area of sustainability, including climate-related matters.

In addition, once a year, the Board of Directors' Market Committee receives a detailed update from the Head Group Sustainability on specific topics (e.g. climate issues and packaging). The task of the Committee is to conduct an in-depth analysis of the issue and to enable the Board of Directors to carry out informed decision-making.

The results of the annual risk analysis as part of the Group's regular risk management process (including climate-related risks) are presented annually to the Audit Committee and the Board of Directors by the CEO and the Head Internal Audit. Currently, climate-related risks are managed as part of the Group's risk management process, which includes risk mitigation measures. From 2025 onwards, each risk owner must submit a self-declaration to the Board of Directors to provide an update on the implementation status.

##### **Management's role in assessing and managing climate issues**

Group Executive Management is responsible for comprehensively identifying and assessing risk (including climate risks). The CEO has ultimate responsibility for entries in the risk register and appoints risk owners within Group Executive Management. Risk owners can delegate risk mitigation and risk management measures but remain responsible for developing and implementing the measures. Currently, the following climate risk owners have been appointed: the Chief Supply Chain Officer (CSCO) is responsible for all matters relating to biodiversity loss, extreme weather, average temperature and water, packaging and Scope 3 emissions; the Chief Marketing Officer (CMO) is responsible for all matters relating to consumer trends; and the Chief Financial Officer (CFO) is responsible for all matters relating to Scope 1 and 2 emissions.

The Head Internal Audit coordinates the Group's risk management process. This includes integrating the results of the risk assessment conducted by the cross-functional team of climate risk experts, which is made up of representatives from the Group Supply Chain, Internal Audit, Legal, Finance and Sustainability departments. Both the Head Group Sustainability and the Head Internal Audit provide annual reports on their assessments to the Audit Committee and the Board of Directors.

Once a year, the Head Group Sustainability briefs Group Executive Management at an ordinary meeting on sustainability performance, measures, outlook, risks and opportunities, and climate-related matters. The Emmi Group's sustainability strategy, including all climate-related issues, is an integral part of the annual strategy review by Group Executive Management. Any extraordinary topics (e.g. procurement of green electricity) are added to the agenda of the next monthly Group Executive Management meeting by the CSCO and dealt with there.

At the operational level, climate issues are monitored by the Head Group Sustainability together with the team at Group headquarters, the local sustainability officers at the operational sites around the world and in collaboration with external partners and experts (e.g. WWF, WEF Risk Monitor).

#### [Emmi Sustainability TCFD Governance-Modell](#)

Emmi's remuneration policy is generally not linked to climate issues today. Exceptions apply on a limited individual basis for the members of the Group Sustainability team, the Group Supply Chain team and for some of the Managing Directors and Executive Vice Presidents in the market regions for whom annual sustainability or climate targets are set.

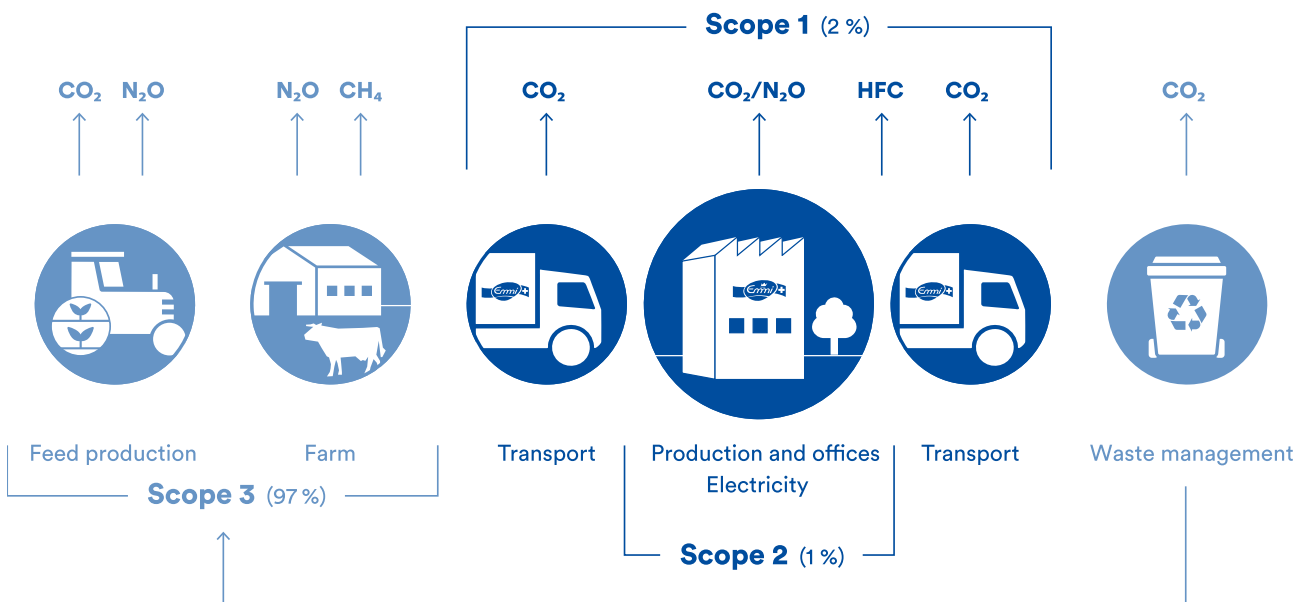
#### [Corporate governance of the Emmi Group](#)

#### [Risk management and internal controls](#)

### 3.5.2 Strategy

Emmi contributes to greenhouse gas emissions (GHG emissions) through the use of fossil fuels in its own operations and in logistics, as well as through the use of climate-harming refrigerants (Scope 1) and through purchased energy, such as electricity and district heating (Scope 2). However, the majority (more than 90%) of GHG emissions originate from the upstream and downstream value chain, which cannot be directly influenced (Scope 3). The majority of Scope 3 GHG emissions are generated during milk production, primarily through natural processes such as the formation of methane in cows' digestive systems. In addition, the cultivation of animal feed and the use of farmyard manure are major sources of emissions (nitrous oxide).

#### GHG emissions along the Emmi value chain



**N<sub>2</sub>O** = Nitrous oxide  
**CH<sub>4</sub>** = Methane  
**CO<sub>2</sub>** = Carbon dioxide  
**HFC** = Fluorocarbons

**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.

Around 34% of man-made GHG emissions (Crippa et al., 2021) are attributable to food production (around 4% are attributable to the dairy industry (O'Brien et al., 2014)). Pressure from various interest groups and associated reputational risks are high. New regulations and demands for measures to reduce GHG emissions also entail significant transition risks for Emmi's business model.

The trend towards plant-based nutrition presents both opportunities and risks for Emmi. By offering suitable alternative products, it is not only possible to avoid negative effects on business success, but also to open up new, attractive business areas where applicable.



Material physical climate risks, such as warmer temperatures or water scarcity, affect the availability of the raw materials Emmi needs, such as fruit, coffee, cocoa beans and nuts. Climate change can affect milk production by changing the availability and quality of feed.

### **Identified climate-related long-term risks and opportunities for Emmi**

An analysis of climate-related risks and opportunities in line with Emmi's standard approach (see section "[Risk management and internal controls](#)") has shown that currently relevant risks (with an impact of more than CHF10 million) and opportunities for Emmi's business are only expected in the long term (time horizon greater than ten years). For this reason, only the long-term risks and opportunities identified are described below.

To assess climate-related risks and opportunities, Emmi followed the recommendations set out by the TCFD and used both qualitative and quantitative data. Quantitative data were sourced from the Intergovernmental Panel on Climate Change (IPCC), the Wharton Research Database (WRD) and the Network for Greening the Financial System (NGFS) and focused on physical and transition risks. The WRD data were especially helpful when analysing climate risks for Emmi and comparing them with competitors and benchmarking under different scenarios. The IPCC data were used to analyse the physical risks for Emmi's sites. The selection of interview partners for qualitative data collection and the selection of four high-risk farms for detailed analysis were based on the IPCC data, which involves examining the impacts of climate factors over time. In addition, the NGFS provided the price trajectory for carbon emissions. Emmi collected qualitative data through interviews with 21 internal and four external stakeholders and supplemented this with research on climate scenarios.

Emmi's analysis encompassed both the supply chain and business operations. The analysis focused on milk, a critical resource for Emmi, particularly with regard to physical risks. Four key production sites were analysed for their financial importance and possible impacts of climate change in order to prioritise critical areas and operating resources.

The seven biggest long-term risks that were identified, taking into account their probability and financial impact, are as follows:

#### **1. Increase in average temperature and water scarcity**

Higher temperatures and changing precipitation patterns could lead to increasing difficulties in sourcing raw materials and operational challenges for Emmi in particular. Key risk indicators are the average temperature, precipitation levels and fluctuations, especially in milk production and prices. Emmi considers this risk to be greater in regions that experience extreme weather such as Tunisia and California. Changes in average temperature patterns have already been observed in these regions.

In certain areas, the growing season could be extended, allowing more milk to be produced or cheaper feed to be obtained. In other areas, new crops could be grown (e.g. soy). The geographical areas in which such positive impacts are possible are northern Europe and Switzerland.

## 2. Taxation of Scope 3 GHG emissions

The taxation of Scope 3 GHG emissions would be particularly relevant for the farmers who supply Emmi, as 80% of the emissions associated with the Group are related to the milk the company purchases. Farmers would have to pay the tax, which would increase their prices. Emmi estimates that the probability that such taxes will be introduced in the next ten years is 50%. This is particularly true in countries that have signed the Paris Agreement and are striving to achieve net zero. Taxation could lead to price increases and volume losses for Emmi. Geographically, the probability appears above average in Europe, especially in Spain, the Netherlands and Switzerland.

However, this situation could also create opportunities, especially if Emmi succeeds in further strengthening the strong and lasting relationships it has cultivated with farmers and by selecting farmers with a lower GHG footprint. If Emmi builds sustainable relationships with its farmers, this should have a positive impact on the company's image and could attract new employees and consumers.

## 3. Biodiversity loss

Human activities, in particular agriculture, forestry and fishing, are one of the main causes of biodiversity loss and ecosystem degradation. This affects the stability and functionality of both climate and ecosystems and can lead to a negative feedback loop that exacerbates climate change and biodiversity loss.

Emmi has identified several direct and indirect risk factors in the upstream value chain. This includes the use of fertilisers and pesticides, which damage biodiversity by reducing pollinators and polluting soils and aquatic environments. The loss of natural habitats due to deforestation and the drainage of wetlands is also a major contributor. All countries and regions around the world are affected by biodiversity loss.

Grassland-based dairy farming in the right place and in a sustainable way presents a significant opportunity and a key lever to increase biodiversity, improve soil quality and strengthen the potential for CO<sub>2</sub> sequestration in the soil.

## 4. Consumer megatrends in plant-based nutrition

Plant-based nutrition is a trend in developed countries and high-income urban communities. This trend reflects changing expectations.

Despite these challenges, Emmi also identifies notable opportunities. The company's ability to sustainably produce dairy products in regions and systems is a key strength that enables Emmi to positively influence consumer purchasing behaviour and maintain trust in the brand. The diversification of the Emmi portfolio with plant-based products also enables it to adapt flexibly to changing market dynamics. If carefully manufactured, these plant-based products can be a valuable addition to a balanced diet. And most recently, the last few years have shown a resurgence in the focus on natural, nutrient-dense nutrition, such as dairy products. Protein has become the world's most important ingredient (Top 10 Trends 2024, Innova Market Insights, 2024).

Emmi is aware that both dairy products and plant-based products play a role in a sustainable and balanced food system. By focusing on responsible production practices across its portfolio, Emmi aims to ensure that all its offerings make a meaningful contribution to consumer well-being and environmental sustainability. This will enable Emmi to remain a trusted leader in the dairy industry while successfully navigating ongoing market changes.

#### 5. Impact of extreme weather events on the supply chain

Extreme weather events such as droughts and floods, which are worsening or increasing due to climate change and rising GHG emissions, will present a challenge. They are likely to have a significant impact on Emmi's supply chain, in particular on milk production and the availability of raw materials. Droughts in southern regions could drive up milk prices and lead to shortages as some farmers switch to drought-resistant crops to diversify their incomes. Forest fires in areas such as California and southern Europe are likely to exacerbate these challenges by driving up milk prices and disrupting production facilities.

#### 6. Costs relating to the taxation of Scope 1 and 2 GHG emissions

Emmi estimates the probability of tax increases in the next ten years at 60%, particularly if stricter measures (Federal Act on Climate Protection Objectives, Innovation and Strengthening Energy Security [KIG]) take effect in Switzerland and gradually spread to other European countries. Geographically, European countries would therefore be most affected. There would be a risk of a competitive disadvantage if Emmi had higher GHG emissions than its competitors.

#### 7. Packaging (plastic) – cost increase due to regulation, consumer acceptance, availability

Emmi expects new requirements for the recyclability of packaging but does not expect a total ban on plastic packaging materials. Where possible, non-recyclable packaging should be avoided and replaced with recyclable alternatives. For some plastics, the infrastructure required for this is already in place in Europe or is currently being developed. The specific requirements of each country are different, but the technology is available.

In the future, the EU will introduce a system to classify packaging on the basis of its recyclability. This will have an impact on both costs and usage permits. However, under this system, individual countries within the EU cannot (any longer) impose bans that go beyond the requirements of the Packaging and Packaging Waste Regulation (PPWR). Leading countries such as France and Belgium may therefore need to withdraw some of their stricter measures.

The company expects higher procurement costs and availability of new materials, as well as investments in state-of-the-art filling and packaging systems. In addition, there is a risk of a lack of consumer acceptance for new packaging solutions. Against this backdrop, diversifying packaging portfolios can present both a challenge and an opportunity.

## **Impact of the identified climate-related long-term risks on Emmi's business model, strategy and long-term financial planning**

### Impact on Emmi's products and services

In some countries, dairy products face increasing public scrutiny due to their high GHG emissions, environmental impact and animal welfare concerns. Stricter EU sustainability regulations and expected changes in Switzerland are likely to put additional pressure on Emmi, leading to higher costs. Emerging regulations include increasing mandatory quotas for recycled components and fines for non-compliance. For example, the EU Packaging and Packaging Waste Regulation requires an increase in the proportion of recycled packaging materials, which could lead to a 40% increase in costs for certain materials.

With a clear strategy and ambitious measures, Emmi can create an opportunity to differentiate its offering and gain a competitive advantage. Promoting and expanding sustainable dairy farming on grassland would enable a healthy diet for a growing population. Flexibility and adaptability in formulas and specifications enable Emmi to deal effectively with potential raw material shortages. In addition, the expansion of the proportion of dairy-free products in Emmi's portfolio creates the opportunity to offer consumers more alternatives – an approach that is already enshrined in the company's strategy today.

### Impact on Emmi's value chain

Climate change is expected to increase the risk of the availability of raw materials. Farmers are unlikely to be able to adapt quickly enough to changing conditions (droughts, reduced soil and animal productivity and disease), especially in Tunisia and Brazil.

Currently, regulations for Scope 3 GHG emissions are neither formalised nor largely enforced, except in a few cases such as New Zealand. However, if taxes were to be levied in other countries in the future, Emmi would have to expect substantial fees or penalties.

Greater opportunities would present themselves if Emmi was able to make its procurement function more versatile and professional, strengthen its relationships with farmers and suppliers, diversify its supplier base and improve the tracking of raw material provenance. Direct collaboration with suppliers would make the supply chain more resilient. In temperate areas such as Switzerland, the Netherlands and Wisconsin, USA, growing seasons could be prolonged, allowing for higher production of feed and grain or compensating for the negative impact of high summer temperatures.

### Impact on Emmi's business model

If Emmi does not adapt or adapts more slowly than its competitors, there is a risk that the Group will lose market share. In addition, the overall risk mitigation measures must be appropriately planned, structured and budgeted (CAPEX and OPEX).

If the opportunities are seized, Emmi could make its business more resilient and future-proof in the face of competitive pressure, as adaptation and flexibility will become mandatory in the future. A strong sustainability strategy can increase visibility and would provide action plans for all subsidiaries to implement adaptation and mitigation measures promptly.

### Impact on Emmi's investments in research and development

There is a risk that Emmi will allocate its resources to the wrong priorities and thus not invest in a future-oriented manner.

Opportunities lie in strengthening global collaboration, better aligning priorities and identifying the investments with the greatest sustainability impact. Developing products that meet consumer needs and are more climate-friendly would improve competitiveness and could consolidate Emmi's market position. Another opportunity would be the development of flexible formulas and the ability to switch between production facilities or lines more successfully than the competition.

### Financial impact of expected biodiversity loss on Emmi

Risks of biodiversity loss are likely to increase (80%) over the next ten years if current practices continue. The potential financial impact on Emmi would be significant, as this would increase raw material costs, increase production costs due to the additional use of fertilisers and pesticides, and increase water treatment and health costs.

However, the loss of biodiversity and declining yields could prompt farmers to adopt more sustainable farming methods, such as diverse crop rotation and winter greening. This could improve soil health and productivity. It could also enable Emmi to differentiate its products more effectively and be financially beneficial if consumers increasingly value products that are produced in an environmentally friendly way.

### Impact on Emmi's operations (incl. type of facilities and locations)

Certain production facilities could experience higher average temperatures and would have to be cooled more intensively, which would lead to higher energy costs. Some Emmi facilities are located in areas at risk of forest fires, which can lead to power outages, production downtime and supply chain disruptions. Some Emmi facilities are located in areas of increasing water scarcity, which can lead to production stoppages.

On the other hand, warmer and wetter winters can prolong the grazing season in some regions, which could increase milk production and reduce feeding costs (e.g. in Switzerland). One opportunity could be to relocate production facilities from less-than-optimal locations to areas with more sustainable water supplies and more appropriate weather conditions. This could offer new procurement opportunities and better availability of sustainable milk.

### Impact on Emmi's strategy regarding acquisitions or divestments

Emmi has not identified any extraordinary climate-relevant issues or risks in connection with its current mergers and acquisitions. In each case, they were comparable with the climate-relevant issues and risks already known to the Emmi Group. Emmi already takes climate issues such as GHG emissions, packaging and water into account as part of its due diligence and derives suitable measures for the respective business case and to reduce the impact.

### Impact on Emmi's access to capital

Emmi has not identified any direct risk of climate-related issues making access to capital more difficult.

### Resilience test using scenario analysis

In 2022, Emmi collected extensive primary and secondary data to assess risks in terms of probability and impact for two scenarios and three different time horizons (2027, 2030 and 2050). The first scenario was based on the Paris Agreement, the second on continuity (business as usual). The result was summarised in four different matrices (see process summary in the graphic).

### Scenario analysis process



Emmi has analysed the following risk categories in accordance with the TCFD recommendations: legal and regulatory risks, technology risks, market risks, reputational risks, acute physical and chronic physical risks. These risk categories were further subdivided on the basis of risk reports produced by competitors. In addition, the risks and opportunities identified by the World Business Council for Sustainable Development (WBCSD) were taken into account.

### Implications of the results of the scenario analysis for Emmi's strategy

Sustainability is an integral part of the Group strategy. The company consistently addresses both environmental risks and opportunities, including expanding its product portfolio to include milk alternatives.

The strategy comprises the following elements that can be adapted to changing and future risks.

- **Switzerland's leading milk processor:** non-fulfilment of sustainability targets can lead to higher procurement costs and reputational damage for Emmi. High environmental impact would be perceived by the public. Damage to reputation could result in Emmi's branded products being avoided, customer relationships being damaged, trust being lost, etc. These consequences would lead to negative organic growth and a decline in profitability. Increased collaboration and stronger relationships with suppliers would offer opportunities. This involves building long-term relationships to jointly manage risks and support each other in the transition to a climate-friendly economy.
- **A leading innovator in niche markets:** Emmi wants to differentiate itself through innovation. However, if the raw materials needed for these innovations are lacking due to changing climatic conditions (e.g. global warming), Emmi would not be able to implement the innovations at all and could undesirably distance itself from its customers and consumers. Among other measures, Emmi therefore strives to work on improving its milk alternatives so that it can offer consumers plant-based alternatives and thus diversify its business portfolio and reduce the risk of losing customers.
- **Excellent in what we do:** significant failure to meet climate targets would result in long-term environmental damage and could harm Emmi's reputation. As Emmi would then no longer be perceived as responsible, it could become increasingly difficult to find and retain employees.

- **Sustainability:** significant non-compliance with climate targets would damage Emmi's reputation. Emmi would not live up to its claim to be a role model when it comes to sustainability.

**Potential impact of climate-related issues on Emmi's financial performance and positioning based on the results of the scenario analysis**

As part of the risk management process, the Emmi Group carries out a quantitative assessment (impact on earnings before interest and taxes, EBIT) for all identified risks in the short and medium term. In 2024, the following risks were identified with a potential impact on Emmi's EBIT of more than CHF 10 million but less than CHF 20 million:

- consumer megatrends shifting towards green food production and sustainable nutrition
- rising average temperature and water scarcity
- biodiversity loss
- costs of taxation of Scope 3 GHG emissions

**Corrective actions identified from the scenario analysis**

Risk-mitigating measures have been defined for the risks identified above that have been assessed as substantial:

- Improve the resilience and flexibility of operations by creating opportunities to shift production volumes between factories.
- Strengthen the partnership with farmers (suppliers) to support them in tackling climate-related challenges and provide them with a degree of security.
- Build efficient factories in terms of water consumption, cooling, etc.
- Trace vulnerable raw materials (such as coffee, cocoa or coconuts) to prevent procuring from at-risk areas.
- Strengthen capabilities and capacities in procurement.

In order to be proactive and adaptable in the face of climate change, Emmi uses its financial resources as a tool to address new climate-related risks and opportunities. Sustainability is not only an operational issue for Emmi but also influences its financial strategy and capital allocation decisions. This includes investing in green technologies such as renewables, energy-efficient facilities and sustainable supply chain practices. Emmi recognises that financial resilience is required to deal with the potential impacts of climate change. For this reason, Emmi considers sufficient capital reserves, access to different sources of financing and the ability to adapt the capital structure, if necessary, to be crucial.

Specific corrective measures for individual risks assessed as substantial (with a potential impact on EBIT of more than CHF 10 million but less than CHF 20 million) include:

Rising average temperature and water scarcity

To support farmers in their adaptation strategies and mitigate the financial impact, increased costs will be passed on to consumers and comprehensive emission reduction strategies will be implemented. These measures aim to significantly reduce the financial impact and achieve manageable residual risk over the next decade.

Costs of taxation of Scope 3 GHG emissions

Emmi has initiated projects to measure and reduce Scope 3 GHG emissions, focusing primarily on the dairy sector and GHG emissions at the farm level in Switzerland. The findings are to be used internationally. Strategies include efficient, site-appropriate feeding and the introduction of feed additives. Despite these efforts, residual financial risk is projected, underscoring the continuing need for ongoing strategic adjustments in light of regulatory changes.

Biodiversity loss

Emmi is considering introducing a no-deforestation declaration and supporting biodiversity-friendly agricultural practices at its suppliers. These measures aim to reduce the impact on biodiversity and meet the expectations of consumers and regulators. Despite these efforts, the residual risk remains significant, indicating the need for ongoing management and adaptation strategies.

Consumer megatrends shifting towards green food production and sustainable nutrition

Emmi is diversifying its product range with milk alternatives in order to meet the needs of consumers. Emmi is also focusing on making its existing milk production processes even more sustainable by increasing efficiency and reducing the GHG footprint of its dairy operations.

Specific mitigation actions for individual additional risks (with a potential impact on EBIT of less than CHF 10 million) include:

Impact of extreme weather events on the supply chain

Emmi is focusing on improving the resilience of its supply chain through strategic procurement, supplier diversification and global crisis management training. Despite these efforts, the residual risk remains significant with an expected impact reduction of only 10%. This highlights Emmi's ongoing vulnerability to weather extremes and underscores the need for comprehensive adaptation strategies.

Tax costs for Scope 1 and 2 GHG emissions

Emmi has initiated a comprehensive plan to reduce Scope 1 and 2 GHG emissions. This includes increasing in-house production of renewable energy, introducing new low-carbon technologies such as heat pumps and purchasing green and biogas certificates. These strategies pursue the science-based interim target of reducing GHG emissions by 60% by 2027, compared to 2014 (baseline year), as validated by the Science Based Targets Initiative (SBTi) with the goal of reaching net-zero emissions by 2050. Emmi's financial commitment to these mitigation efforts is considerable. Although these investments are intended to reduce the potential tax impact, Emmi expects a residual risk to remain over the next decade.



### Packaging (plastic) – cost increase due to regulations, consumer acceptance, availability

Emmi is currently assessing alternative packaging concepts. The company aims to switch to recycled materials and strives to achieve a stronger circular economy. These steps are likely to entail significant costs for Emmi, but they are critical in order to comply with the new regulations and ensure consumer acceptance. Some of these additional costs could be passed on to customers and consumers. Despite these efforts, residual risks remain as the regulatory environment and consumer expectations are constantly changing.

### **Integrating climate-related impacts, opportunities and risks into Emmi's strategic and financial planning process**

Climate issues are taken into account as standard in financial planning as part of the Group's rolling forecasting process. This is a bottom-up process that is coordinated, analysed, consolidated and carried out for each legal entity by Group Controlling.

The Group strategy is geared towards creating long-term value. A core element is sustainability (including climate issues).

In order to monitor the reduction of GHG emissions, Emmi compiled an internal project pipeline (Sustainability Action File) in 2023, which is maintained at Group level and updated by the responsible legal entities. The pipeline lists all possible new and ongoing projects to reduce GHG emissions while also showing historical GHG emissions. Emmi believes it is essential to measure how well targets are being met in terms of reductions and the financial impact of these projects (both in terms of costs and income). The pipeline serves as a forecasting tool for potential GHG savings in the future.

Group Executive Management continuously reviews market and product innovations in a formal meeting (Growth Council). New production processes are also being reviewed to ensure that new technologies are identified at an early stage and adopted where necessary.

Investments in a diversified packaging portfolio are essential to have different options available depending on consumer acceptance and packaging regulations.

In view of the risk of higher temperatures and water scarcity, it is important to make the formulas more resilient, for example, by switching from one ingredient to another. This is ensured through a gatekeeping process that ensures appropriate involvement of R&D, Operations and Procurement.

In order to address the risks associated with the use of plastic packaging, Emmi has undertaken to switch to recyclable and recycled packaging materials. The same process as described above is applied.

The capital management process at Emmi governs the approval of all investments. The approval document contains specific sections detailing the impact on sustainability (including climate change). Climate-related risks are therefore taken into account when assessing such investments. Depending on these assessments, certain corrective measures must be included in the investment application.

With regard to the risk of biodiversity loss, Emmi and its downstream partners in the value chain need to invest in biodiversity initiatives on farms and in research to support more sustainable milk production.

All climate issues are formally listed in detail as part of the capital approval process. A formal ESG and sustainability assessment is part of the process for all M&A activities.

### **Emmi's overarching vision on climate issues**

Emmi is committed to reducing GHG emissions directly and along its value chain. This applies in particular to dairy farming, the production of other agricultural raw materials, trading, consumers, waste disposal and all transportation between the different entities in the value chain. The most relevant greenhouse gases in this context are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). However, Emmi includes all relevant greenhouse gases in its calculations, including coolants.

Emmi aims to reduce its direct GHG emissions by 60% (Scope 1 and 2) by 2027 compared to 2014 (in line with the Emmi science-based interim reduction target validated by the Science Based Targets initiative (SBTi)). To achieve this, Emmi continues to use energy analyses and reduction measures. Emmi aims to meet an increasing portion of its remaining energy requirements with alternative energy sources.

The company is extending its commitment to the entire value chain (Scope 3) and is also setting itself science-based targets in this regard (SBTi). Together with milk producers, Emmi aims to reduce GHG emissions by 25% per kg milk (by 2027 compared to 2019).

Emmi aims to halve waste (Emmi Group) and food waste (division Switzerland) across its operations between 2017 and 2027. By 2027 at the latest, any remaining waste should no longer be allowed to go into landfill. Emmi aims to make its product packaging 100% recyclable by 2027, use at least 30% recycled materials and avoid single-use plastic.

In terms of water, Emmi is focusing its efforts on arid risk zones, where it is committed to reducing freshwater consumption (withdrawal) by its facilities by 50% by 2027 (compared to consumption in 2019). In all other countries, Emmi aims to achieve a reduction of 15% (compared to 2019).

In summary, Emmi aims to reduce its negative impact and strengthen and expand its positive impact. Emmi strives to achieve a circular economy and aims to be a role model in terms of sustainability overall.

### **Emmi's transition plan for Scope 1 and 2 GHG emissions**

The key elements of Emmi's transition plan are as follows:

- improve energy efficiency
- convert selected large production facilities to renewable energies (heat)
- switch to 100% green electricity
- replace climate-harming coolants
- convert the fleet to alternative technologies (e.g. hydrogen, electricity)

To improve energy efficiency, Emmi uses technologies such as state-of-the-art pumps, engines and heat recovery processes. In terms of the supply of process heat, Emmi is adhering to its decision to no longer invest in plants based on fossil fuels.

Replacing fossil fuels with renewable alternatives and optimising processes are further levers for reducing Emmi's direct GHG emissions. District heating, solar energy (especially on the roofs of the company's own production facilities), heat pumps (powered by green electricity) and wood have proven to be alternative energy sources.

Emmi promotes its own production of renewable electricity and heat. By 2025, the company aims to meet at least 4% of its global electricity consumption with solar power generated in-house.

Emmi purchases renewable energy for its electricity supply in the form of green electricity certificates. In Switzerland and Europe, the company uses hydropower wherever possible. In Brazil and in Chile Emmi uses wind power generated in Brazil. In Mexico hydropower generated in Guatemala is used, whereas in the USA locally generated hydropower is used. At the production site in Tunisia, almost all of its electricity is now generated in-house by gas turbines due to a lack of security of supply. There is no biogas or solar technology in Tunisia, so there are currently no lower-emission alternatives.

Connecting to a district heating network is only possible for Emmi if the heat is generated from renewable energy sources or from waste heat.

#### **Emmi's transition plan for Scope 3 GHG emissions**

Currently, 80% of Emmi's Scope 3 GHG emissions are attributable to purchased milk. GHG emissions are highly dependent on the local situation and the production system. The range varies from very low values in grassland-based systems, such as in Switzerland, to higher values in systems with lower production, such as in Chile or some farms in Brazil. Before a proper transition plan can be defined, Emmi is therefore focusing on measuring a baseline (footprint) for all relevant regions in terms of milk volume and GHG emissions (Switzerland, Chile, Brazil). Emmi is also involved in pilot projects (e.g. KlimaStaR Milk in Switzerland) to acquire and test reduction measures and then gradually expand the projects internationally. Against this backdrop, it has proven crucial for Emmi to work with other players along the entire value chain (e.g. Klimatisch, KlimaStaR Milk.)

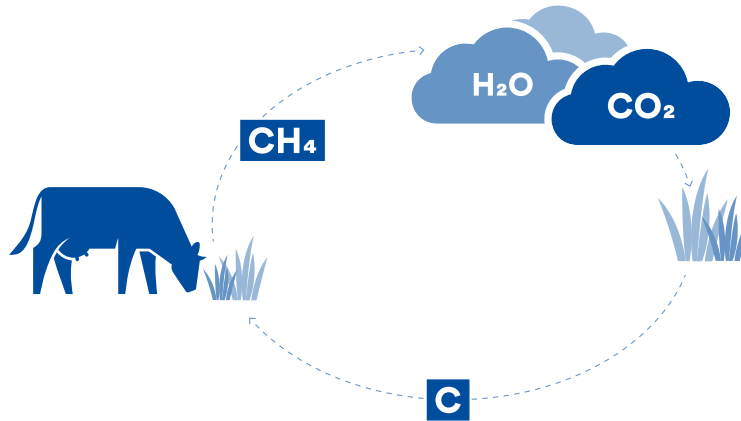
[KlimaStaR Milk](#)

[Klimatisch industry platform](#)

[Sustainable dairy](#)

### The natural biological carbon cycle

As part of a biological cycle, cows are extremely efficient at turning grass into valuable proteins and nutrient-dense foods that humans can digest.



The methane released into the air by cows after digestion is broken down into CO<sub>2</sub> and water (H<sub>2</sub>O) within ten years. Plants growing in meadows absorb both during photosynthesis and release oxygen (O<sub>2</sub>). Cows absorb carbon from green fodder when they eat.

#### 3.5.3 Risk management

The Emmi Group has established a risk management process that has been approved by the Board of Directors. The Risk Management Guidelines define the structured process for systematically identifying, analysing and evaluating relevant risks (including climate-related risks). Risks are assessed in terms of their probability of occurrence and extent. The risk management process integrates bottom-up (from local teams, experts, companies, countries) and top-down (from Board of Directors, Group Executive Management) perspectives. Short-term time horizons (3 years) and long-term time horizons (10 years) are taken into account and are reflected in the three divisions (Switzerland, Europe and Americas).

As part of this process, the identified climate-related risks and opportunities, including current and future regulatory requirements related to climate change, are discussed annually by Group Executive Management and classified according to their potential size and scope. The results of this analysis by Group Executive Management are then presented to and approved by the Board of Directors. Significant opportunities and risks are continuously monitored and, if necessary, discussed in the monthly meetings held by Group Executive Management and in the meetings held by the Board of Directors.

The risk management process is coordinated by the Head Internal Audit. Short- and long-term risks are identified, analysed and evaluated by Group Executive Management. The CEO determines the risk owners together with Group Executive Management and defines measures to mitigate the risks. Risk management is carried out actively with the relevant management teams of the Group companies and Group divisions.

Climate change currently has no impact on Emmi's short-term risks. Nevertheless, these will be taken into account in the short term as soon as this should change. In the case of long-term risks (to which all climate-related risks have previously been assigned), these are included as business risks in strategic long-term planning.

The risk management process is led and managed by the Internal Audit department. The Group Executive Management and the Group functions (Controlling, Corporate Development, Legal Services, Sustainability) contribute to risk assessment through workshops and qualitative interviews.

## Risk management and internal controls

### 3.5.4 Metrics, goals and measures

#### Addressing opportunities and risks

The following metrics are used by Emmi to assess and monitor climate-related risks and opportunities in line with the strategy and risk management process.

<b>Water<sup>1)</sup></b>		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	<b>Base year 2019<sup>b)</sup></b>
Total water consumption	m <sup>3</sup>	7,256,868 <sup>▲</sup>	7,182,686	7,229,862	5,883,917
Water consumption in risk areas <sup>2)</sup>	m <sup>3</sup>	1,113,991 <sup>▲</sup>	1,052,611	1,094,183	944,399
Water intensity rate in risk areas <sup>2)</sup>	m <sup>3</sup> /t product <sup>3)</sup>	5.23	4.67	4.12	4.17
Water consumption in non-risk areas	m <sup>3</sup>	6,142,877 <sup>▲</sup>	6,130,074	6,135,679	4,939,518
Water intensity rate in non-risk areas	m <sup>3</sup> /t product <sup>3)</sup>	5.38	5.52	5.70	5.32
<b>Energy and GHG emissions</b>		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	<b>Base year 2014<sup>b)</sup></b>
Total energy consumption	MWh	892,796	859,313 <sup>4)</sup>	845,086	565,560
Total energy intensity rate	m <sup>3</sup> /t product <sup>3)</sup>	0.66	0.64	0.63	n/a
Total electricity consumption	MWh	281,108	261,243 <sup>4)</sup>	264,231	188,189
Percentage of electricity from renewable sources	%	88%	87%	85%	0%
Total CO <sub>2</sub> e emissions Scope 1	tCO <sub>2</sub> e	104,320 <sup>▲</sup>	96,409 <sup>4)</sup>	100,814	88,228
Total CO <sub>2</sub> e emissions Scope 2 (market-based)	tCO <sub>2</sub> e	1,875 <sup>5)</sup> <sup>▲</sup>	3,145 <sup>4)</sup>	1,231	52,653
Total CO <sub>2</sub> e emissions Scope 2 (location-based)	tCO <sub>2</sub> e	52,376 <sup>▲</sup>	48,345 <sup>4)</sup>	47,553	52,653
Total CO <sub>2</sub> e emissions Scope 3	tCO <sub>2</sub> e	5,460,672	5,495,574 <sup>4)</sup>	5,358,794	5,224,399 <sup>7)</sup>
Total CO <sub>2</sub> e emissions per KCHF sales		1.33	1.39 <sup>6)</sup>	1.34 <sup>6)</sup>	n/a
Total CO <sub>2</sub> e emissions per tonne of milk		2.68	2.79 <sup>1)</sup>	2.64	n/a

a) Including Emmi Dessert USA, Scope 3 data excluding Emmi Dessert USA..

b) Including Gläserne Molkerei (divested in 2023).

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

2) Areas at water risk with a high level of water stress: Mahdia (TN), Turlock (US), Petaluma (US), Sebastopol (US), Mexico City (MX) and Calera de Tango (CL).

3) Product = saleable goods.

4) Restatement based on new underlying data.

5) Decline due to shift in energy source in Tunisia (higher in-house production of electricity).

6) Restatement based on new underlying data (retrospective adjustment of revenue figures to match the respective consolidation scope of emission data).

7) Base year 2019.

▲ Audited by KPMG.

## Methodology for non-financial figures 2024

Emmi uses an internal carbon price of CHF 120 per tonne of CO<sub>2</sub>e in Switzerland. For the sake of simplicity, this is used for other countries to assess projects in terms of their GHG emissions (SAF list). This value is based on the CO<sub>2</sub> price in Switzerland (tax) that every consumer of fossil fuels has to pay. The internal CO<sub>2</sub> reference price embodies the reference costs for saving one tonne of CO<sub>2</sub>e. A cost ratio (costs per tonne of CO<sub>2</sub>e saved) is calculated for each project. This serves as a basis for decisions on investments in measures to reduce energy or GHG emissions.

Emmi collects and calculates data to achieve greater transparency regarding land use. This data will be available with the approved SBTi FLAG targets (see section “[Outlook](#)”). Waste management key figures are not considered relevant to the treatment of opportunities and risks as they represent less than 1% of the GHG footprint.

Emmi’s remuneration policy is currently not linked to climate-related issues in general. Exceptions are made at a limited personal level for the members of the Group Sustainability team, the Group Supply Chain team as well as some of the Managing Directors and Executive Vice Presidents for whom annual sustainability or climate-related targets are set.

**Emissions****Direct GHG emissions  
(Scope 1)**

		2024 <sup>a)</sup>	2023 <sup>1)</sup>	2022 <sup>b)</sup>	Base year 2014 <sup>b)</sup>
Fuels	tCO <sub>2</sub> e	76,080	75,098	82,177	77,609
Refrigerants	tCO <sub>2</sub> e	15,440 <sup>2)</sup>	8,327	5,868	2,219
Transport/fuels	tCO <sub>2</sub> e	12,800	12,984	12,769	8,400
<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>104,320<sup>▲</sup></b>	<b>96,409</b>	<b>100,814</b>	<b>88,228</b>

**Energy indirect GHG  
emissions (Scope 2)**

		2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>	Base year 2014 <sup>b)</sup>
<b>Market-based</b>					
Electricity (market-based)	tCO <sub>2</sub> e	1,523 <sup>3)</sup>	2,819	928	
Other (district heating)	tCO <sub>2</sub> e	352	326 <sup>1)</sup>	303	
<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>1,875<sup>3)</sup>▲</b>	<b>3,145<sup>1)</sup></b>	<b>1,231</b>	
<b>Location-based</b>					
Electricity (location-based)	tCO <sub>2</sub> e	52,024	48,019	47,250	52,468
Other (district heating)	tCO <sub>2</sub> e	352	326 <sup>1)</sup>	303	185
<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>52,376<sup>▲</sup></b>	<b>48,345<sup>1)</sup></b>	<b>47,553</b>	<b>52,653</b>

**Other indirect GHG emissions (Scope 3)**

		2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>	Base year 2019 <sup>b)</sup>
Purchased goods and services (category 1)	tCO <sub>2</sub> e	4,756,405	4,785,540 <sup>1)</sup>	4,642,129	4,579,847
Of which attributable to milk and bought-in dairy products	tCO <sub>2</sub> e	4,544,218	4,592,785 <sup>1)</sup>	4,436,233	4,460,971
Processing of sold products (category 10)	tCO <sub>2</sub> e	274,423	274,423	274,423	274,423
Other <sup>4)</sup>	tCO <sub>2</sub> e	429,844	435,611	442,242	370,129
<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>5,460,672</b>	<b>5,495,574<sup>1)</sup></b>	<b>5,358,794</b>	<b>5,224,399</b>

**GHG emissions intensity  
(Scope 1, 2 and 3)<sup>5)</sup>**

		2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>
Sales intensity	tCO <sub>2</sub> e per KCHF sales	1.33	1.39 <sup>6)</sup>	1.34 <sup>6)</sup>
Underlying sales	KCHF	4,192,835	4,035,497	4,077,276
Milk intensity	tCO <sub>2</sub> e per tonne of milk	2.68	2.79 <sup>1)</sup>	2.64
Underlying milk quantity	t	2,077,295	2,007,363 <sup>1)</sup>	2,064,535

**Reduction of GHG emissions  
(Scope 1 and 2) by division**

		2024	2023	2022 <sup>b)</sup>	Base year 2014 <sup>b)</sup>
Division Switzerland	tCO <sub>2</sub> e	31,968	34,402	34,138 <sup>1)</sup>	58,111
Division Europe	tCO <sub>2</sub> e	9,981	10,306	11,869 <sup>1)</sup>	23,805
Division Americas	tCO <sub>2</sub> e	64,247 <sup>a)2)</sup>	54,845	56,037 <sup>1)</sup>	58,780
<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>106,196<sup>a)2)</sup></b>	<b>99,553</b>	<b>102,044</b>	<b>140,696</b>

a) Scope 1 and 2 data including Emmi Dessert USA, Scope 3 data excluding Emmi Dessert USA.

b) Including Gläserne Molkerei (divested in 2023).

1) Restatement based on new underlying data.

2) Increase due to coolant losses in Chile.

3) Decline due to shift in energy source in Tunisia (higher in-house production of electricity).

4) Scope 3 emissions for categories 2, 3, 4, 5, 6, 7, 8, 9, 12 and 13 each account for less than 5% and are disclosed collectively. Categories 14 and 15 are not relevant for Emmi and are therefore not included. The relevance of category 11 is under review.

5) Gases included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, FKW, PFKW, SF<sub>6</sub> und NF<sub>3</sub>.

6) Restatement based on new underlying data (retrospective adjustment of revenue figures to match the respective consolidation scope of emission data).

▲ Audited by KPMG.

Compared to the previous year, Emmi recorded a 7% increase in Scope 1 and 2 GHG emissions.

In the year under review, Scope 1 GHG emissions increased by around 7,900 metric tons of CO<sub>2</sub>e, which corresponds to an increase of 8% compared to the previous year. The main driver of this development is the integration of the subsidiary Emmi Dessert USA in the data collection, which generates around 4,000 tonnes of CO<sub>2</sub>e. In addition, increased refrigerant losses – particularly at a production facility in Chile – contribute significantly to the higher emission values. To counteract the loss of refrigerants, immediate measures should be introduced at the corresponding production facilities, and the replacement of climate-harming refrigerants should be examined.

The switch from non-renewable primary energy to renewable biomass at division Americas (in Chile) leads to a reduction of around 3,800 tonnes of CO<sub>2</sub>e in the current year. Further reductions were achieved through energy efficiency measures in Bettinehoeve (Netherlands) by using the heat emitted from the heat pump to preheat the air in one of the two milk powder drying towers. In Mahdia (Tunisia), hot water is also recovered from the cogeneration system to be used as a heat source in the fresh products plant.

In the year under review, Scope 2 GHG emissions were reduced from 3,145 to 1,876 tonnes of CO<sub>2</sub>e, which corresponds to a reduction of around 40%. This decline is primarily attributable to measures at division Americas, particularly at the Mahdia site in Tunisia. The increased use of a cogeneration plant (gas turbine) made it possible to reduce electricity consumption from the grid. As a result, emissions were reduced and shifted from Scope 2 to Scope 1. In addition to the above-mentioned factors in the development of absolute Scope 1 and 2 GHG emissions, the current increase in GHG emissions intensity must take into account the disproportionate decline in production and thus the quantity of milk in relation to the energy saved. In addition, energy consumption tends to increase due to a higher degree of automation and, in some cases, a higher level of processing. Steps such as concentration, filtration and whey drying require significantly higher energy consumption with a lower output quantity. This trend can be counteracted by continuously implementing efficiency measures.

By 2024, Emmi was able to reduce its direct GHG emissions by 25% compared with the baseline year (2014) (target by 2027: 60%). Excluding Emmi Dessert USA (acquisition effect), the reduction compared with the baseline year would amount to 27%.



**Energy<sup>1)</sup>****Primary energy sources purchased**

		2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>
Heating oil	MWh	11,746	16,687	13,607
Natural gas <sup>2)</sup>	MWh	352,071	327,444 <sup>3)</sup>	358,753
Biogas <sup>2)</sup>	MWh	21,311	16,191	19,707
Diesel	MWh	10,335 <sup>4)</sup>	4,703	7,057
Wood	MWh	172,186	191,943	157,628
District heating	MWh	59,199	57,153	56,133
Others <sup>5)</sup>	MWh	26,214	18,315 <sup>3)</sup>	15,356
<b>Total</b>	<b>MWh</b>	<b>653,062</b>	<b>632,436<sup>3)</sup></b>	<b>628,241</b>

**Share of primary energy purchased by energy source**

	2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>
Heating oil	1.8%	2.6%	2.2%
Natural gas <sup>2)</sup>	53.9%	51.8%	57.1%
Biogas <sup>2)</sup>	3.3%	2.6%	3.1%
Diesel	1.6%	0.7%	1.1%
Wood	26.4%	30.3%	25.1%
District heating	9.1%	9.0%	8.9%
Others <sup>5)</sup>	4.0%	2.9%	2.4%

**Energy consumption within the organization**

		2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>	Base year 2014 <sup>b)</sup>
Electricity consumption (incl. cooling consumption)	MWh	281,108	261,243	264,231	188,189
Steam consumption (purchased, incl. heating consumption)	MWh	59,199	57,153	56,133	17,532

**Total energy consumption within the organization**

		2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>	Base year 2014 <sup>b)</sup>
<b>Total</b>	<b>MWh</b>	<b>892,796</b>	<b>859,313<sup>3)</sup></b>	<b>845,086</b>	<b>565,560</b>

**Electricity sold for consumption**

		2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>
Electricity sold	MWh	6,372	3,914	6,372
<b>Total</b>	<b>MWh</b>	<b>6,372</b>	<b>3,914</b>	<b>6,372</b>

**Fuel consumption by vehicles**

		2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>
Petrol	l	676,905	669,824 <sup>3)</sup>	523,900
Diesel	l	4,286,153	4,362,505 <sup>3)</sup>	4,409,616
Hydrogen	t	11.06	11.17	13.42

**Fuel consumption from renewable sources**

		2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>
Biogas	MWh	21,311	16,191	19,707
Wood	MWh	172,186	191,943	157,628
Heating	MWh	59,199	57,153	56,133
Other	MWh	26,154	6,795	227
<b>Total</b>	<b>MWh</b>	<b>278,850</b>	<b>272,082</b>	<b>233,695</b>

**Total fuel consumption from non-renewable sources**

		2024 <sup>a)</sup>	2023	2022 <sup>b)</sup>
(Fuel) gas	MWh	352,071	327,444	358,753
(Fuel) oil	MWh	11,746	16,687	13,607
Diesel (generators)	MWh	10,335 <sup>4)</sup>	4,703	7,057
Other	MWh	59 <sup>6)</sup>	11,521	15,129

<b>Total</b>	<b>MWh</b>	<b>374,211</b>	<b>360,355</b>	<b>394,546</b>	
<b>Energy intensity<sup>7)</sup></b>		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	
Energy intensity (per t of product <sup>8)</sup> )	MWh/t	0.66	0.64	0.63	
Product <sup>8)</sup>		1,353,938	1,336,041	1,342,935	
<b>Electricity consumption by share renewable and non-renewable</b>		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	<b>Base year 2014<sup>b)</sup></b>
Renewable share	MWh	247,408	227,821 <sup>3)</sup>	225,611	–
Non-renewable share	MWh	33,700	33,422	38,620	188,189
<b>Total</b>	<b>MWh</b>	<b>281,108</b>	<b>261,243<sup>3)</sup></b>	<b>264,231</b>	<b>188,189</b>
Renewable share in %		88%	87%	85%	0%
Non-renewable share in %		12%	13%	15%	100%
<b>Proportion of renewable electricity purchased</b>		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	
Division Switzerland		100%	100%	100%	
Division Europe		100%	100%	100%	
Division Americas		98%	93%	98%	
<b>Share of primary energy and electricity</b>		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	<b>Base year 2014<sup>b)</sup></b>
Primary energy		70%	71%	70%	67%
Electricity		30%	29%	30%	33%

a) Including Emmi Dessert USA.

b) Including Gläserne Molkerei (divested in 2023).

1) Industry-standard presentation in MWh.

2) Partially used for internal electricity production.

3) Restatement based on new underlying data.

4) Higher in-house production with emergency generators due to local power outages.

5) Renewable and non-renewable purchased primary energy such as dried sewage, sludge, coal and other biomass.

6) Decline due to phase-out of coal utilization in Loncoche (CL).

7) The types of energy included in the intensity quotient are electricity, heating, cooling and steam. The quotient takes into account the energy consumption within the organization.

8) Product = saleable goods.

## Methodology for non-financial figures 2024

Emmi has reduced its Scope 2 GHG emissions in recent years by using renewable energies at all locations worldwide (excluding Tunisia). Since 2017, the Emmi sites in Switzerland have been supplied exclusively with European hydropower (-14,800 t CO<sub>2</sub>e per year). This was followed in 2018 by all sites in Europe (-17,000 t CO<sub>2</sub>e per year). Since the start of 2021, 70% of the electricity required by the Group companies in North and South America has been sourced from renewable energies through certificates. This figure has risen to 100% since 2022.

The in-house production of solar power accounts for 1.2% (1.2% in the previous year) of total electricity consumption (target by 2025: 4%). In total, 3.1% (2.8% in the previous year) of renewable electricity was self-produced in 2024 (solar and biogas/gas turbine).

### Above-average CDP score

Since 2017, Emmi has had its sustainability efforts assessed by the Carbon Disclosure Project (CDP). The score has improved over time and reflects how far Emmi has come on its sustainability journey. Emmi achieved a B rating for the first time in 2021 (2019: B-). With a B rating in 2023, it was above the industry average of B-.

### Emmi's Climate Action Score

#### **Reduction of Scope 3 GHG emissions in the Emmi Group**

Emmi has set itself the target of reducing the emission intensity of purchased milk (GHG emissions per kg of processed milk) in the upstream value chain by 25% by 2027 (Scope 3 – based on 2019).

For 2019, Emmi calculated a baseline value of 2.54 kg CO<sub>2</sub>e per kg of processed milk for the entire Group using general emission factors from the database (WFLDB 3.4). This figure increased by 2% to 2.59 (total Scope 3) kg CO<sub>2</sub>e per kg of processed milk through to 2024 (target by 2027: -25%). This increase was the result of an increase in milk quantities in countries with relatively high emission factors per kg milk, mainly Brazil and Chile.

Supply chain emissions (Scope 3) have decreased by 4% compared to the previous year. This is due to a data correction in the milk volume in the division Americas (Chile).

Information on measures and projects can be found in the section [“Sustainable dairy”](#).

#### **3.5.5 Outlook**

Due to acquisitions as well as the requirements of the SBTi FLAG regulation and the deforestation criteria, a recalculation of the “baseline” and the reduction target according to the SBTi (FLAG) is planned for the coming year, as Emmi expects its emissions to deviate by more than 5%. It is planned that the most accurate and up-to-date data from 2023 will then serve as the baseline year.

As part of its strategic implementation, Emmi wants to focus even more strongly on reducing GHG emissions in the future. To this end, specific net-zero roadmaps are to be defined for all key production sites of the Emmi Group. In terms of specific measures, a biomass plant is planned in Pitruquén (Chile) to further reduce Scope 1 GHG emissions, while the decision on the purchase of green electricity is forthcoming in Dagmersellen (Switzerland). Efficiency measures are also planned at the Etten-Leur site in the Netherlands. Heat pump testing is planned in Pamplona, Spain, and at the plants in Italy. In addition, the company's own photovoltaic capacities for generating green electricity are to be expanded. In Switzerland, a gradual conversion of the vehicle fleet to electric vehicles is also planned.

### 3.6 Reducing water use

The topic of water covers water use and pollution at Emmi as well as in the upstream value chain. In agriculture, water consumption and water pollution are key to the production of plant and animal raw materials. Water is required in our facilities as a product ingredient, in production processes and to ensure quality and hygiene. For Emmi, fresh water consumption and the wastewater produced (such as degree of pollution or quantity) are relevant in this context. Emmi currently defines water consumption solely as the extraction of fresh water.

#### 3.6.1 Impact on the environment and society, and opportunities and risks for Emmi

Water scarcity and extreme weather events such as droughts and flooding are affecting more and more regions and will be among the greatest risks of the future according to the World Economic Forum. Food production is one of the most water-intensive activities. According to the WWF, the agricultural sector is responsible for the extraction of around 70% of all fresh water used ([WWF, 2021](#)).

Water is also an essential resource for Emmi. In the company's own operations, water is used as an ingredient in individual products and is required for production processes. Water is likewise important for ensuring quality and hygiene. The wastewater from the plants can be contaminated with organic or chemical residues. However, it may also have a temperature that greatly differs from that of the bodies of water into which it is discharged. Both the purchasing of fresh water as well as the treatment and disposal of wastewater can incur high costs.

Water is also very important in the upstream value chain – the production of milk. Agriculture requires large quantities of water to cultivate animal feed and raise livestock, which, depending on the availability of water in the region in question, can be problematic for people and the environment. In intensive agricultural production, the use of fertilisers and organic waste from livestock farming can negatively affect the quality of surface and groundwater, thus harming soil and aquatic organisms. Extreme drought or heavy rainfall also affects the availability and price of animal feed, which can have an impact on the quantity and price of milk.

Water shortages affect the agricultural production of non-dairy ingredients used in Emmi products, such as fruit, coffee, cocoa beans and nuts.

Climate change is fundamentally changing the regional and seasonal availability of water. This entails significant risks for Emmi's business model (see section "[Reducing emissions](#)").

### 3.6.2 Management approach and goals

#### Systematic environmental management and goals for 2027

Emmi controls water management at all production sites through systematic environmental management. Apart from the production sites of Emmi Switzerland, the production sites Emmi Dessert Italia (Italy), Kaiku (Spain) and Vitalait (Tunisia) also have ISO 14001-certified environmental management systems.

The key data for water management are fresh water consumption and the volume of wastewater (in Switzerland since 2008, globally since 2019), the development of which is monitored quarterly at Group level. In contrast, chemical oxygen demand (COD) for determining and controlling wastewater quality, as well as other parameters, are currently only managed locally. The local companies are responsible for complying with national and local laws, guidelines and threshold values and for deriving site-specific measures based on these. They check their impact locally via their KPI and management platforms.

Emmi's water consumption targets up to 2027:

- Reduction of own water consumption in non-risk areas by 15% (compared to 2019), whereby the target refers to the saleable goods produced (in tonnes).
- Reduction of own water consumption in risk areas by 50% (compared to 2019), whereby the target refers to the saleable goods produced (in tonnes).

The annual data on water consumption for sustainability reporting are collected locally, consolidated at Group level and audited externally by KPMG (see section [“KPMG audit report”](#)). The Sustainability Steering Committee reviews progress and the achievement of goals.

#### Orientation to industry-standard consumption values, taking into account water-risk areas

Emmi will base its target of reducing water in its own facilities on standard industry values. Emmi is aware that the impact of its production activities on water varies greatly from country to country. The company has therefore opted for an impact-based strategy: to identify water-risk areas and define regional priorities, Emmi applies the [“WWF Water Risk Filter”](#) to all its production sites (most recently in 2019). This analyses the water risks at a specific location on the basis of twelve criteria. According to this analysis, the production plants in Tunisia (Mahdia), California (Sebastopol, Turlock and Petaluma), Mexico (Mexico City) and Chile (Calera de Tango) are located in water-risk areas.

Some Emmi subsidiaries outside Switzerland – as well as their milk producers – are located in water-risk areas. The criteria catalogue for milk suppliers (see section [“Sustainable dairy”](#)) thus also includes water criteria: protecting open water and groundwater against pollution. These criteria are currently being surveyed to better assess the effective risk and, if necessary, to introduce measures in the next strategy period.

[Criteria catalogue \(sustainable milk methodology\)](#)

### **Global strategies for wastewater reduction**

For over 15 years, Emmi has relied on professional (waste)water management at its Swiss plants, on the basis of which tried-and-tested, globally replicable strategies have been developed:

- In order to reduce its fresh water consumption, Emmi relies on reusing and treating water. This allows the water to be kept in the cycle for as long as possible, thus minimising the consumption of fresh water, which is particularly relevant in high-risk locations.
- Optimising the cleaning processes makes it possible to achieve notable reductions in freshwater consumption.
- Wastewater pollution is reduced by reducing product losses in the production process.
- Wastewater from production facilities is treated according to state-of-the-art processes and local requirements.

### **Water consumption in the upstream and downstream value chain**

Most of Emmi's water footprint comes from the cultivation of agricultural raw materials. However, the focus is currently only on water consumption within the Group's own facilities. No measures are being implemented to reduce water consumption along the upstream and downstream value chain at this time. The company developed a concept, with external support (including from its partner WWF), for high-risk raw materials in 2020, the implementation of which will be reviewed in the future.

### **3.6.3 Developments in the year under review**

#### **Re-examination of risk areas according to the "WWF Water Risk Filter"**

A renewed review of the risk areas was carried out in the year under review and approved at Group level. The reclassification will be applied in the coming reporting period and any resulting medium-term to long-term implications for Emmi reviewed.

#### **Continuation of cleaning process optimisation in Spain**

In the year under review, the subsidiary Kaiku in Spain continued to optimise its cleaning processes, eliminated leakage points and raised awareness among employees. Thanks to comprehensive cost-saving and optimisation measures, absolute water consumption at the plant in Pamplona was reduced by around 41% compared to the 2019 baseline year.

#### **Water consumption not reduced**

Emmi aims to reduce water consumption both in non-risk areas (target by 2027: minus 15%) as well as in high-risk areas (target by 2027: minus 50%) in terms of produced, saleable goods (water intensity). However, water intensity is currently 1% (non-risk areas) and 25% (risk areas) higher than in the 2019 baseline year. The reasons for this remain unchanged, because cleaning efforts are not falling linearly with lower production volumes. In addition, there has been a shift in the product range towards products with a higher dry mass, such as cheese and powder, compared to the baseline year. A technical fault also occurred at the water treatment plant in Tunisia.

**Emmi measures progress by means of the following performance figures:**

<b>Water consumption<sup>1)2)3)</sup></b>		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	<b>Base year 2019<sup>b)</sup></b>
<b>Total</b>	<b>m<sup>3</sup></b>	<b>7,256,868<sup>▲</sup></b>	<b>7,182,686</b>	<b>7,229,862</b>	<b>5,883,917</b>
Intensity rate per t of product <sup>4)</sup>	m <sup>3</sup> /t product	5.36	5.38	5.38	5.10
<b>Water consumption in risk areas<sup>1)2)3)5)</sup></b>					
		<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>Base year 2019</b>
<b>Total</b>	<b>m<sup>3</sup></b>	<b>1,113,991<sup>▲</sup></b>	<b>1,052,611</b>	<b>1,094,183</b>	<b>944,399</b>
Intensity rate per t of product <sup>4)</sup> in risk areas	m <sup>3</sup> /t product	5.23	4.67	4.12	4.17
<b>Water consumption in non-risk areas<sup>1)2)3)</sup></b>					
		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	<b>Base year 2019<sup>b)</sup></b>
<b>Total</b>	<b>m<sup>3</sup></b>	<b>6,142,877<sup>▲</sup></b>	<b>6,130,074</b>	<b>6,135,679</b>	<b>4,939,518</b>
Intensity rate per t of product <sup>4)</sup> in non-risk areas	m <sup>3</sup> /t product	5.38	5.52	5.70	5.32

a) Including Emmi Dessert USA.

b) Including Gläserne Molkerei (divested in 2023).

1) Emmi's definition for "water consumption" corresponds to the definition of "water withdrawal" according to the GRI Standards 2021 GRI 303.

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

3) 1,000 m<sup>3</sup> = 1 ML.

4) Product = saleable goods.

5) Areas at water risk with a high level of water stress: Mahdia (TN), Turlock (US), Petaluma (US), Sebastopol (US), Mexico City (MX) and Calera de Tango (CL).

▲ Audited by KPMG.

## Methodology for non-financial figures 2024

### 3.6.4 Outlook

In the coming reporting period, the medium-term and long-term measures that the reclassification will have (according to the "WWF Water Risk Filter") on the risk areas and their production sites will be reviewed.

Initial steps are also planned to improve the data situation in accordance with the requirements of the 2021 GRI Standards. In terms of the overarching understanding that water consumption is the result of water extraction minus water recirculation, Emmi plans to collect data on water recirculation across the Group from 2026.

### 3.7 Packaging

At Emmi, “Packaging” refers to all the materials used to protect products from external influences during transport and storage. Emmi uses various materials or material combinations depending on the product. In the interests of the circular economy, as much of the packaging as possible should be recyclable and reusable. Recyclable means dismantling packaging into its raw materials, while reusable means reusing packaging in its original form and functionality (for example, reusing a glass bottle). At the same time, Emmi is focusing on reducing material consumption. When choosing packaging, the top priority is always food safety and preserving the quality of the products.

#### 3.7.1 Impact on the environment and society, and opportunities and risks for Emmi

Packaging is critical for **food safety** and ensures **product quality** during transport and storage. It thus helps to avoid food waste (see section “[Food waste](#)”). The selection of suitable packaging material is therefore very important. Faulty or incorrect packaging material that does not guarantee the product’s protection can damage the company’s reputation as well as consumers’ trust and may result in financial consequences.

Packaging made from materials that are difficult to recycle or improperly disposed of has a negative **impact on the environment**. The use of plastic in particular is being critically assessed today, both in the context of the finite resource of oil or environmental pollution. Stricter regulations and bans on certain packaging materials have led to Emmi testing and using alternatives. The use of **environmentally friendly packaging** materials enables Emmi to position itself positively in the market while reducing its environmental footprint. By using recycled raw materials in particular, a long-term circular economy that conserves resources and reduces waste can be established. Sustainable and innovative packaging solutions can also strengthen consumer confidence in and loyalty towards Emmi’s brands.

#### 3.7.2 Management approach and goals

##### Consideration of European directives and legislation

Since 2011, Emmi has been working to reduce the use of materials and optimise packaging while ensuring the products are protected. In Switzerland, there are currently few specifications for packaging design, and advances in the packaging sector are primarily driven by initiatives as well as voluntary commitments in the industry. Emmi is therefore guided by the increasingly stringent EU guidelines and legislation for Switzerland and the European business. The company complies, for example, with the EU Waste Framework Directive ([Directive 2008/98/EC](#)). The Directive defines the legal framework for dealing with waste in the European Union (EU) and aims to protect the environment, human health and resources as well as promote recycling by collecting more waste separately and returning it for reuse. Emmi is also guided by the EU directive for reducing the environmental impact of certain plastic products ([Single Use Plastic Directive](#)) as well as the revised EU [Packaging and Packaging Waste Directive](#). All packaging materials used by Emmi meet the EU General Food Law Regulation and country-specific requirements ([Regulation \(EU\) No. 10/2011](#)).

Emmi is currently focusing on division Switzerland and division Europe in the area of packaging. For division Americas, Emmi ensures compliance with local laws. In the new strategy period (2027 to 2031), the extent and time from when the European strategy can be reasonably applied at division Americas will also be examined.



### **Interdisciplinary committee monitors projects and goals**

The goals in the area of packaging are developed by the “Sustainable Packaging” team and approved by a separate interdisciplinary committee. Local packaging laws and customer requirements are taken into account. Once targets have been approved, the “Sustainable Packaging” team is once again responsible for detailed planning, prioritising, implementing and measuring progress. It implements the upcoming projects in interdisciplinary teams and initiates the necessary measures if deviations from the overarching goals are identified.

### **Circular economy as a collective task**

The circular economy concept is key for Emmi. Emmi therefore uses recyclable materials whenever possible for new packaging. However, a holistic, recyclable packaging landscape is dependent on standardised, functioning recycling infrastructure. This requires coordination and cooperation with various stakeholders. In Switzerland, alliances promoting the circular economy have taken shape in recent years, as demonstrated by the voluntary industry organisation [RecyPac](#). As a founding member of this organisation, Emmi is committed to the nationwide collection of plastic packaging.

### **Mandatory specifications for suppliers**

In recent years, Emmi has undertaken a number of measures to increase its requirements for its suppliers with regard to responsible business conduct. In addition to the General Code of Conduct for Suppliers, a specific catalogue of requirements has been defined for suppliers of packaging materials. Among other things, it covers the handling of critical substances (e.g. plasticisers), nanotechnology and migration risks. The requirements are set out in various documents that are mandatory for suppliers ([Information for suppliers of the Emmi Group](#)):

- General terms and conditions of purchase of the Emmi Group
- General requirements for suppliers of raw materials
- General requirements for suppliers of packaging materials
- Requirements for product labelling with GS1-128 for suppliers and trading partners

### **Packaging targets up to 2027**

- Switch to 100% theoretically recyclable packaging.  
The key figure is currently only levied at division Switzerland. Implementation in other countries is being reviewed.
- Use of at least 30% recycled materials in plastic packaging.  
The key figure currently covers only plastic packaging and is currently levied at division Switzerland as well as in Italy for Emmi Dessert Italia S.p.A. and in Spain for Kaiku Corporación Alimentaria S.L. and Lácteos de Navarra S.L. Expansion to other European production countries is planned.

### **3.7.3 Developments in the year under review**

#### **Internal data collection tool optimised**

In 2024, the quality of packaging data in Switzerland was further improved: the internal data collection tool has been optimised for reporting on consumption volumes. The existing data basis have been adapted to the new requirements, and the SAP master data required for using the tool have been further specified. A webinar taught employees the importance of data quality and how to apply the procedures correctly. In order to assess recyclability in data collection, interfaces are created between existing systems and the data collection tool. This process has not yet been fully completed in the year under review.

#### **Improved recyclability thanks to PET bottles**

By constantly switching milk drinks from HPDE bottles to PET bottles, Emmi Switzerland is increasing the recyclability of its packaging, as PET bottles can be collected via PET-Recycling Schweiz (PRS) and managed in a closed loop. With its own PET plant in Ostermundigen, Emmi can achieve a further positive environmental impact: as blanks are inflated on site, less packaging transport is required.

#### **Increased use of recycled materials**

Cheese packaging made from PET material was switched to 100% rPET in the year under review. Milk-based drinks that previously consisted of PE bottles were switched to PET bottles. As a result, Emmi can use 25% recycled materials from the cycle of PET-Recycling Schweiz (PRS) for each bottle.

#### **Progress towards target achievement**

The proportion of recyclable plastic packaging in Switzerland is 23% (target by 2027: 100%). Compared to 2023, this key figure has fallen significantly thanks to a new, more accurate calculation method. The proportion of recycled materials is 4% in Switzerland, 18% in Italy and 1% in Spain (target by 2027: 30%).

## Emmi measures progress by means of the following performance figures:

## Materials used by weight

Switzerland		2024 <sup>1)</sup>	2023	2022
<b>Non-renewable materials used</b>				
Plastic	t	10'343 <sup>2)</sup> ▲	11,222	11,163
Metal/aluminium	t	316	301	303
<b>Renewable materials used</b>				
Cardboard	t	8'248	9,366	8,968
Glass	t	210 <sup>2)</sup>	57 <sup>2)</sup>	238
Beverage carton <sup>3)</sup>	t	6,971	6,228	5,626
<b>Total</b>	<b>t</b>	<b>26'088▲</b>	<b>27,174</b>	<b>26,298</b>
<b>Italy</b>				
		<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Non-renewable materials used</b>				
Plastic	t	2,388	n/a	n/a
Metal/aluminium	t	2	n/a	n/a
<b>Renewable materials used</b>				
Cardboard	t	3,451	n/a	n/a
Glass	t	3,835	n/a	n/a
Beverage carton	t	n/a	n/a	n/a
<b>Total</b>	<b>t</b>	<b>9,676</b>	<b>n/a</b>	<b>n/a</b>
<b>Spain</b>				
		<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Non-renewable materials used</b>				
Plastic	t	985	n/a	n/a
Metal/aluminium	t	10	n/a	n/a
<b>Renewable materials used</b>				
Cardboard	t	3,639	n/a	n/a
Glass	t	101	n/a	n/a
Beverage carton <sup>3)</sup>	t	1,112	n/a	n/a
<b>Total</b>	<b>t</b>	<b>5,847</b>	<b>n/a</b>	<b>n/a</b>

1) The 2024 figure cannot be compared with the figures for the previous years due to the newly introduced calculation method.

2) Restatement based on new underlying data.

3) CH: The plastic content in beverage cartons in 2024 amounts to 1,758 t, 2023 2,125 t and 2022 1,936 t. ES: The plastic content in beverage cartons in 2024 amounts to 191 t.

▲ Audited by KPMG.

[Methodology for non-financial figures 2024](#)

**Recycled input materials used**

<b>Switzerland</b>		<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Percentage of recycled materials</b>				
Recycled plastic	t	481 <sup>1)</sup> ▲	342	253
Share of recycled plastic		4%▲	3%	2%
<b>Italy</b>		<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Percentage of recycled materials</b>				
Recycled plastic	t	421	n/a	n/a
Share of recycled plastic		18%	n/a	n/a
<b>Spain</b>		<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Percentage of recycled materials</b>				
Recycled plastic	t	5	n/a	n/a
Share of recycled plastic		1%	n/a	n/a

<sup>1)</sup> Plastic from plastic packaging (448 t) and from beverage cartons (33 t).

▲ Audited by KPMG.

### Methodology for non-financial figures 2024

<b>Percentage of recyclable material<sup>1)</sup></b>	<b>2024<sup>2)</sup></b>	<b>2023</b>	<b>2022</b>
Plastic	23%▲	50%	45%

<sup>1)</sup> Data currently only available for Switzerland.

<sup>2)</sup> The 2024 figure cannot be compared with the figures for the previous years due to the newly introduced calculation method.

▲ Audited by KPMG.

### Methodology for non-financial figures 2024

#### 3.7.4 Outlook

The internal data collection tool is fully integrated and connected to Emmi's product information management system so that it can be used as a calculation tool for theoretical recyclability.

Together with Procurement, the strategy for procuring recycled materials is to be further developed so that sufficient quantities can be secured.

The data collection of the key figure "Use of at least 30% of recycled materials in plastic packaging" is being expanded to other European production countries.

### 3.8 Occupational health and safety

At Emmi, occupational health and safety encompass all measures that contribute to safe and healthy working conditions. All employees (including those from third-party companies) should be able to perform their duties without risks to their health, accidents or injuries. Health protection implies a good work-life balance and support for mental health.

#### 3.8.1 Impact on the environment and society, and opportunities and risks for Emmi

Emmi takes its responsibility for the safety and health of the people employed by the Group very seriously. Nevertheless, business activities may have an impact on the physical and mental health of its employees. Significant risks to the physical health of employees include possible injury risks, such as those potentially incurred when operating machinery, from noise pollution or working in different temperature ranges. Regardless of the type of job, work can, in some cases, lead to psychological stress, due for example to the human environment, the existing framework conditions or the work to be performed. Absences or workplace restrictions due to accident or illness may impair the functioning of the company. In addition to health risks, serious incidents or demonstrable misconduct on the part of the company can entail litigation and risks to reputation.

By implementing occupational health and safety measures as well as promoting environmentally friendly practices, such as reducing pollutants and waste, Emmi achieves increased occupational safety and better health protection, which in turn leads to fewer occupational accidents and illnesses. A safe, healthy workplace increases employee satisfaction and motivation. This enhancement of the general well-being and health of employees leads to higher productivity. Ultimately, fewer accidents and illnesses – and thus fewer employee absences – mean lower costs for Emmi and the healthcare system, which in turn contributes to a more stable economy.

#### 3.8.2 Management approach and goals

##### Focus on preventive measures

Emmi's safety philosophy is based on the principle that all employees return home safely and healthy after work. To achieve its overarching objective of no occupational accidents, Emmi focuses its safety management policy on prevention. Preventive measures are taken to avoid possible accidents at work or health impairments, particularly through guidelines and instructions for conscious and correct behaviour in accordance with the safety slogan "Stay-Think-Act".

##### Overarching objective – local responsibility

Health and safety management is of strategic importance to Emmi, for which Group Executive Management has set the long-term reduction of incidents as its overarching objective (see below for key figures). In line with this strategic orientation of the Group, responsibility for implementation lies with the country organisations. Appropriate measures and programmes are developed and implemented in the local occupational safety organisations. The topic of occupational health is supervised by HR and measures are planned and implemented in coordination with the occupational safety organisations.

Emmi's 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. Incidents and near misses are analysed. Based on these findings, safety management is then adapted and improved where necessary. The Group-wide knowledge transfer on occupational health and safety is regularly ensured on an ongoing basis via SharePoint, six calls per year in the "Health & Safety Community" and several exchange meetings.

### **Legislation and ordinances form a binding basis**

Health and safety management at Emmi is based on legislation, ordinances and agreements under private law. The following principles apply to all Emmi locations and subsidiaries:

- Emmi ensures passive security by means of suitable conception, design and implementation, in particular with regard to infrastructures.
- Emmi focuses on active safety by handling and controlling its processes and systems.
- Emmi promotes the behaviour and ability of its employees to live and work on a healthy and safe basis.
- All employees have the right to be informed as well as to have a say in all matters relating to occupational health and safety.
- All employees must follow the directives and company rules regarding their own health and safety.
- Employees must immediately rectify or report circumstances or deficiencies that affect safety or health.
- Emmi provides information on how to avoid potential hazards depending on the situation and on a preventive basis.
- Emmi has established multi-level emergency organisations for incident management as part of its crisis management approach. The Post-Incident Analysis (PIA) tool is used to analyse causes and findings from which it implements measures for improvement.
- Emmi conducts risk analyses in all relevant areas and topics as required in order to identify potential hazards as well as to take targeted and economically justifiable precautionary measures.
- Emmi protects the life and limb of employees and third parties both at their workplaces and on company premises through appropriate preventive, active, passive and incident management measures.

In addition, the occupational safety organisations at the sites in Pamplona (Spain), Gattico, Lasnigo and Pero (Italy), as well as Mahdia (Tunisia), are certified in accordance with ISO 45001. In Switzerland, the certification partner conducts an annual external audit of the occupational health and safety system, which complies with the requirements of ISO 45001 but is not certified.

### **Handling health data**

Employees' health data, which are classified as very sensitive, are processed in accordance with the applicable country-specific data protection regulations (such as the Swiss Data Protection Act (DPA) and the EU's General Data Protection Regulation (GDPR)). This is subject to binding regulations by country in internal data protection declarations.

### **Employee participation, consultation and communication**

Emmi evaluates its safety management on a risk basis. In these audits, systems, procedures, processes and products are reviewed and the fulfilment of specifications and evidence is assessed. These audits are part of our continuous improvement process and are carried out by internal and external bodies.

In what is referred to as the “Health & Safety Community”, the global H&S managers present topics relevant to occupational health and safety. Events and incidents are also addressed to multiply important findings and suitable measures as part of the continuous improvement process.

### **Training and refresher courses**

With the aim of supporting the health of the employees, relevant introduction programmes as well as legally mandatory training courses are carried out. Defined refresher courses are held for particularly high-risk activities, such as working at heights or in tanks or handling means of transport.

Other courses and training sessions on occupational safety cover occupational health, first aid, evacuation training, the correct use of climbing aids and behaviour in traffic. Various other training courses contribute to health promotion. Examples include training courses on health-conscious leadership and on how to improve personal resilience.

### **Promoting general health**

In Switzerland, Emmi’s managers are qualified for health-oriented leadership through various Excellent Leadership programmes. The employees themselves are offered a variety of learning modules, such as strengthening resilience or dealing with stress. Employees are also made aware of health-related issues through regular publications. In addition, Emmi regularly supports participation in sports activities such as “Bike to Work” and running events. Apart from the measures available locally, the training programmes in Switzerland are gradually being applied in the international companies. To this end, all management teams are trained annually by HR as part of Group-wide function meetings in the Excellent Leadership programme.

### **Avoiding risks and mitigating impacts in the supply chain**

The supplier evaluation includes questions on whether the supplier meets the occupational health and safety criteria and fulfils its responsibility in this regard. Specifically, certification according to OHSAS 18001 or ISO 45000 is required. If this is not the case, eight specific questions will then be asked.

The risk of working conditions that violate occupational health and safety in the supply chain can thus be reduced. In addition, Emmi encourages suppliers to sign the Supplier Code of Conduct. If a supplier does not accept the Code, an Experts Committee consisting of representatives from Quality, Sustainability, Legal and Procurement decides on the next steps, where discontinuation of the collaboration is the last resort. Like all other ancillary conditions on performance, compliance is verified in regular supplier audits (see section [“Responsible sourcing”](#)).

### Occupational health and safety goals up to 2027

The Emmi Group uses the TIFR (total incident frequency rate) as the main key figure at Group level. To calculate the TIFR, the number of the following events is added together and represented in relation to one million hours worked:

- Occupational accidents without downtime
- Occupational accidents with downtime
- Occupational accidents with restricted activity
- Occupational accidents resulting in fatalities

For the Emmi Group, the **target by 2027** is to significantly reduce the TIFR to less than ten events per million hours worked.

The operational goals are defined annually for each site based on its local situation (process risks, technical safety of plants, safety culture, legal requirements).

### 3.8.3 Developments in the year under review

#### Division Switzerland – safety culture

For division Switzerland, the safety culture was assessed with the health and safety GAP analysis for the first time in the year under review. In order to strengthen the safety culture in accident prevention, a concept has been drawn up to increase participation by managers and employees through specific behavioural objectives throughout Supply Chain Management (SCM) Switzerland. Based on this concept, specific behavioural objectives were defined for the sites as well as for overarching functions in the Business Unit Occupational Health and Safety. At an SCM Management Day, the managers declared their commitment to the defined behavioural goals. Implementation is integrated into the sites' health and safety roadmaps and with explicit measures.

#### Kaiku Pamplona – FeelSafe

In Pamplona (Spain), the FeelSafe project raised awareness among employees to improve workplaces and safety-conscious behaviour, thus enabling a sustainable reduction in occupational accidents. This project enabled a new leadership style and a health-conscious approach to be developed and implemented for all employees. As a result, the TIFR was reduced by 87% compared with the previous year.

#### Quillayes Surlat – two campaigns and a new digital tool

The following three activities in the area Occupational Health and Safety were carried out at the subsidiary Quillayes Surlat (Chile), in the year under review:

- **“Safety is my priority”** is a comprehensive management development project focusing on safety, which is implemented according to the DEKRA SafeAlign™ model. The main objective of the programme is to train operational managers, in particular middle management, to acquire the tools required to carry out activities related to individual, group and physical safety. In the year under review, a total of 55 managers were trained in how to conduct safety contacts, workplace safety meetings and physical risk inspections. Accident numbers have fallen by 30% to date.
- The safety campaign **“Take Care, Your Loved Ones Are Waiting for You”**, which was put into practice over the past two years at all sites belonging to Quillayes Surlat, Chile, was also implemented in the year under review. The aim is to promote self-care and strengthen the culture of prevention among employees, addressing family as the main motivation for workplace safety.
- The digital tool **“QS Incident Report”** was introduced, allowing employees to report unsafe actions or situations by scanning a QR code that opens a form for submitting this report. Each employee can submit a report which is automatically sent to their direct manager, so that preventive or corrective actions can be taken. Around 800 reports were submitted in 2024, of which 40% were high-risk incidents. In addition, 70% of the action plans derived from these notifications have been completed, underscoring the company's ongoing commitment to safety and risk prevention at all sites.



**EDUSA – “SMETA-certified companies”**

Emmi Dessert USA has worked on implementing and improving safety standards to meet the SMETA requirements (Sedex Membership Ethical Trade Audit). The aim of the SMETA audit is to understand and improve occupational, health and safety, environmental and ethical practices. These help to protect workers from unsafe conditions, low pay, discrimination and forced labour. Following the review of all facilities in the reporting year, several projects have been implemented to improve staff safety, ranging from staff training to physical improvements in facilities, such as emergency exits and the improvement of first aid kits.

**Cypress Grove Chèvre – “Early Intervention Programme”**

Early this year, the Cypress Grove Safety Team (USA) introduced an early intervention programme that allows employees to see a physiotherapist at the first signs of posture-related pain. Efforts to raise awareness of ergonomic working amongst employees, identify red flags earlier on and encourage people to take more active care of health and well-being have led to a 75% reduction in the number of days with work restrictions and a 50% reduction in the number of days of work absences. Overall, the result was a 33% reduction in TIFR-related events.

**Emmi Roth USA – “Process improvement”**

In 2023, five medical treatments and seven first aid treatments took place at the Emmi Roth site in Platteville (USA), at the cheese removal step, where cheese remained stuck in the moulds during the acidification process. The solution was to add a process step to the acidification process to rotate the cheese in the moulds in order to break the surface tension, making it easier to remove the cheese. Due to the measures taken, no medical or first aid treatments associated with cheese sticking to the moulds were necessary during 2024.

### No occupational fatalities and decrease in work-related injuries

In 2024, 99% of employees were covered by an occupational health and safety management system (2023: 99%).

The most common work-related injuries are those related to fingers, ankles, knees and eyes. In 2024, the TIFR was 21.0 (previous year 24.0) and no fatalities occurred (previous year 0). While encouraging progress was thus made at the TIFR in the year under review, Emmi is still a long way from achieving its target (below 10 by 2027).

<b>Work-related injuries</b>	<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>a)</sup></b>
<b>All employees<sup>1)</sup></b>			
Number of fatalities as a result of work-related injury	0	0	0
Rate of fatalities as a result of work-related injury	0%	0%	0%
Number of high-consequence work-related injuries (excluding fatalities)	35	24 <sup>2)</sup>	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.4%	0.3% <sup>2)</sup>	0%
Number of recordable work-related injuries	388	388	340
Rate of recordable work-related injuries	4.1%	4.2%	3.8%
Number of hours worked	17,562,439	18,633,436 <sup>b)</sup>	4,500,000 <sup>3)</sup>
<b>Work-related ill health</b>			
<b>All employees<sup>1)</sup></b>			
Number of fatalities as a result of work-related ill health	0	0	0

a) Including Gläserne Molkerei (divested in 2023) but excluding Emmi Dessert USA (data available as of 2023).

b) Excluding Emmi UK.

1) Excluding apprentices, interns and trainees.

2) Restatement based on new underlying data and calculation method.

3) Data only available for division Switzerland.

### 3.8.4 Outlook

In order to further reduce the TIFR, Emmi will focus on specific measures in the areas of training and awareness, risk assessment, ergonomic workplace design, analysis of incidents and involvement of employees in the joint development of a safety culture through safety-oriented behaviour. The exemplary function and support of managers continue to play a key role.

### 3.9 Responsible sourcing

Emmi is aware of its responsibility towards the society and the environment when procuring goods and services. The company therefore relies on a fair supply chain that respects human rights, minimises the risk of child labour, respects animal welfare and protects natural ecosystems. Accordingly, Emmi has also defined binding social and environmental criteria for its suppliers.

#### 3.9.1 Impact on the environment and society, and opportunities and risks for Emmi

Emmi procures goods and services worth CHF 3 billion every year. In addition to milk and dairy products, this includes other agricultural raw materials, such as sugar, cereals, nuts, fruit, cocoa and coffee as well as semi-finished products, but also packaging materials, logistics services and energy. Through its procurement policy, the Emmi Group influences the social and ecological conditions under which the raw materials, goods and services it requires are manufactured and transported.

In addition to respect for human rights, ensuring fair working conditions and a living wage for people working in raw material production and logistics is particularly relevant from a **social perspective**. According to the [Unicef definition](#), unfair child labour and forced labour are harmful to children's mental, physical and social development. It denies them an education and keeps them trapped in a cycle of poverty that fosters prejudice and social injustice. The internal risk analysis shows that Emmi's agricultural value chain (particularly for fruit, cocoa and coffee) is exposed to a high risk of child and forced labour. With clear specifications on supplier qualifications, Emmi can ensure that human rights and further due diligence obligations are upheld in its supply chain, as well as compliance with environmental standards.

The production of agricultural raw materials in particular, which are key to the production of Emmi products, has a significant **impact on the environment, biodiversity and climate**. Emmi therefore relies on proven, long-standing suppliers and establishing sustainable standards, as shown by the processing of milk produced in this manner in Switzerland. Here, the company contributes to making a sustainable dairy industry the norm, where social and environmental standards as well as animal welfare are promoted (see section "[Sustainable dairy](#)").

Sustainable procurement requires a transparent supply chain with future-oriented suppliers who are motivated to comply with sustainable specifications, laws and standards. Emmi is aware that infringements of the law, human rights violations and environmental pollution in the upstream or downstream supply chain can fall back on the company, damage its reputation, weaken consumer confidence and entail financial risks. Environmental damage that leads to crop failures or changes in the law can also cause supply bottlenecks or price increases.

### 3.9.2 Management approach and goals

#### Group-wide internal procurement guideline

The Emmi Group strives to live up to its corporate responsibility for sustainable procurement. To this end, the Group-wide internal procurement guideline came into effect in 2020, and contains requirements on ethical business practices in procurement that apply to all strategic procurement areas. Milk procurement in Switzerland is one exception. From the start of 2024, only milk produced in accordance with the “Sustainable Swiss Milk” industry standard has been processed here. Among other things, this industry standard covers animal welfare criteria.

The Group-wide internal Sustainable Procurement Policy specifically describes the standards and procedures for strategic purchasing and defines principles in the following five areas:

- Supplier development
- Supplier evaluation and monitoring
- Supplier selection
- Internal Emmi structures and processes
- Transparency and traceability

The guideline also describes three risk dimensions: risk topics such as child labour, forced labour and GHG emissions, risk countries and risk materials. A key aspect of the policy is the description of the procedures and responsibilities for implementing the Supplier Code of Conduct as well as the requirements for the annual audit in connection with the due diligence obligations resulting from the Swiss Ordinance on Due Diligence and Transparency Obligations regarding Minerals and Metals from Conflict-Affected Areas and Child Labour” (DDTrO).

#### Supplier Code of Conduct

The 2022 [Code of Conduct for Suppliers](#), which supplements the internal procurement guideline, formulates explicit expectations on the topics of ethics, people and work, health, safety and the environment, product quality as well as governance and management systems. In the area of environmental protection, suppliers are required, among other things, to comply with all local environmental and safety requirements and to ensure continuous improvement.

In the section People and Work, the Code stipulates that every supplier who works with Emmi recognises and supports compliance with fundamental rights and internationally applicable labour standards. The Supplier is expected to take an active position against discrimination, unequal treatment, harassment, inappropriate or unreasonable impairment of work performance, whether based on nationality, race, disability or gender, including gender identity or gender expression, sexual, religious or political orientation, ethnic or social origin. With regard to the observance of human rights, the Code contains provisions on the prevention of forced and child labour, respect for the freedom of assembly and compliance with fair working conditions.

The Code of Conduct generally applies to suppliers of the Emmi Group (excluding newly acquired companies) worldwide with whom Emmi maintains a regular business relationship and who are managed by Strategic Purchasing. The Code of Conduct supplements the contractual conditions agreed in each case.

Since 2022, new suppliers managed by Procurement have had to explicitly recognise the Emmi Supplier Code of Conduct. Emmi's goal is for all suppliers with whom Emmi entered into a business relationship before 2022 to explicitly accept the Code. To this end, each company sets itself an annual target and prioritises its suppliers. Involving existing suppliers is all the more important because Emmi basically relies on long-term and stable supplier relationships, as the qualification of new suppliers requires considerable effort and major investments, especially in the context of customer-specific machine tools where alliances are concerned. Accordingly, the number of new suppliers is low compared with the established basic level. Important raw materials that Emmi processes, such as milk, must primarily be sourced locally due to their shelf life and existing trade restrictions.

Progress is measured by the proportion of actively managed suppliers who accept the Code of Conduct in relation to all actively managed suppliers.

Newly acquired companies sometimes have their own codes of conduct. These currently include Mademoiselle Desserts (FR); Hochstrasser (CH); Verde Campo (BR); Leeb (AT). When these companies are integrated into the Emmi Group's buyers' network, division management determines the time when the Emmi Group's Code of Conduct is introduced.

There is no systematic review of compliance with the provisions of the Code of Conduct. If there are grounds for suspicion, a survey will be initiated and the supplier reviewed dependent on the situation. If a supplier partially or completely rejects the provisions of the Code of Conduct, the internal committee of experts will decide on the next steps. The same applies if a breach of the Code of Conduct is identified. Priority is given to improving the supplier's situation, developing it and reducing the risk for Emmi. This includes, for example, formulating specific objectives in combination with more regular supplier audits. In the event of persistent difficulties or a lack of willingness to cooperate on the part of the supplier, the business relationship may be terminated.

#### **Focus on agricultural raw materials**

According to the SBTi FLAG (Forest, Land and Agriculture) guideline, there is an increased risk in food production in general and, accordingly, at Emmi, that raw materials are processed which have originated from cultivation areas that have been extracted through deforestation. In particular, this risk can result from the cultivation of soya for animal feed as well as from coffee, cocoa, palm oil or plant fibres used in the production of packaging materials (cardboard and corrugated board). In order to actively counteract the risk of sourcing such raw materials or materials from areas that have been deforested after 2020, Emmi procures raw materials and materials with quality labels such as the Rainforest Alliance (RFA), Forest Stewardship Council (FSC) or Roundtable for Sustainable Palm Oil (RSPO) wherever possible. If raw materials or other materials with corresponding certifications are not available or only in insufficient quantities, the requirements in accordance with the standards of the Association of Food Industry ("AFI Standards") are set out contractually and qualified evidence is required from the supplier (such as ESG report, results of audits, process documentation).

### **Exclusion of child labour risks within the Emmi Group**

In accordance with the requirements of the Swiss Ordinance on Due Diligence and Transparency Obligations regarding Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO), the Emmi Group annually reviews the supplier base of its subsidiaries for the risk of child labour. The review covers all suppliers who have invoiced Emmi at least once a year over the last two years. The review revealed that Emmi sources some of its raw materials and semi-finished products from countries that, according to UNICEF's Children's Rights and Business Atlas, are at an increased or high risk of child labour. A total of four suppliers with an obvious risk of child labour were identified. These suppliers were subjected to in-depth internet and social media research using defined keywords and the names of the suppliers. If any suspicions were confirmed during the course of the research, Emmi would contact the supplier directly. If necessary, Emmi would initiate an audit with a clearly defined risk mitigation objective. The audit would in turn be followed by subsequent checks to review the agreed measures. During the year under review, none of the four suspected cases (neither the suspicion of human rights violations in general nor of child labour in particular) could be substantiated during the research. Emmi has defined the detailed procedure for risk assessment and research in its internal Sustainable Procurement Policy.

### **No minerals and metals from conflict areas**

Emmi does not import or process minerals or metals. Emmi is therefore exempted from its duty of care and reporting obligations with regard to conflict minerals and metals from conflict areas.

### **Reporting in the event of violations**

The internal procurement policy includes a whistleblowing hotline for reporting violations by and conflicts with suppliers. These reports are handled by the internal "Experts Committee". The Experts Committee consists of representatives from Purchasing, Sustainability, Quality and Legal Services.

### **Responsible sourcing goals**

- 100% of new suppliers accept the Emmi Supplier Code of Conduct (applicable since 2022)
- By 2026: 100% of active suppliers with whom Emmi entered into a business relationship before 2022 and who are managed through Procurement have accepted the Emmi Supplier Code of Conduct

### **3.9.3 Developments in the year under review**

#### **"Sustainable Swiss Milk" industry standards and guideline for the procurement of direct material**

In February 2024, the goal of all milk suppliers from Emmi Switzerland producing milk in accordance with the "Sustainable Swiss Milk" industry standard was reached (see section "[Sustainable dairy](#)").

A strategic review has shown that the way in which these issues are dealt with needs to be specifically clarified. As part of a pilot project at Emmi Switzerland, the internal policy for sustainable procurement was expanded to cover non-dairy raw materials and packaging during the year under review. This includes defining sustainability risk management in purchasing (dealing with risk topics, critical origin, critical materials and product groups), determining the due diligence requirements as well as defining options for securing and promoting sustainability in the supply chain. Whether and when the extended guideline will be rolled out to the other companies will be determined from the regular Emmi strategy review.

**Preparing for the launch of EUDR**

Emmi Switzerland has prepared for the implementation of the European Deforestation Regulation (EUDR). The Regulation concerns cocoa, coffee, palm oil, rubber, cattle, soya and wood and products derived from them. From the date of application of the Regulation, these raw materials and products will only be placed on the EU market or exported from the EU if they have not been produced on land that has been deforested after 2020 or is generally not associated with forest degradation.

**Internal training on labels and conducted supplier audits**

Emmi Switzerland's strategic buyers (14 employees) were once again trained in the topic of sustainability (including labels, sustainability in purchasing guidelines, anti-corruption) in the year under review.

During the eight supplier audits carried out by Emmi in the year under review, no incidents or violations were identified at eight suppliers.

**Around 750 suppliers accept the Supplier Code of Conduct**

Of the total of 1,100 suppliers who currently have a business relationship with Emmi and are managed by Strategic Purchasing, the Code is explicitly binding for more than 750 suppliers (68%). Compared to the previous year, the number of suppliers who accept the Supplier Code of Conduct more than doubled.

**3.9.4 Outlook**

Emmi will continue to develop its Sustainable Procurement Strategy in close coordination with the overarching sustainability strategy. A key component of this revision is the update of the Sustainable Procurement Guidelines and associated practices.

One focus is to achieve a deforestation-free supply chain (zero deforestation) in accordance with the SBTi FLAG guideline. The topic will be explored in more detail in targeted training sessions for purchasers.

In addition, there will be a continuous evaluation on whether compliance with new legal requirements requires adjustments to existing internal policies and processes.

### 3.10 Food waste

Emmi defines food waste as the squandering of avoidable food waste. This concerns all organic waste that was originally intended for human consumption. It includes processed or semi-processed products as well as raw materials and by-products from production processes such as the whey process. Food waste occurs throughout Emmi's entire value chain: it occurs upstream in agricultural production and downstream with consumers. At Emmi itself, it is generated during product processing in its plants. The topic of food waste, its management approach, the measures and the data collected relate to division Switzerland. More information on inorganic waste can be found in the section "[Waste](#)".

#### 3.10.1 Impact on the environment and society, and opportunities and risks for Emmi

When food is wasted, large amounts of water, energy and agricultural land that are used in production are lost. In addition, the production, transportation and disposal of food cause GHG emissions that **damage the environment and contribute to climate change**. While in many parts of the world food is wasted, other regions suffer from food shortages and hunger, exacerbating global inequality.

Food waste also leads to **economic losses** along the entire value chain, from farmers to consumers. Costs can be saved by reducing or avoiding food losses in production processes. More efficient use of raw materials and the energy required for production, as well as optimal storage of food, help to avoid **resources being wasted**.

One third of all food is wasted ([BAFU, 2022](#)). Almost half of this **waste** occurs in **private households**. It is therefore particularly important to raise consumer awareness of the longer shelf life of products, for example. Initiatives such as "Often good after" and "Too Good To Go" promote reduction of food waste among consumers. By supporting awareness-raising campaigns and initiating its own measures in this area, Emmi can strengthen its positive image among end consumers. This is because it is generally expected of food manufacturers that the issue of food waste is on their radar. Any failures or omissions in this regard harbour reputational risks.

#### 3.10.2 Management approach and goals

##### Continuously optimising core processes

As a basic principle at Emmi, avoidable food waste is processed into food whenever possible. Emmi Switzerland is driving this objective with "Emmi Operational Excellence" (EOE). Through EOE, Emmi is continuously optimising its core processes (manufacturing and packaging) in terms of effectiveness and efficiency. In the context of food waste, this refers, for example, to avoiding and recovering product losses as well as optimising production intervals and planning.

##### Distribution of food with impeccable quality

The top priority, however, is to ensure that no good-quality food is thrown away. In Switzerland, Emmi therefore sells surplus or incorrectly packaged products at reduced prices via factory shops, makes them available to employees or donates edible food to charitable organisations. Emmi also supports initiatives to combat food waste in private households. It displays the words "Often good after" from "Too Good To Go" on as many of its branded products as possible, checks the best-before dates of various product groups and extends them wherever possible.



### Target for reducing food waste by 2027

- 50% less food waste (compared with 2017), measured in dry matter

This goal is in line with the objectives of the cross-sectoral agreement of the Federal Department of the Environment, Transport, Energy and Communications (DETEC), which Emmi signed together with other leading companies and associations in the Swiss food industry in 2022. The joint agreement aims to halve avoidable food losses by 2030 (compared with 2017). In accordance with this agreement, Emmi provides the Federal Office for the Environment (FOEN) with data on the measured food waste and the progress made each year.

### 3.10.3 Developments in the year under review

#### Food donation to “Tischlein deck dich”

The Swiss production sites regularly donate surplus edible products to the “Tischlein deck dich” association to save them from being thrown away. “Tischlein deck dich” then distributes the food to people impacted by poverty in Switzerland. In 2024, Emmi donated 139 tonnes of food to the association.

#### Recycling by-products

Emmi is constantly looking for new options and partnerships to further recycle by-products such as whey and oatmeal. For example, Emmi works with various start-ups to develop new products from these by-products. Several options for possibly upcycling oatmeal were examined during the year under review. However, no successful, market-ready product concept yet exists for widespread use in foodstuffs.

#### “Too Good To Go” partnership

As part of the partnership with “Too Good To Go,” the slogan “Often good after” has been displayed on other products in Switzerland in order to combat food waste in private households and raise consumer awareness. All in all, 104 Emmi products in Switzerland bear the slogan “Often good after”.

#### More whey due to higher cheese production

Compared to the previous year, the rate of food waste in Switzerland increased by 11% in the year under review (-4% compared to the base year). The main driver of this growth is increasing cheese production and the associated increased quantities of the by-product whey. Whey alone accounts for around 45% of Emmi’s food waste. Overall, 57% of whey was returned to the food channel in the year under review (does not count as food waste), while 30% of whey is used as animal feed and 13% is used in biogas production.

Total food waste can be broken down as follows by recycling channel:

- Animal feed: 46 %
- Biogas: 15 %
- Refuse: 1 %
- Wastewater: 7 %

<b>Waste generated<sup>1)</sup></b>		<b>2024</b>	<b>2023</b>	<b>2022<sup>a)</sup></b>	<b>Base year 2017</b>
<b>Food waste</b>					
Food waste (dry matter)	t	13,015 <sup>▲</sup>	11,627	10,737	13,447
Food waste rate (per t product <sup>2)</sup> )		4.3	3.9	3.7	4.5
<b>Waste diverted from disposal<sup>1)</sup></b>					
<b>Other recovery operations</b>					
Animal feed <sup>3)</sup>	t	8,324	6,770	6,190	
Biogas	t	1,947	1,902	2,064	
Onsite	t	–	–	–	
Offsite	t	1,947	1,902	2,064	
Waste water treatment	t	2,169	2,239	2,262	
Onsite	t	950	926	1,078	
Offsite	t	1,219	1,313	1,184	
<b>Total</b>	<b>t</b>	<b>12,440</b>	<b>10,911</b>	<b>10,516</b>	
<b>Management of significant waste-related impacts<sup>1)</sup></b>					
<b>Utilisation of whey for circularity measures</b>					
Processed as animal feed	t	4,080	2,652	2,826	
Processed as biogas	t	1,703	1,883	1,942	
Processed as food	t	7,601	8,296	6,625	
<b>Total</b>	<b>t</b>	<b>13,384</b>	<b>12,831</b>	<b>11,393</b>	

a) Excluding Molkerei Biedermann (data available as of 2023).

1) Data currently only available for division Switzerland.

2) Product = saleable goods.

3) Separate data collection for animal feed onsite and offsite is currently not possible.

▲ Audited by KPMG.

## Methodology for non-financial figures 2024

### 3.10.4 Outlook

The focus for food waste will continue to be on division Switzerland. In particular, Emmi Switzerland wants to examine further strategies for recycling by-products such as whey in the most environmentally friendly manner possible, with a view to food upcycling.

### 3.11 Responsible business conduct

Emmi is aware of the responsibility that the growing size of the global company entails towards all stakeholders – be they employees, farmers, suppliers, shareholders, customers or consumers, as well as the local environment of the various sites. Emmi defines “responsible business conduct” as management structures, processes and practices that contribute to fairness and transparency and ensure compliance with laws and (self-)regulations. It also enables corporate governance in the best long-term interests of Emmi and its stakeholders. The information that is also relevant to this topic in terms of product information and communication can be found in the section “[Nutrition, product quality and safety](#)” and responsibility in the supply chain in the section “[Responsible sourcing](#)”.

#### 3.11.1 Impact on the environment and society, and opportunities and risks for Emmi

Today, the various stakeholders expect companies – not least food producers like Emmi – to act responsibly and meet their due diligence obligations in this regard. Strict compliance with national and international laws as well as regulations is of key importance in this context. These include, for example, competition regulations, respect for human rights and combating corruption. The latter is particularly relevant for Emmi, because the company operates in individual countries that, according to Transparency International’s [Corruption Perceptions Index](#), are liable to a high risk of corruption. Corruption can endanger the availability and safety of food and thus the health of consumers, but it can also hinder fair competition and lead to unfair economic benefits for some companies. In addition, anti-competitive behaviour, such as cartel agreements and price manipulation, runs counter to the principles of social responsibility, such as fairness and equal opportunities, inhibiting the sustainable development of free markets. Suspected or proven violations and misconduct against these principles and expectations of responsible business conduct can damage the basis of trust with the various stakeholders and entail risks to reputation as well as of litigation. They may result in injunctions detrimental to business for the Emmi Group (prohibitions on marketing) and criminal penalties or have substantial financial consequences such as fines or claims for damages as well as loss of revenue.

Negative impacts on employees that may arise due to the power imbalance between employees and employers must be counteracted. Internal commissions, trade unions and other forms of participation can play an important role in improving working conditions and social justice. Trade unions have contributed to improving the culture of collaboration and feedback at Emmi – for example, through employees’ rights of co-determination. Depending on the country, however, dealing with trade unions can also be a challenge for companies like Emmi, for example in Germany, Spain or Italy. This sometimes makes direct dialogue with employees more difficult or hinders economically necessary structural adjustments of the company.

Companies that take action against corruption and human rights violations enjoy a better reputation due to their ethical responsibility. In addition, competitive advantages can be gained when suppliers are selected. Suppliers who can demonstrate that they respect human rights and avoid corrupt practices are essential for Emmi as a partner, which leads to more stable and reliable supply chains. It also facilitates access to new markets, especially in countries with more stringent regulatory requirements. In addition, it promotes the development of innovative solutions that are not only environmentally friendly but also socially responsible. Through ethical business practices, Emmi also sees an opportunity to attract and retain talented employees in the long term, which is essential for its ongoing orientation.

### 3.11.2 Management approach and goals

#### Corporate governance according to “best practice”

The Emmi Group is committed to openness and transparency in its corporate governance. Emmi’s corporate governance is based on the requirements of the SIX Swiss Exchange as well as national and international best practice.

#### Corporate governance of the Emmi Group

##### Compliance with laws, standards and guidelines

For Emmi, responsible corporate governance includes conscientious interaction with customers and consumers, employees, society and other stakeholders, as well as with the environment. These are of vital importance for the economic and long-term development of the company. The internal basis for this is provided by Emmi AG’s Articles of Association and the Organisational Regulations as well as the Code of Conduct for Employees and the corresponding Code for Suppliers.

#### Articles of Association of Emmi AG

#### Organisational Regulations of Emmi AG

#### Code of Conduct for Employees

#### Supplier Code of Conduct

##### Country-specific governance

The Emmi Group is active in a total of 15 countries with its subsidiaries. The governance requirements of Emmi and the respective company vary depending on the legal provisions and regulatory requirements of the respective countries. Country-specific requirements are derived in particular from national laws and supranational regulations (particularly EU-wide regulations) as well as from industry-specific (non-)legal requirements. In compliance with central Group-wide principles and regulations (Articles of Association, Codes of Conduct, Modern Slavery Act), the company aligns governance in its subsidiaries with local conditions and challenges. Many guidelines and regulations exist at both Group and country level.

##### Respect for human rights

The Emmi Group recognises the global relevance of and compliance with human rights and considers the protection of these rights to be fundamental for responsible business conduct. For example, Emmi is committed to ensuring that neither the company nor any part of its supply chain is involved in slavery or human trafficking. This commitment is set out in the [Emmi UK Modern Slavery Act Statement](#). Emmi is committed to strict guidelines and cooperates with more than 20 labels to promote social and ethical standards along the value chain on a sustainable basis. Through the Code of Conduct, (sub-)suppliers undertake to uphold human rights as well as ethical, social and environmental regulations. In the event of serious violations, Emmi reserves the right to terminate the cooperation. In addition, defined rules and processes ensure a fair and ethical working environment for all employees. In accordance with the requirements of the Swiss Ordinance on Due Diligence and Transparency Obligations regarding Minerals and Metals from Conflict-Afflicted Areas and Child Labour (DDTrO), the Emmi Group annually reviews the supplier base of its subsidiaries for the risk of child labour (see section “[Responsible sourcing](#)”).

In the current reporting period, Emmi did not receive any indication of significant grievances relating to human rights violations, either directly through supplier audits or indirectly through the whistleblowing hotline or other channels. However, if risk assessments of the consolidated Group companies reveal new risks or if the annual risk analyses of the Swiss Ordinance on “Due Diligence and Transparency Obligations regarding Minerals and Metals from Conflict-Affected Areas and Child Labour” reveal shortcomings, a separate human rights risk analysis may be required.

### **Code of Conduct for Employees**

Emmi’s corporate values and the associated guidelines for action are set out for employees in the Group-wide Code of Conduct. In addition to compliance with laws and guidelines, this includes a clear understanding of quality, safety and health requirements, a strategy for protecting the environment, fair working conditions, equality and integrity. The Code of Conduct also emphasises the fair treatment of all stakeholders, respect for human rights in accordance with the UN Guiding Principles on Business and Human Rights, and the defined quality of its products. The Code of Conduct applies to all employees of the Emmi Group worldwide and supplements the applicable General Terms and Conditions of Employment.

#### [Code of Conduct for Employees](#)

At the operational level, the Code of Conduct is set out in more detail by means of internal guidelines that apply throughout the Group – for example on quality management and food safety, safety of people and infrastructure, environment and sustainability, and on the handling of raw materials from critical countries of origin.

### **Supplier Code of Conduct and Supply Chain Management**

Emmi has a Group-wide Code of Conduct for suppliers and a corresponding management system to ensure respect for human rights in the supply chain (see section [“Responsible sourcing”](#)).

#### [Supplier Code of Conduct](#)

### **Whistleblowing platform “SpeakUp”**

The internal regulations on whistleblowing apply throughout the Emmi Group. The regulations set out minimum internal guidelines on whistleblowing that apply to all legal entities belonging to the Emmi Group and all its employees worldwide (temporary or full-time, internal or external). The external “SpeakUp” whistleblowing platform is available to employees and suppliers to report misconduct, breaches of the Code of Conduct or other legal violations on an anonymous basis. The internal regulations stipulate a prohibition of retaliation against reporting persons. Reports received are brought to the attention of Group Executive Management and the Board of Directors on an annual basis.

#### [Emmi Whistleblower’s Line](#)

### Combating corruption

Emmi's significant business activities are concentrated in countries with – according to Transparency International's [Corruption Perceptions Index](#) – low levels of corruption: Switzerland (rank 6), the Netherlands (8), Germany (9), the United Kingdom (20), France (20), Austria (20), the United States (24), Chile (29), Spain (36) and Italy (42). However, higher corruption risks exist in Tunisia (87), Brazil (104) and Mexico (126), where Emmi has subsidiaries. The rating of the Corruption Perception Index has a direct impact on Emmi's risk analysis and, in addition to other selected key figures, is taken into account and weighted in the analysis. If the index changes significantly, this can have an impact on risk classification, increase a company's risk category (e.g. from B to A) and thus change the frequency of the internal audit. Compared to the previous year, the index of the individual countries shows only minimal change, which is why the existing management approach will be continued.

The [Code of Conduct for Employees](#) at Emmi also provides the framework for combating corruption. It encourages employees to report misconduct with regard to compliance with laws, guidelines and values. The points of contact are managers or the HR departments. Reports of suspected legal violations, among other things, can be submitted through the "SpeakUp" whistleblowing platform. The Code of Conduct also addresses the fact that sourcing decisions must be made exclusively on the basis of performance references. This is also set out in the terms of employment and the directive on anti-corruption, which employees receive on taking up their position and which must be confirmed in writing.

The [Supplier Code of Conduct](#) expects suppliers to conduct their business without bribery, corruption, money laundering or any form of fraudulent behaviour.

### Employees' right of co-determination

Emmi strives to create a working environment in which employees are allowed to exercise a right of participation, whether in Switzerland through the Personnel Commission (Peko) or, in an international context, through works councils and general freedom of assembly. As part of the freedom of assembly, subsidiaries adhere to the legal requirements of the respective country when dealing with trade unions. The basic principles of the International Labour Organization (ILO) serve as a benchmark.

The implementation of co-determination rights for employees is firmly anchored in Emmi's culture, institutionalised and based on local conditions:

- Within division Switzerland, locations with more than 50 employees have an upstream first point of contact in the form of the employee committees. These committees are made up of employees and are elected by the workforce for a term of four years. Emmi guarantees that members will not be dismissed or suffer any other disadvantages as a result of the orderly activities which they carry out within the framework of workplace participation. In Switzerland, Emmi is not party to any collective bargaining agreements (CBAs).
- Within division Europe, companies in the following countries are organised as trade unions: Benelux, France, Italy, Austria.
- Within division Americas, companies in the following countries are organised as trade unions: Brazil, Chile, Spain, Tunisia.

Emmi also encourages all employees to report suspected misconduct. Points of contact are managers, the personnel/works committees, the Emmi HR department or, if necessary, the "SpeakUp" whistleblowing platform.

### Complaint mechanisms for product complaints

At Emmi Switzerland, product complaints can be submitted to Consumer Services by telephone (24/7 hotline) or online using the contact form. First of all, a basic distinction is made between technical non-conformity (TNC) and a food safety incident (FSI). Some examples are given below:

- **TNC:** common complaints such as sensory deviations, packaging defects, labelling errors or visible mould on the product surface
- **FSI:** potentially harmful or acute health consequences caused by, for example, a foreign body, the occurrence of discomfort or even a possible food infection

TNCs are dealt with in the standard process. A systemic report is sent to the responsible production plant or branch office. In the case of an FSI, an additional direct or telephone report is sent to Quality Assurance. Depending on the scope and impact or severity of a deviation, the case can be further escalated to Crisis Management from the site up to Group Executive Management.

Complaints from abroad concerning products manufactured by Emmi Switzerland are also recorded and dealt with according to this process. Following tracing and investigation of the cause, appropriate corrective measures are checked and implemented (see section [“Nutrition, product quality and safety”](#)).

### Consumer services

In principle, the described process applies to all companies in all Emmi Group divisions. Depending on the size and IT systems, for example, with smaller companies that do not operate an independent consumer service, a complaint is reported by email, contact form or telephone to the Internal Sales department or directly to Quality Assurance, and is then processed by the responsible specialist unit.

For non-product-related complaints, the “SpeakUp” whistleblowing platform is available to all stakeholders.

### Control mechanisms

Compliance with laws and guidelines by employees and in the Emmi Group’s plants (including combating corruption) is ensured by means of an internal control system (ICS). The effectiveness of the internal control system is regularly reviewed by Internal Audit.

The updated internal control system in the form of a self-assessment is distributed annually to all Heads of Finance and processed with the departments concerned. This provides for specific controls in the relevant business processes for combating corruption. Specific checks are carried out in the sourcing process, including in the following areas: supplier selection, master data recording and maintenance, ordering process, goods receipt, incoming invoice monitoring and supplier payment. Specific checks are carried out in the sales process, including in the following areas: customer acquisition, master data recording and maintenance, ordering process, outgoing goods checks, outgoing invoicing, credit management and credit notes. Specific checks are carried out in Human Resources, including in the following areas: entry and exit process, master data recording and maintenance, wage and salary payment process and expenses. Specific checks are carried out in the area of property, plant and equipment, including in the procurement and disposal processes.

In addition, the Head of Finance is obliged to document the corresponding controls as part of an Internal Control Self-Assessment (ICSA, identical to the ICS) and to return the completed ICSA to the Group. Financial reporting and controlling at local and Group level also provide opportunities to combat corruption. This is where deviations can be identified and tracked. The underlying basis consists of the correctness of the financial reporting, which is regularly confirmed by licensed auditing firms at local and Group level.

Other important functions for combating and monitoring compliance with laws and guidelines (including corruption) include Risk Management, the Legal department, Quality Management and the Group Supply Chain.

There is no systematic review of compliance with the provisions of the Supplier Code of Conduct. If there are grounds for suspicion, a questionnaire and situational review of the supplier is initiated (see section “Responsible sourcing”).

### **Internal Audit**

Internal Audit provides independent and objective assurance and advisory services on behalf of the Audit Committee. It is designed to improve business processes and thus create added value. It supports the organisation in achieving its objectives by applying a systematic approach to evaluating the effectiveness of the internal control system as well as management and monitoring processes, and offers support for continuous improvement. Internal Audit also coordinates the risk management process and ensures the appropriate identification, evaluation and definition of measures.

Using a risk-oriented approach, Internal Audit determines the focal points of the audits to be carried out annually together with the CEO and CFO and draws up a proposal for the annual audit programme. The internal audit is based on the Audit Universe, which includes all possible internal audits. Not only individual companies but also corporate processes, current corporate projects and material risks that are identified as part of the risk management process are taken into account. Before consideration by the Audit Committee, the annual audit program is sent to the Chairperson and the Chair of the Audit Committee. The Audit Committee approves the annual audit programme. Based on this strategy, Internal Audit regularly reviews the internal checks that serve to ensure responsible business conduct, including the prevention of corruption. The regularity of the audit depends on the classification of the risk category and, depending on the classification, aims for the following audit periods:

- A = Audit every two to three years
- B = Audit every three to four years
- C = Audit every four to five years

Any compliance findings made by the internal audit are recorded in the audit report and shared with local management as well as the CEO, the CFO, the division head and the Head Group Controlling. The report is made available to all members of the Audit Committee, presented at the next meeting (five times a year) by the Head Internal Audit and then discussed. The agreed measures must be implemented and their implementation reviewed twice a year by Internal Audit.



### Legal disputes

Group-wide data on significant legal disputes against Emmi are collected by Legal Services on an annual basis. Reported cases are analysed and described and disclosed to the CEO, CFO, Board of Directors and Internal Audit. If necessary, provisions are formed on this basis.

### Provisions

#### Goals in the area of “Responsible business conduct”

Emmi has the following two goals:

- Anti-corruption: Emmi has a zero-tolerance policy towards bribery, including kickbacks. The granting or acceptance of unjustified benefits is strictly prohibited.
- Code of Conduct: Emmi strives for a non-discriminatory working environment in which all employees feel welcome, valued and inspired.

#### 3.11.3 Developments in the year under review

##### No anti-competitive behaviour

In the year under review 2024, there were no legal proceedings due to anti-competitive behaviour or violations of antitrust and monopoly law.

##### No confirmed incidents of corruption

No confirmed incidents of corruption were identified at the Emmi Group in the year under review 2024.

##### 14 audits by Internal Audit (including corruption risks)

In the year under review 2024, Internal Audit conducted a total of 14 audits (previous year 14) (a total of 20% of the Emmi Group’s Audit Universe) of varying scope. The following companies and departments were audited in the year under review:

- Emmi Roth USA, Inc.
- Quillayes Surlat SpA
- 9314-8591 Quebec Inc. (Emmi Canada)
- Switzerland Cheese Marketing Inc.
- Redwood Hill Farm and Creamery, Inc.
- Jackson-Mitchell, Inc.
- Emmi Dessert Italia S.p.A.
- Emmi Italia S.p.A.
- Pasticceria Quadrifoglio Srl
- Leeb Biomilch GmbH
- Hale GmbH
- Emmi Schweiz Sales
- Emmi Schweiz Human Resources
- Baumann Käse AG

The Audit Universe comprises exclusively Group companies, corporate functions and centralised functions, such as processes of Emmi Schweiz AG (e.g. Sales). The Emmi Group's Audit Universe currently comprises 69 different units to be audited. Ad hoc assignments are not included.

No significant risks related to corruption were identified at Emmi in the year under review. Identified weaknesses in business processes that do not pose a significant risk of corruption but could potentially favour corruption are documented in the audit report along with all other relevant findings and measures derived from them.

#### Effectiveness tests in the area of fair and inclusive working conditions

In the year under review, Emmi analysed various key employee figures to identify indications of unequal treatment. The equal pay analysis required by law in Switzerland is one of these tools. As the largest legal entity, Emmi Schweiz AG is certified for equal pay for men and women in accordance with the Gender Equality Act, i.e. equal pay is within the tolerance limit of 5% stipulated by the federal government. The subsidiaries belonging to the Emmi Group are required to review their salary structures on a regular basis and to comply with the legal requirements. This includes equal pay analyses.

#### Coverage ratio collective bargaining agreements and personnel commission

Collective bargaining agreements	2024	2023	2022 <sup>a)</sup>
Percentage of employees covered by collective bargaining agreements (Emmi Group)	44%	43%	53%
Percentage of employees covered by the personnel commission (Switzerland)	100%	100%	100%

<sup>a)</sup> Including Gläserne Molkerei (divested in 2023) but excluding Emmi Dessert USA, Mexideli and Quillayes Surlat.

#### Effectiveness checks in the area of the right to co-determination

In the year under review, employees were involved in Emmi Operational Excellence (EOE) activities as well as quality and safety initiatives and encouraged to actively participate and contribute their ideas for improvement.

Various employee surveys were also carried out. In commitment surveys, answers were collected and evaluated in the areas of skills, motivation and working environment at Leeb (AUT), Emmi Deutschland, Emmi Österreich and the Group Supply Chain team, for example, with measures for improvement then being derived. Darey Brands (USA) conducted an employee survey on the topic of "Great Place to Work", which also aimed to survey employees' commitment levels and served as a prerequisite for obtaining "Great Place to Work" certification. A "cultural team" supported by employees is currently being set up and is actively involved in the topics of collaboration and culture in day-to-day work. Cowgirl Creamery (USA) conducted a survey on the topic of work culture. As part of a cross-functional culture club in which employees from all hierarchical levels are involved, the team examines the results of the survey and jointly derives measures from them.

#### Concerns raised in the area of responsible business conduct and discrimination

Within the Emmi Group, 76 reports were received and processed via the SpeakUp whistleblowing platform.

#### 3.11.4 Outlook

The current efforts and strategies will be continued. Adjustments and supplementary measures will be initiated on an individual basis based on the results of the internal audit and the self-assessments (ICSA), and reviewed on an ongoing basis. In the area of antitrust legislation, training sessions are to be held in the USA, Brazil, France, Italy, Germany and Austria in 2025.

### 3.12 Waste

Emmi defines waste as inorganic substances that are generated as part of its own production processes, and that can be recycled or have to be disposed of safely and properly in incineration plants, landfills or according to special requirements for special waste. Avoiding inorganic waste from its own production processes is relevant for Emmi for economic and environmental reasons: on the one hand, it results in savings in disposal costs, while on the other hand, valuable resources can be conserved, used more efficiently and – if possible – returned to the cycle through recycling. Organic waste is dealt with in the section “[Food waste](#)”.

#### 3.12.1 Impact on the environment and society, and opportunities and risks for Emmi

Inorganic waste that is improperly disposed of poses a significant **challenge to the environment and society** and to human and animal health: open landfills and illegal waste dumping release large quantities of climate-harming methane gas, significantly contributing to global warming ([Maasackers et al., 2022](#)). If waste is landfilled, it can also have a negative impact on groundwater, associated with large land use as well as GHG emissions and air pollution. By reducing materials, reducing waste, switching to reusable solutions or recyclable materials, the amount of waste to be landfilled can be reduced to the greatest possible extent.

Plastic waste pollutes the oceans and other ecosystems. Microplastic made from disintegrating plastic waste ends up in the food chain. Toxic substances entering the soil and groundwater pose further significant health risks, both for humans and animals. The loss of valuable raw materials that – although possible – are not recycled or reused also leads to high costs, both directly (procurement and disposal costs) and indirectly (overuse of natural resources).

Operational inorganic waste can be managed by the company itself and is an important factor for Emmi in terms of improving both **resource and cost efficiency**. By implementing **circular economy principles** and the associated promotion of recycling and reuse of materials, Emmi can not only reduce the amount of waste, but at the same time conserve valuable resources needed for production processes. As a result, operating costs can be lowered.

If more stringent regulations on waste disposal and prevention are introduced due to non-compliance, this can lead to significant additional costs for companies. Adjustments to internal processes would also be necessary. Failure to implement sustainable practices can also lead to **reputational risk** and negatively impact consumer confidence in Emmi and its products.

Emmi therefore relies on strict compliance with legal regulations and environmental constraints as well as on safe and professional waste disposal in accordance with local requirements and options.

#### 3.12.2 Management approach and goals

##### Reduce avoidable waste

When it comes to dealing with waste, Emmi’s credo is: “avoid, reduce, recycle”. This means that avoidable inorganic waste is reduced as a priority. Solutions are being sought for the residual quantities, which make it possible to reuse or recycle the materials and thus return them to the circular economy. Reusable or recyclable waste is primarily packaging materials made of plastic, glass, sheet metal, wood, paper or cardboard.

Waste that has to be disposed of would ideally be recycled for energy in waste incineration plants, like in Switzerland, or – if not otherwise possible – disposed of in landfills. At Emmi, these are mainly rejects from the packaging process, production aids such as cleaning wipes or adhesive tapes, as well as primary and secondary packaging of raw materials and cleaning agents or heavily contaminated production residues. In Tunisia, sewage sludge is also produced from wastewater treatment.

Inorganic waste that is not recycled, incinerated or landfilled and therefore requires special disposal, such as chemicals, fluorescent lamps, batteries, lubricants and oils, is considered to be hazardous waste and is disposed of appropriately in compliance with the necessary specifications and safety precautions.

It should be noted that not all countries in which Emmi operates production sites offer the same disposal or recycling options.

#### **No Group-wide management approach due to local differences**

All Emmi plants have a systematic environmental management system. The environmental management systems at Emmi Switzerland's production sites and the production facilities Emmi Dessert Italia (Italy), Kaiku (Spain) and Vitalait (Tunisia) are ISO 14001 certified. All operating plants are organised locally. They ensure that the applicable laws regarding waste disposal are complied with. There is no Group-wide management system and no generally applicable control mechanisms. However, the data on waste are compiled centrally, based on a definition specified by the Group, and audited externally by KPMG (see section "[KPMG audit report](#)").

#### **Targets for reducing inorganic waste by 2027**

- 50% less inorganic waste (compared with 2017), where target refers to saleable goods produced (in tonnes) (waste intensity)
- 0% waste disposed of in landfills

### **3.12.3 Developments in the year under review**

#### **Increased waste intensity**

Inorganic waste sent for incineration increased by 522 tonnes (19%) in absolute terms in the year under review compared with the previous year. Without the acquisition-related integration of Emmi Dessert USA into the group of consolidated companies, inorganic waste would have decreased by 427 tonnes. Waste sent to landfill increased by 2,277 tonnes in absolute terms, corresponding to an increase of 31% over the previous year. This increase can be attributed to a correction in data collection at the plant in Tunisia as well as changes in Brazil, where certain materials are no longer recycled or incinerated due to adjustments in local requirements or options, or unsold products are now returned by retailers to the plant, where they are then disposed of. This increases the waste intensity from 7.6 kg per tonne to 9.6 kg per tonne of saleable goods produced, which corresponds to an increase of 26% within a year. Without the acquisition effect (Emmi Dessert USA), an increase of 18% or a waste intensity of 8.9 kg per tonne of saleable goods produced would have been recorded.

## Emmi measures progress by means of the following performance figures:

<b>Waste generated</b>		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	<b>Base year 2017<sup>b)</sup></b>
<b>Non-organic waste</b>					
Waste (incineration)	t	3,218 <sup>▲</sup>	2,696	2,553	1,892
Waste (landfill)	t	9,741 <sup>▲</sup>	7,464 <sup>1)</sup>	6,869	7,708
Special waste	t	212	231	174	16
Recycled waste <sup>2)</sup>	t	7,175	6,222	6,056	6,191 <sup>1)</sup>
<b>Organic waste</b>					
Compost, fermentation, land application	t	24,835	24,273	23,986	14,056
Animal feed	t	120,348	127,801	132,660	2,932
<b>Total</b>	<b>t</b>	<b>165,529</b>	<b>168,687</b>	<b>172,298</b>	<b>32,795</b>
<b>Waste intensity rate</b>					
Waste intensity rate (kg of waste (incineration/ landfill) per t of product <sup>3)</sup> )		9.57	7.60	7.02 <sup>1)</sup>	9.02
<b>Share of waste by division</b>					
		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	
Division Switzerland		11%	18%	16% <sup>4)</sup>	
Division Europe		7%	9%	12% <sup>4)</sup>	
Division Americas		82%	73%	72%	
<b>Waste directed to disposal</b>					
		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	
Incineration (with energy recovery)	t	1,391	1,857	1,486	
Incineration (without energy recovery)	t	1,827	839	1,067	
Landfill	t	9,741	7,464 <sup>1)</sup>	6,869	
Other disposal operations (special waste)	t	212	231	174	
<b>Total</b>	<b>t</b>	<b>13,171</b>	<b>10,391</b>	<b>9,596</b>	
<b>Emmi target: reducing waste</b>					
		<b>2024<sup>a)</sup></b>	<b>2023</b>	<b>2022<sup>b)</sup></b>	<b>Base year 2017<sup>b)</sup></b>
Total waste (landfill and incineration)	t	12,959 <sup>▲</sup>	10,160	9,422	9,600
Share of waste disposal in landfills		75%	73%	73%	80%

a) Including Emmi Dessert USA.

b) Including Gläserne Molkerei (divested in 2023).

1) Restatement based on new underlying data.

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

3) Product = saleable goods.

4) Restatement: values were swapped in the Sustainability Report 2021/2022.

▲ Audited by KPMG.

## Methodology for non-financial figures 2024

**No more waste sent to landfill in division Europe**

Within division Europe (Germany, Italy, France and Austria), the last remaining quantities of waste that had hitherto been disposed of in landfill were diverted to incineration in the year under review, following clarification with the service provider at Pasticceria Quadrifoglio (Italy). As a result, operational inorganic waste from Emmi's plants no longer goes to landfill within division Europe. Emmi thus achieved its target here and for division Switzerland.

**Pilot trials for disposing of sewage sludge in Tunisia**

At Emmi's plant in Tunisia, as at other milk-processing sites, the process wastewater has to be pre-treated. The resulting sewage sludge is sent to landfill. Developing an alternative disposal method for this waste is a top priority for the company. The local team examined various solutions such as drying the sludge and converting it into fertiliser or drying and using it as biomass to generate heat. Another option would be to compost the sludge. Implementing solutions is very challenging because the required technologies are not widely used in Tunisia. The plant carried out pilot tests on drying and composting in 2024 and gained important experience.

**Switzerland: evaluation for optimisation in the area of waste reduction**

The evaluation of the analyses carried out in autumn 2023 at the Swiss production sites, where, among other things, opportunities were sought for optimisation in waste reduction, was completed in the year under review. Potential was highlighted in the areas of process simplification, reporting and optimisation options with regard to recycling. Four production sites started cooperating with the external partner in the year under review.

**3.12.4 Outlook**

The insights gained by the plant in Tunisia from the pilot tests carried out in 2024 on the drying and composting of the sewage sludge will be evaluated in 2025 and the next steps defined.

## 4. About this report

This Sustainability Report is part of the Emmi Group's 2024 Annual Report, which was published in German and English in its entirety on 26 February 2025. The German version is binding.

### 4.1 Reporting standard

Emmi's Sustainability Report 2024 has been prepared in accordance with the GRI Standards 2021 (see section "GRI Index") and takes into account the legal requirements of the Swiss Code of Obligations (CO) Art. 964a et seq. (see section "CO Index") and the associated ordinances. Climate reporting (see section "Reducing emissions") takes into account the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for the first time.

### 4.2 Timing and frequency of reporting

Emmi's Sustainability Report is published annually. All figures refer to the calendar year 2024 (1 January 2024 to 31 December 2024) or to the reference date 31 December 2024. The reporting period for this Sustainability Report therefore corresponds to that of the consolidated financial statements of the Emmi Group.

### 4.3 System limits

The consolidated companies of Emmi's sustainability reporting for the 2024 year under review differs fundamentally from the consolidated companies in the consolidated financial statements of the Emmi Group in the following respects (see "Notes to the consolidated financial statements"):

- The companies Laticínios Verde Campo, Mademoiselle Desserts and Kaffeerösterei Hochstrasser acquired in the 2024 year under review are generally excluded from the scope of consolidation, i.e. not included in any of the non-financial figures.
- Emmi Dessert USA, which originated from an acquisition in 2020, was integrated in all environmental indicators for the first time in the 2024 year under review. It was not possible to adjust the previous year's figures retrospectively. Emmi Dessert USA was already integrated into the key employee figures in 2023.

Some subsidiaries of the Emmi Group are also not included in certain key figures in individual reporting years. This is shown in the footnotes of each table.

The Sustainability Report has been prepared, taking into account the principle of double materiality with regard to the topics and expectations of the various stakeholders.

#### 4.4 Corrections and adjustments

Compared with the previous year's report, there were no comprehensive adjustments as a result of organisational amendments or corrections. However, the calculation methods in the areas of developing employees, GHG emissions (Scope 3) and packaging were further developed in the year under review. As a result of data adjustments, various key figures in the areas of energy consumption, emissions, materials used, occupational accidents and waste were adjusted. All adjustments are marked in the relevant points in the report and the new calculation methods are shown in the document "[Methodology for non-financial figures 2024](#)".

In the previous year, the "Report on non-financial matters" as part of the Annual Report was aligned exclusively with the legal requirements pursuant to Art. 964a et seq. of the Swiss Code of Obligations (CO), and no Sustainability Report was prepared in accordance with GRI Standards. In previous years, the Sustainability Report was published every two years and prepared in accordance with GRI Standards. The Sustainability Report will be published annually from the year under review onwards.

Compared with the last Sustainability Report in accordance with GRI Standards (2021/22), the materiality analysis was updated again, which led to changes in the scope of the report. The update and its impact on this report can be found in the section "[Derivation of the material reporting topics](#)".

#### 4.5 External audit

Emmi's Sustainability Report was partially subjected to an external audit with limited assurance by the external auditors KPMG AG. The scope of the audit includes selected sustainability information in the following areas "Energy" (see section "[Reducing emissions](#)"), "Water and wastewater" (see section "[Reducing water use](#)"), "Waste" (see section "[Waste](#)"), "Food waste" (see section "[Food Waste](#)") and "Packaging" (see section "[Packaging](#)").

**All relevant definitions for the audited figures can be found under the following link: "[Methodology for non-financial figures 2024](#)".**

#### 4.6 Contact person for questions about sustainability reporting

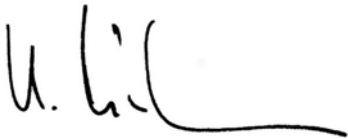
[nfr@emmi.com](mailto:nfr@emmi.com)



## 5. Statement by the Board of Directors

The Board of Directors of Emmi AG approved the report on non-financial matters pursuant to Art. 964a et seq. of the Swiss Code of Obligations (CO) (see section “CO Index”) for 2024 at its meeting on 25 February 2025. The report is subject to approval by the General Meeting of Shareholders.

Lucerne, 25 February 2025



**Urs Riedener**  
Chairman of the Board of Directors



**Ricarda Demarmels**  
CEO

## 6. CO Index

Index for reporting on non-financial matters pursuant to the Swiss Code of Obligations (Art. 964a et seq.), the Ordinance on Climate Disclosures and the Ordinance on Due Diligence and Transparency Obligations regarding Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

### Legend:

SR = Sustainability Report

MT = Material topics

Topic	Place of disclosure	Notes
<b>Business model</b>	<a href="#">The year at Emmi 2024, We are Emmi</a>	
<b>Climate concerns</b>	<a href="#">SR 2024, MT, Reducing emissions</a>	
<b>Other environmental concerns</b>	<a href="#">SR 2024, MT, Sustainable dairy</a> <a href="#">SR 2024, MT, Reducing water use</a> <a href="#">SR 2024, MT, Packaging</a> <a href="#">SR 2024, MT, Responsible sourcing</a> <a href="#">SR 2024, MT, Food waste</a> <a href="#">SR 2024, MT, Waste</a>	
<b>Social concerns</b>	<a href="#">SR 2024, MT, Economic performance</a> <a href="#">SR 2024, MT, Sustainable dairy</a> <a href="#">SR 2024, WT, Nutrition, product quality and safety</a> <a href="#">SR 2024, MT, Responsible sourcing</a> <a href="#">SR 2024, MT, Responsible business conduct</a>	
<b>Employee concerns</b>	<a href="#">SR 2024, MT, Developing employees</a> <a href="#">SR 2024, MT, Occupational health and safety</a> <a href="#">SR 2024, MT, Responsible business conduct</a>	
<b>Respect for human rights</b>	<a href="#">SR 2024, MT, Responsible sourcing</a> <a href="#">SR 2024, MT, Responsible business conduct</a>	
<b>Combating corruption</b>	<a href="#">SR 2024, MT, Responsible business conduct</a>	
<b>Due diligence and transparency obligations regarding minerals and metals from conflict-affected areas and child labour</b>	<a href="#">SR 2024, MT, Responsible sourcing</a>	Emmi does not import or process minerals or metals. Emmi is therefore released from its due diligence and reporting obligations regarding conflict minerals and metals from conflict-affected areas.

## 7. GRI Index

**Declaration of use:** The Emmi Group has reported in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024.

**GRI 1 used:** GRI 1: Basics 2021

### Legend:

CG = Corporate Governance

CR = Compensation Report

FR = Financial Report

MT = Material topics

SR = Sustainability Report

GRI Standards / other source	Details	Place of disclosure / information	Omission Requirement	Reason	Explanation
<b>General information</b>					
<b>GRI 2: General information 2021</b>	2-1 Organisational profile	<a href="#">The year at Emmi 2024, We are Emmi CG 2024, Group structure and shareholders</a>			
	2-2 Entities included in the organisation's sustainability reporting	<a href="#">FR 2024, Notes to the Consolidated Financial Statements, Summary of consolidated companies, associates and joint ventures</a> <a href="#">SR 2024, About this report</a>			
	2-3 Reporting period, frequency and point of contact	<a href="#">SR 2024, About this report</a>			
	2-4 Correction to or adjustment of information	<a href="#">SR 2024, About this report</a>			
	2-5 External audit	<a href="#">SR 2024, KPMG audit report</a>			
	2-6 Activities, value chain and other business relationships	<a href="#">The year at Emmi 2024, We are Emmi</a>			
	2-7 employees	<a href="#">SR 2024, MT, Developing employees, Further key figures on Emmi Group employees</a> The Emmi Group has no employees with non-guaranteed working hours.			
	2-8 Employees who are not salaried staff members	<a href="#">SR 2024, MT, Developing employees, Further key figures on Emmi Group employees</a>			
	2-9 Management structure and composition	<a href="#">CG 2024, Board of Directors</a>			
	2-10 Nomination and selection of the highest governance body	<a href="#">CG 2024, Board of Directors</a>			
	2-11 Chair of the highest governance body	<a href="#">CG 2024, Board of Directors</a>			
	2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">CG 2024, Board of Directors, Internal organisation, Composition, duties and delimitation of responsibilities of the committees</a> <a href="#">CG 2024, Board of Directors, Definition of responsibilities between the Board of Directors and Group Executive Management</a> <a href="#">CG 2024, Board of Directors, Information and control instruments vis-a-vis Group Executive Management</a>			
	2-13 Delegation of responsibility for the management of impacts	<a href="#">The year at Emmi 2024, Letter to Shareholders</a>			
	2-14 Role of the highest governance body in sustainability reporting	<a href="#">CG 2024, Board of Directors, Definition of responsibilities between the Board of Directors and Group Executive Management</a>			

	2–15 Conflicts of interest	<a href="#">CG 2024, Board of Directors, Internal organisation, Working methods of the Board of Directors and its committees</a>			
	2–16 Communication of critical concerns	<a href="#">CG 2024, Board of Directors, Information and control instruments vis-a-vis Group Executive Management</a>			
	2–17 Collective knowledge of the highest governance body	<a href="#">CG 2024, Board of Directors, Professional background and other activities and interests</a>			
	2–18 Evaluation of the performance of the highest governance body	<a href="#">CG 2024, Board of Directors, Internal organisation, Allocation of duties within the Board of Directors</a>			
	2–19 Remuneration policy	<a href="#">CR 2024, Remuneration system, Remuneration components</a> <a href="#">CR 2024, Remuneration system, Remuneration of Group Executive Management</a>			
	2–20 Process for determining remuneration	<a href="#">CR 2024, Responsibility and definition process</a>			
	2–21 Annual total compensation ratio		All required information	Restrictions due to a duty of confidentiality	The Emmi Group regards all required information as confidential company information.
	2–22 Statement on Sustainable Development Strategy	<a href="#">The year at Emmi 2024, Letter to Shareholders</a>			
	2–23 Declaration of commitment to principles and procedures	<a href="#">SR 2024, MT, Responsible sourcing, Management approach and goals</a>			
	2–24 Embedding of political commitments	<a href="#">SR 2024, MT, Responsible sourcing, Management approach and goals</a>			
	2–25 Processes to eliminate adverse impacts	<a href="#">SR 2024, MT, Responsible sourcing, Management approach and goals</a>			
	2–26 Procedures for seeking advice and raising concerns	<a href="#">SR 2024, MT, Responsible sourcing, Management approach and goals</a>			
	2–27 Compliance with laws and ordinances		All required information	Restrictions due to a duty of confidentiality	The Emmi Group regards all required information as confidential company information.
	2–28 Membership of associations and interest groups	<a href="#">SR 2024, The Emmi sustainability model, Memberships of associations and interest groups</a>			
	2–29 Strategy for stakeholder engagement	<a href="#">The year at Emmi 2024, We are Emmi</a> <a href="#">SR 2024, The Emmi sustainability model, The Emmi sustainability governance model</a> <a href="#">Emmi stakeholder approach</a>			
	2–30 Collective bargaining agreements	<a href="#">SR 2024, MT, Responsibility in business conduct, Developments in the year under review</a>	b. Determination of working and employment conditions		This information is currently not available. A future evaluation will be examined.
<b>Material topics</b>					
<b>GRI 3: Material topics 2021</b>	3–1 Process for determining material topics	<a href="#">SR 2024, Derivation of the material reporting topics</a>			
	3–2 List of material topics	<a href="#">SR 2024, Derivation of the material reporting topics, List of material topics</a>			
<b>Economic performance</b>					
<b>GRI 3: Material topics 2021</b>	3–3 Management of material topics	<a href="#">SR 2024, MT, Economic performance, Impact on the environment and society, and opportunities and risks for Emmi</a> <a href="#">SR 2024, MT, Economic performance, Management approach and goals</a> <a href="#">SR 2024, MT, Economic performance, Developments in the year under review</a>			
<b>GRI 201: Economic performance 2016</b>	201–1 Directly generated and distributed economic value	<a href="#">SR 2024, MT, Economic performance, Developments in the year under review</a>	a. and b. Breakdown by region a. ii. Investments at local level	a. and b. Restrictions due to a duty of confidentiality a. ii. Information not available/incomplete	a. and b. For competitive reasons, Emmi does not publish any regional key figures a. ii. Grants and donations (under investments at communal level) are currently not recognised separately and therefore cannot be reported on a consolidated basis for the Emmi Group. A future evaluation will be examined.
	201–3 Liabilities for defined benefit pension plan and other pension plans	<a href="#">FR 2024, Consolidated Financial Statements of Emmi Group, Notes to the Consolidated Financial Statements, Employee benefit schemes</a>	d. and e. Percentage of salary and level of participation in pension plans	Information not available/incomplete	The Emmi Group publishes its financial report in accordance with Swiss GAAP FER, which does not require the disclosure of this information.

	201–4 Financial support from public authorities	FR 2024, Consolidated Financial Statements of Emmi Group, Notes to the Consolidated Financial Statements, Government grants No state participates in the shareholding structure.			
<b>Sustainable dairy</b>					
<b>GRI 3: Material topics 2021</b>	3–3 Management of material topics	SR 2024, MT, Sustainable dairy, Impact on the environment and society, and opportunities and risks for Emmi SR 2024, MT, Sustainable dairy, Management approach and goals SR 2024, MT, Sustainable dairy, Developments in the year under review			
	Own key figure: Proportion of "Sustainable Swiss Milk" Own key figure: Proportion of processed label milk international	SR 2024, MT, Sustainable dairy, Developments in year under review SR 2024, MT, Sustainable dairy, Developments in year under review			
<b>Nutrition, product quality and safety</b>					
<b>GRI 3: Material topics 2021</b>	3–3 Management of material topics	SR 2024, MT, Nutrition, product quality and safety, Impact on the environment and society, and opportunities and risks for Emmi SR 2024, MT, Nutrition, product quality and safety, Management approach and goals SR 2024, MT, Nutrition, product quality and safety, Developments in the year under review			
<b>GRI 416: Customer health and safety 2016</b>	416–1 Assessing the health and safety impacts of different product and service categories		All required information	Restrictions due to a duty of confidentiality	For competitive reasons, Emmi does not publish key figures on product quality or safety at Group level. Key figures for division Switzerland are disclosed.
	416–2 Violations relating to the health and safety effects of products and services		All required information	Restrictions due to a duty of confidentiality	For competitive reasons, Emmi does not publish key figures on product quality or safety at Group level. Key figures for division Switzerland are disclosed.
<b>GRI 417: Marketing and labelling 2016</b>	417–1 Requirements for product and service information and labelling		All required information	Restrictions due to a duty of confidentiality	For competitive reasons, Emmi does not publish key figures on product quality or safety at Group level. Key figures for division Switzerland are disclosed.
	417–2 Violations in connection with product and service information and labelling		All required information	Restrictions due to a duty of confidentiality	For competitive reasons, Emmi does not publish key figures on product quality or safety at Group level. Key figures for division Switzerland are disclosed.
	417–3 Violations in connection with marketing and communication		All required information	Restrictions due to a duty of confidentiality	For competitive reasons, Emmi does not publish key figures on product quality or safety at Group level. Key figures for division Switzerland are disclosed.
<b>Developing employees</b>					
<b>GRI 3: Material topics 2021</b>	3–3 Management of material topics	SR 2024, MT, Developing employees, Impact on the environment and society, and opportunities and risks for Emmi SR 2024, MT, Developing employees, Management approach and goals SR 2024, MT, Developing employees, Developments in the year under review			
<b>GRI 404: Training and education 2016</b>	404–1 Average hours of training and education per year per employee	SR 2024, MT, Developing employees, Developments in the year under review	a. ii. Employee category	Information not available/incomplete	Emmi does not currently differentiate by employee category or function. A future evaluation will be examined.
	404–2 Programmes for improving employee competencies and transition assistance	SR 2024, MT, Developing employees, Management approach and goals SR 2024, MT, Developing employees, Developments in the year under review	b. Transitional assistance programmes	Information not available/incomplete	Information on transitional assistance is not currently available on a consolidated basis for the Emmi Group. A future evaluation will be examined.

	404–3 Percentage of employees receiving regular performance and career development reviews	<a href="#">SR 2024, MT, Developing employees, Further key figures on Emmi Group employees</a>	a. Employee category by function	Information not available/incomplete	Emmi breaks down the employee category by hierarchical levels for this key figure. A breakdown by function will be reviewed for the future.
<b>Reducing greenhouse gases</b>					
<b>GRI 3: Material topics 2021</b>	3–3 Management of material topics	<a href="#">SR 2024, MT, Reducing emissions, Strategy</a> <a href="#">SR 2024, MT, Reducing emissions, Risk management</a> <a href="#">SR 2024, MT, Reducing emissions, Metrics, goals and measures</a> <a href="#">SR 2024, MT, Reducing emissions, Strategy</a>			
<b>GRI 201: Economic performance 2016</b>	201–2 Financial implications of climate change for the organisation and other risks and opportunities related to climate change	<a href="#">SR 2024, MT, Reducing emissions, Strategy</a>			
<b>GRI 302: Energy 2016</b>	302–1 Energy consumption within the organisation	<a href="#">SR 2024, MT, Reducing emissions, Metrics, goals and measures</a>	Energy consumption within the organisation c. In joules, watt hours or multiples of units, the total value for: i. Power consumption ii. Thermal energy consumption iii. Cooling energy consumption iv. Steam consumption	Information not available/incomplete	The breakdown of key performance indicators for energy consumption does not yet meet all GRI requirements. Cooling energy is included in the electricity category and thermal energy in the steam category. No corresponding adjustment is currently planned.
	302–2 Energy consumption outside the organisation		All required information	Information not available/incomplete	Emmi does not currently report the data for energy separately. Emmi works with emission factors outside the organisation. Total consumption can therefore be reported for 305–3. However, energy consumption cannot be specified in a more granular manner at this point in time.
	302–3 Energy intensity	<a href="#">SR 2024, MT, Reducing emissions, Metrics, goals and measures</a>			
	302–4 Reducing energy consumption	<a href="#">SR 2024, MT, Reducing emissions, Metrics, goals and measures</a>			
	302–5 Reducing energy requirements for products and services		All required information	Not applicable	Emmi does not sell any products that consume energy in their use phase.
<b>GRI 305: Emissions 2016</b>	305–1 Direct (Scope 1) GHG emissions	<a href="#">SR 2024, MT, Reducing emissions, Metrics, goals and measures</a>	c. Biogenic CO2 emissions in tonnes of CO2 equivalent	Information not available/incomplete	Data for biogenic CO2 emissions will be available in the future.
	305–2 Indirect energy-related (Scope 2) GHG emissions	<a href="#">SR 2024, MT, Reducing emissions, Metrics, goals and measures</a>			
	305–3 Other indirect (Scope 3) GHG emissions	<a href="#">SR 2024, MT, Reducing emissions, Metrics, goals and measures</a>	c. Biogenic CO2 emissions in tonnes of CO2 equivalent	Information not available/incomplete	Data for biogenic CO2 emissions will be available in the future.
	305–4 Intensity of greenhouse gas emissions	<a href="#">SR 2024, MT, Reducing emissions, Metrics, goals and measures</a>			
	305–5 Reducing greenhouse gas emissions	<a href="#">SR 2024, MT, Reducing emissions, Metrics, goals and measures</a>			
	305–6 Emissions of ozone-depleting substances		All required information	Information not available/incomplete	No consolidated information is currently available for the Emmi Group. For the coming reporting period, the coolants used by Emmi will be analysed and evaluated with regard to the requirements of the GRI.
	305–7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions		All required information	Not applicable	This is not a material issue for the Emmi Group, as no relevant emissions are generated in these categories.
<b>Reducing water consumption</b>					
<b>GRI 3: Material topics 2021</b>	3–3 Management of material topics	<a href="#">SR 2024, MT, Reducing water use, Impact on the environment and society, and opportunities and risks for Emmi</a> <a href="#">SR 2024, MT, Reducing water use, Management approach and goals</a>			

<a href="#">SR 2024, MT, Reducing water use, Developments in the year under review</a>					
<b>GRI 303: Water and wastewater 2018</b>	303-1 Water as a shared resource	<a href="#">SR 2024, MT, Reducing water use</a> <a href="#">SR 2024, MT, Reducing water use, Management approach and goals</a>			
	303-2 Management of water discharge effects		All required information	Information not available/incomplete	No consolidated information is currently available for the Emmi Group.
	303-3 Water extraction	<a href="#">SR 2024, MT, Reducing water use, Developments in the year under review</a>	a., b. and c. Break-down of total quantity by source	Information not available/incomplete	A breakdown of water extraction data by source is currently not possible at Group level. According to current planning, this is to be adjusted in the future, in conjunction with a change of system. The Emmi definition of "water consumption" corresponds to the definition of "water extraction" in accordance with GRI standards 2021, GRI 303.
	303-4 Water discharge		All required information	Information not available/incomplete	Emmi does not currently have any data on water discharge at Group level. According to the current plan, it should be possible to communicate this data in the future, together with a change of system.
	303-5 Water consumption		All required information	Information not available/incomplete	Emmi does not currently have any data at Group level on water consumption in accordance with GRI. According to the current plan, it should be possible to communicate this data in the future, together with a change of system. The Emmi definition of "water consumption" corresponds to the definition of "water extraction" in accordance with GRI standards 2021, GRI 303.
<b>Packaging</b>					
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	<a href="#">SR 2024, MT, Packaging, Impact on the environment and society, and opportunities and risks for Emmi</a> <a href="#">SR 2024, MT, Packaging, Management approach and goals</a> <a href="#">SR 2024, MT, Packaging, Developments in the year under review</a>			
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume		All required information	Information not available/incomplete	Emmi does not currently have any data at Group level. Key figures are already being disclosed for Switzerland, Spain and Italy.
	301-2 Recycled input materials used		All required information	Information not available/incomplete	Emmi does not currently have any data at Group level. Data for other recycled source materials used will be disclosed for Switzerland in the future. However, a different calculation method is used based on company-specific processes for recognising and classifying recycled materials; see 'Methodology for non-financial key figures 2024'.
	301-3 Recycled products and their packaging materials		All required information	Not applicable	As a food manufacturer, the Emmi Group cannot recycle its products. This does not apply to a negligible quantity of glass bottles (packaging material) in Switzerland.
	Own key figure: Percentage of recyclable material	<a href="#">SR 2024, MT, Packaging, Developments in the year under review</a>			
<b>Occupational health and safety</b>					
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	<a href="#">SR 2024, MT, Occupational health and safety, Impact on the environment and society, and opportunities and risks for Emmi</a> <a href="#">SR 2024, MT, Occupational health and</a>			

						safety, Management approach and goals SR 2024, MT, Occupational health and safety, Developments in the year under review
<b>GRI 403: Occupational health and safety 2018</b>	403-1 Occupational health and safety management system	SR 2024, MT, Occupational health and safety, Management approach and goals				
	403-2 Hazard identification, risk assessment and incident investigation	SR 2024, MT, Occupational health and safety, Management approach and goals				
	403-3 Occupational health services	SR 2024, MT, Occupational health and safety, Management approach and goals				
	403-4 Employee participation, consultation and communication on occupational health and safety	SR 2024, MT, Occupational health and safety, Management approach and goals				
	403-5 Worker training on occupational health and safety	SR 2024, MT, Occupational health and safety, Management approach and goals				
	403-6 Promoting employee health	SR 2024, MT, Occupational health and safety, Management approach and goals				
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	SR 2024, MT, Occupational health and safety, Management approach and goals				
	403-8 Employees covered by an occupational health and safety management system	SR 2024, MT, Occupational health and safety, Developments in the year under review	Information only for employees and not for employees who are not salaried staff members	Legal prohibitions		Data collection and analysis are not possible for employees who are not salaried staff members based on the Swiss Data Protection Act (DPA) for division Switzerland. A future evaluation outside Switzerland will be examined.
	403-9 Work-related injuries	SR 2024, MT, Occupational health and safety, Developments in the year under review	b. For all employees who are not salaried staff members but whose work and/or workplace is controlled by the organisation	Legal prohibitions		Data collection and analysis is not possible for employees who are not salaried staff members based on the Swiss Data Protection Act (DPA) for division Switzerland. A future evaluation outside Switzerland will be examined.
	403-10 Work-related illnesses		a. For all employees iii. The main types of work-related illness b. For all employees who are not salaried staff members but whose work and/or workplace is controlled by the organisation c. Work-related hazards involving a risk of illness	a. and c. Information not available/incomplete b. Legal prohibitions		a. and c. The Emmi Group does not currently have the corresponding data available. The collection will be reviewed for the coming reporting period. b. Data collection and analysis are not possible for employees who are not salaried staff members as well as the number of documented work-related illnesses based on the Swiss Data Protection Act (DPA) for division Switzerland. A future evaluation outside Switzerland will be examined.
<b>Responsible sourcing</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	SR 2024, MT, Responsible sourcing, Impact on the environment and society, and opportunities and risks for Emmi SR 2024, MT, Responsible sourcing, Management approach and goals SR 2024, MT, Responsible sourcing, Developments in the year under review				
<b>GRI 408: Child labour 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labour	SR 2024, MT, Responsible sourcing, Management approach and goals				
<b>Food waste</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	SR 2024, MT, Food waste, Impact on the environment and society, and opportunities and risks for Emmi SR 2024, MT, Food waste, Management approach and goals				



		SR 2024, MT, Food waste, Developments in the year under review			
	Own key figure: Food waste (dry matter)	SR 2024, MT, Food waste, Developments in the year under review			
<b>Responsibility in business conduct</b>					
<b>GRI 3: Material topics 2021</b>	3–3 Management of material topics	SR 2024, MT, Responsible business conduct, Impact on the environment and society, and opportunities and risks for Emmi SR 2024, MT, Responsible business conduct, Management approach and goals SR 2024, MT, Responsible business conduct, Developments in the year under review			
<b>GRI 205: Anti-corruption 2016</b>	205–1 Operations assessed for risks related to corruption	SR 2024, MT, Responsible business conduct, Developments in the year under review			
	205–2 Communication and training on anti-corruption policies and procedures		All required information	Information not available/incomplete	Emmi does not currently have any data at Group level on the required information.
	205–3 Confirmed incidents of corruption and actions taken	SR 2024, MT, Responsible business conduct, Developments in the year under review			
<b>GRI 206: Anti-competitive behaviour 2016</b>	206–1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	SR 2024, MT, Responsible business conduct, Developments in the year under review			
<b>Waste</b>					
<b>GRI 3: Material topics 2021</b>	3–3 Management of material topics	SR 2024, MT, Waste, Impact on the environment and society, and opportunities and risks for Emmi SR 2024, MT, Waste, Management approach and goals SR 2024, MT, Waste, Developments in the year under review			
<b>GRI 306: Waste 2020</b>	306–1 Waste generation and significant waste-related impacts		All required information upstream or downstream in own value chain	Information not available/incomplete	There is currently no comprehensive presentation of waste in the upstream or downstream steps of the value chain. A future evaluation will be examined.
	306–2 Management of significant waste-related impacts	SR 2024, MT, Packaging, Management approach and goals SR 2024, MT, Food waste, Developments in the year under review	All required information upstream or downstream in own value chain	Information not available/incomplete	Partial omission: There is currently no comprehensive presentation of waste in the upstream or downstream steps of the value chain. A future evaluation will be examined.
	306–3 Waste generated	SR 2024, MT, Waste, Developments in the year under review	a. Breakdown by composition of waste b. Contextual information for breakdown	Information not available/incomplete	Partial omission: Emmi does not currently have any data on the composition of waste at Group level. Only data from division Switzerland is currently available for food waste.
	306–4 Waste diverted from disposal	SR 2024, MT, Food waste, Developments in the year under review	All required information except the total weight of waste diverted from disposal and information on food waste as part of waste diverted from disposal.	Information not available/incomplete	Partial omission: Emmi does not currently have any data on the composition of waste at Group level (food waste). The categories “hazardous waste”, “processing for recycling” and “recycling” are not relevant for Emmi within food waste. The separate collection of waste for use as animal feed is currently not feasible.
	306–5 Waste directed for disposal	SR 2024, MT, Waste, Developments in the year under review	All required information	Information not available/incomplete	Partial omission: Separate categories according to GRI for hazardous and non-hazardous waste are not currently recorded. Hazardous waste is classified as hazardous waste at Emmi. Details on hazardous waste are explained in the relevant section.

## 8. KPMG audit report



### Independent limited assurance report on selected sustainability information of Emmi AG

To the Board of Directors of Emmi AG, Lucerne

We have undertaken a limited assurance engagement on Emmi AG's and its subsidiaries (the Group) following selected Sustainability Information in the Sustainability Report for the year 2024 (hereinafter "Sustainability Information").

Our limited assurance on selected Sustainability Information consists of key performance indicators in the areas «Reducing emissions», «Reducing water use», «Waste», «Packaging» and «Food Waste» for the year 2024, which are marked with a triangle ▲.

#### Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information in the areas «Reducing emissions», «Reducing water use» and «Waste» is not prepared, in all material respects, in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (SRS) respectively that the Sustainability Information in the areas «Food Waste» and «Packaging» is not prepared in accordance with the self-developed criteria.

Our assurance engagement does not extend to, and we do not express an assurance conclusion on information in respect to earlier or future periods as well as other information included in the Sustainability Report 2024. Further our assurance engagement does not extend to and we do not express an assurance conclusion on information linked from the Sustainability Report 2024 or any images, audio files or embedded videos.

#### Understanding how Emmi AG has prepared the Sustainability Information

The GRI Sustainability Reporting Standards have been used as criteria references for the disclosures in the areas «Reducing emissions», «Reducing water use» and «Waste». For the areas «Food Waste» and «Packaging» the self-developed criteria, as disclosed in the Appendix "Methodology for non-financial figures 2024" of the Sustainability Report 2024, were applied. Consequently, the Sustainability Information needs to be read and understood together with those criteria.

#### Inherent Limitations in preparing the Sustainability Information

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.



#### Emmi AG's Responsibilities

The Board of Directors is responsible for:

- Selecting or establishing suitable criteria for preparing the sustainability information, taking into account applicable laws and regulations related to reporting the sustainability information;
- The preparation of the sustainability information in accordance with the self-developed criteria; and
- Designing, implementing and maintaining internal control over information relevant to the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

#### Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent limited assurance conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our independent conclusion to the Board of Directors of Emmi AG.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by the Board of Directors, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

#### Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB).

#### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

#### Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:



- Assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures included in the scope of the limited assurance engagement; and
- Assessment of the consistency of the disclosures applicable for Emmi with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of the Sustainability Report 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG

A handwritten signature in black ink, appearing to be 'S. Jurt', written over a light blue horizontal line.

Silvan Jurt  
Licensed Audit Expert

A handwritten signature in black ink, appearing to be 'M. Odoni', written over a light blue horizontal line.

Manuel Odoni  
Licensed Audit Expert

Lucerne, 25 February 2025

**Concept, project management and editing**

Annual Report:

Emmi Corporate Communications, Lucerne

Sustainability Report:

Emmi Group Sustainability, Lucerne

**Design, usability and realisation**

Farner Consulting AG, Zurich

**Editing and consulting Sustainability Report**

Taktkomm AG, Zurich

**Technical realisation**

NeidhartSchön AG, Zurich

**Translation**

Apostroph Group, Lucerne

The Annual Report is published in German and in English. The German version is binding.

The Annual Report or any part thereof does not constitute an invitation to invest in Emmi shares. Any forward-looking statements contained reflect current views and estimates. The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements.

Potential risks and uncertainties include such factors as general economic conditions, foreign exchange and commodity price fluctuations, competitive product and pricing pressures, regulatory developments and IT failure risks.

Emmi is providing the information in this report as of the dates specified and does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise.



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