



Annual Summary Report 2021

**Best dairy
moments**



Online report

The full version of the Emmi Annual Report 2021
is also available online:
report.emmi.com

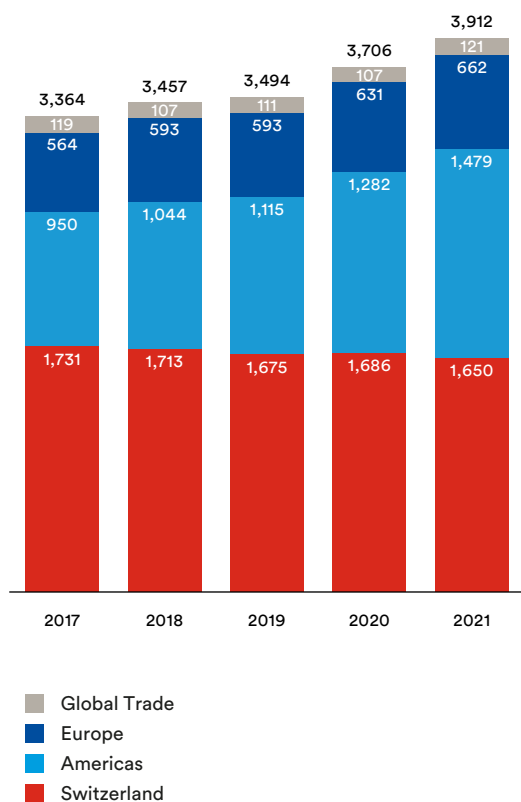
Key figures Emmi Group

Amounts in CHF million	2021	2020	2020 adjusted ¹⁾
Net sales	3,912	3,706	
Sales development in %	5.6	6.1	
Net sales increase in organic terms in %	3.6	1.9	
Acquisition effect in %	2.3	8.7	
Currency effect in %	-0.3	-4.5	
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	394.7	376.3	390.9
as % of net sales	10.1	10.2	10.5
Earnings before interest and taxes (EBIT)	284.1	256.6	271.2
as % of net sales	7.3	6.9	7.3
Net profit	216.7	188.4	202.6
as % of net sales	5.5	5.1	5.5
Investment in fixed assets (excl. acquisitions)	152.6	131.4	
as % of net sales	3.9	3.5	
Headcount (full-time equivalents) as at 31.12.	9,230	8,664	
Headcount (full-time equivalents) at yearly average	8,868	8,303	
Net sales per employee in CHF 000s (average)	441	446	
	31.12.2021	31.12.2020	
Total assets	2,471	2,337	
of which shareholders' equity incl. minority interests	1,182	1,233	
as % of total assets	47.8	52.8	
Market capitalisation	5,756	4,876	

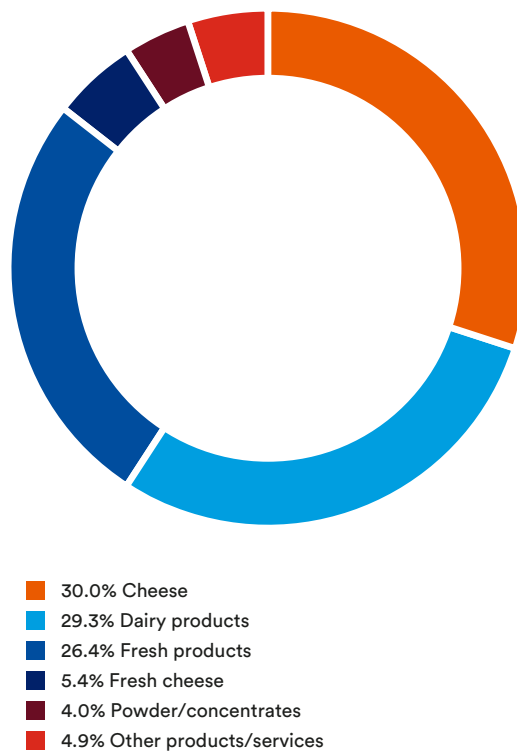
¹⁾ Adjusted for non-recurring effects of CHF 14.6 million on EBITDA and EBIT and CHF 14.2 million on net profit. In the previous year, these resulted from the sale of the majority stake in Lácteos Caprinos S.A.

Net sales

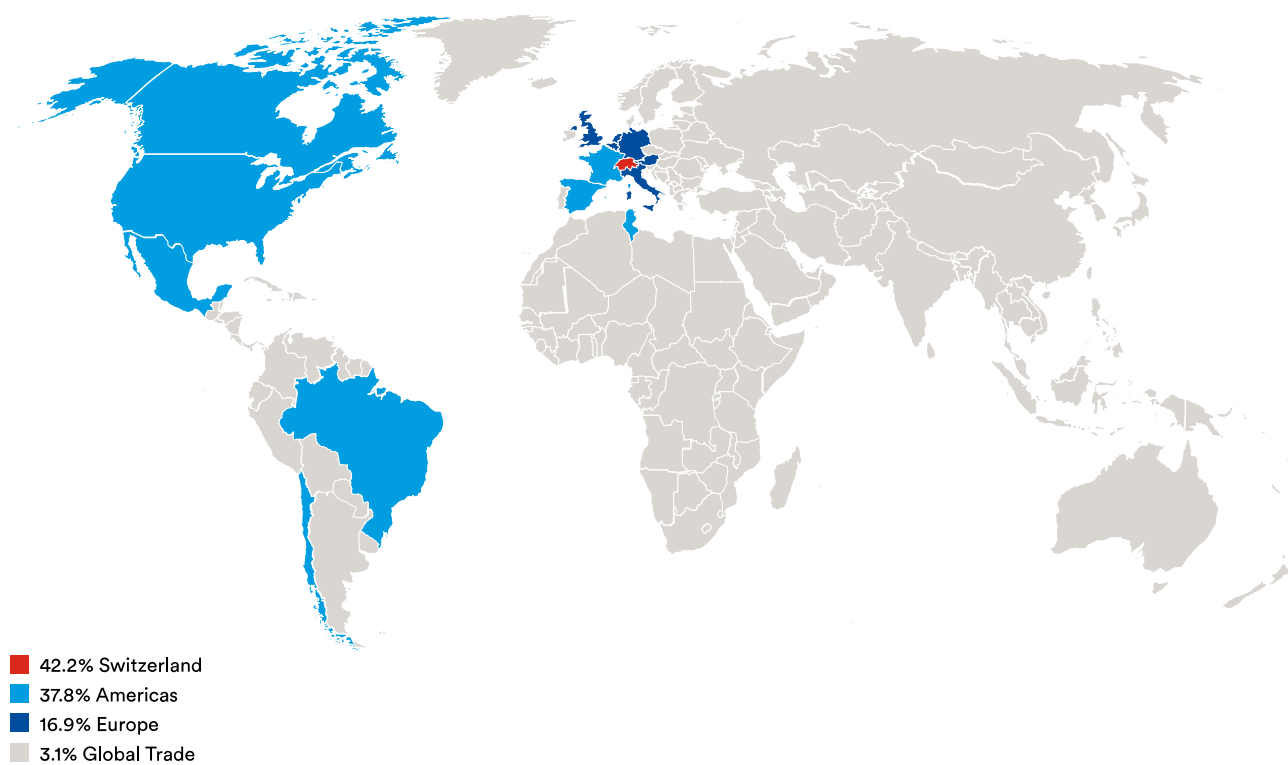
in CHF million



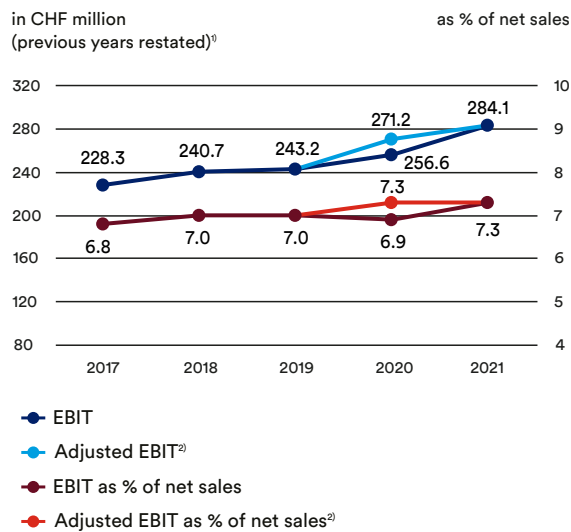
Net sales by product group



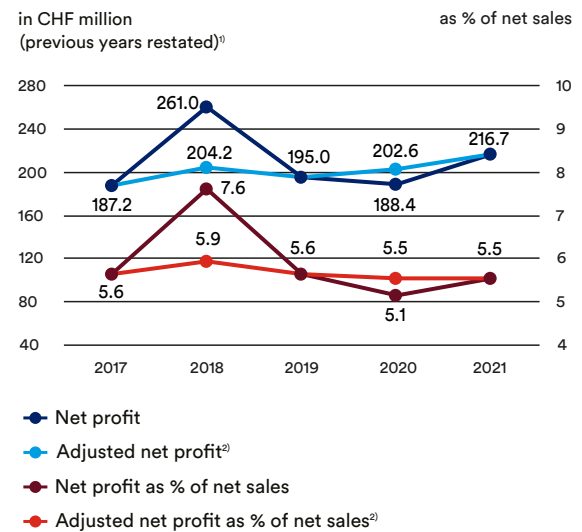
Net sales by business division



EBIT



Net profit



¹⁾ Previous-year figures for 2017 to 2019 adjusted due to change in the consolidation and accounting principles for goodwill in 2020.

²⁾ The adjustment effect in 2020 relates to the loss from the sale of the majority interest in Lácteos Caprinos S.A. The adjustment effect in 2018 arose from the gain on the sale of the minority interest in Icelandic Milk and Skyr Corporation ("siggi's").

Emmi sustainability targets with a 2027 time horizon



100% of employees have a development plan in place¹⁾

58%

50% of all vacancies are filled by internal candidates¹⁾

45%



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

20%

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

initiated

Vision netZERO 2050

50% reduction in waste (vs. 2017)

22%

50% less food waste¹⁾ (vs. 2017)

11%

Zero waste disposal in landfills

10%

100% recyclable packaging

initiated



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

International

initiated

Switzerland

85%

Further development of the Swiss industry standard



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

3%

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

-2%

Reduction in water consumption along the value chain

Provisional target achievement levels as at 31.12.2021, taking into account acquisitions (Laticínios Porto Alegre, Leeb, Mexideli, Quillayes, Pasticceria Quadrifoglio)

¹⁾ Currently only Switzerland considered

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.

Sustainability model

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

Environmental key performance indicators (KPIs)

Emmi reports key figures relating to greenhouse gas emissions, energy and water consumption as well as waste.

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.

Stakeholder matrix

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 CO₂-reduction path with clear interim targets serves as a binding guideline.

Our ambition for the future

Together, we create the best dairy moments – today and for generations to come.

Our long-term success depends on sustainable and profitable growth and an intact planet. As a key player in the dairy industry, our aim is to continue to positively influence our industry by balancing economic, social and environmental aspects and promoting sustainable practices beyond our direct sphere of influence. We are committed to science-based targets (SBTi) and our **netZERO 2050 vision** to limit global warming in line with the goals of the UN Paris Agreement.



Support for the UN Sustainable Development Goals



Working together towards a sustainable future



Caring for our people

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



Caring for our communities

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



Caring for our planet

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

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Editorial



Konrad Graber
Chairman of the Board
(left)

Urs Riedener
CEO (right)

Dear Shareholders

As if through a magnifying glass, the pandemic continues to highlight how fragile life is and underscore the importance of togetherness. Precisely because the future remains fraught with unknowns, our teams have focused even more strongly on those aspects over which we can exert a positive influence: remaining agile, creative and efficient, setting trends with innovations and reacting quickly to changes.

“Based on our proven strategy, we have kept Emmi on track.”

Konrad Graber

Our focus on employee development and appreciative leadership has also proven successful. With passion and commitment, and based on our proven strategy, we have combined our strengths to keep Emmi on course and continued to create added value beyond our business. A success we are very pleased about.

› Our people, page 17–19

Established business model as a guarantee of success

In view of the difficult underlying conditions, we can look back with satisfaction on another economically successful year. Annual sales are approaching the CHF 4 billion mark and have exceeded our expectations with strong organic growth of 3.6%. Overall, the gratifying performance reflects the consistently pursued strategic course, backed by a diversified portfolio

of products and countries, differentiated and innovative brand concepts, and a highly agile, efficient and locally anchored organisation.

› Our brands, page 20–21 | › Our operations, page 22

While business in Switzerland declined slightly as expected, following the pandemic-related growth in the previous year, momentum continued in our foreign markets and our strategic dessert market niche. Our brand concepts, above all Emmi Caffè Latte and Kaltbach Cheese, once again proved to be growth drivers, exemplifying the rigorous work we are doing to strengthen the portfolio and improve margins.

In the US, our most important expansion market, we have further strengthened our strategically important speciality cheese pillar with the acquisition of the Athenos business, the number 1 in the US feta market, and expect this to create additional export opportunities for Swiss cheese as well. We are also satisfied with the development of Emmi Dessert USA, established in 2020, and its integration into our dessert network.

Consistently reliable earnings – dividend increase proposed

The storm in input costs and the inflationary, strongly cost-driving environment have also challenged Emmi. Be this due to bottlenecks at suppliers, in logistics and on the labour market, or in some cases massively higher raw materials, material and energy prices. Thanks to a forward-looking planning, ramped-up efficiency efforts and regionally integrated supply chains, we were able to cushion some of the additional costs. As a result, the EBIT and net profit margins were kept stable and earnings were within the ranges communicated by us.

EBIT increased by CHF 12.9 million or 4.8% to CHF 284.1 million, which corresponds to a constant EBIT margin of 7.3% compared to the adjusted previous year. Net profit increased by 7.0% to CHF 216.7 million. At this level, we thus maintained the adjusted margin of the previous year (5.5%). Thanks to this solid result, earnings per share climbed by 7.0% and the Board of Directors proposes to the Annual General Meeting that the dividend be increased by 7.7% to CHF 14.00 per share.

“We have made targeted investments in growth and efficiency gains.”

Urs Riedener

Uncertain outlook for 2022

Uncertainties concerning macroeconomic developments and accentuating inflationary pressures are likely to persist in 2022. The same applies to the sluggish recovery in the food service sector. Overall, the pressure on margins will further increase significantly. Against this backdrop, consistent implementation of the strategy is key, as are further targeted investments in growth and efficiency gains. Where operationally unavoidable, we will have no choice but to pass on some of these additional costs.

For 2022, we expect organic sales growth at Group level to be slightly above medium-term expectations (2% to 3%) at 2.5% to 3.5%, supported by inflation. While sales in Switzerland are likely to decline slightly (-1% and 0%), we expect continued strong organic growth in our international business. Due to inflation, this is likely to be above medium-term expectations at 3% to 5% in Europe and 6% to 8% in the Americas. In terms of earnings, we expect EBIT to increase to between CHF 290 million and CHF 305 million, while the net profit margin is expected to be between 5.0% and 5.5%.

Taking responsibility together

The weather extremes of the past year have shown that the impact of climate change is not restricted to peripheral regions of the world. Accordingly, we see ourselves confirmed in drawing a stronger link between economic, social and ecological aspects and in seeing nature not as a counterpart around us, but as something for which we share responsibility.

In keeping with our tradition, we continued to drive forward our long-standing commitment to sustainability in 2021 and established the Emmi Sustainability Model. This includes ambitious goals, aligned with a science-based netZERO 2050 roadmap and in support of the sustainable development goals of the United Nations. Overall, we were able to further expand our positive impact, for example by establishing a sustainable dairy industry, and further reduce emissions, waste and water consumption in relation to our production volume.

› Our responsible business model, page 14–16

The fact that we are on course – although still far from reaching our goal – is confirmed by the continued improvement in the latest CDP climate rating.

Acting with future generations in mind

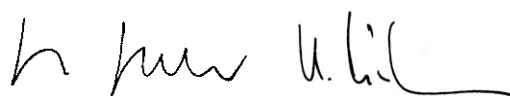
Being aware that success today is no guarantee for tomorrow, we have also worked intensively in recent months on the recipe for a continued successful future. We have honed our strategy with the aim of positioning Emmi competitively in the long term and creating added value for our stakeholders. The adapted strategy builds on our proven business model and our strengths, but focuses even more closely on future issues and changing needs.

› Our strategy, page 11

Moreover, also the Emmi Purpose now underlines why we exist, what we stand for and what guides us: “Together, we create the best dairy moments – today and for generations to come”.

› Our purpose, page 10

At Emmi, we will continue to act prudently in the future – in 2022 and beyond.



Konrad Graber
Chairman of the Board

Urs Riedener
CEO

The best dairy moments – dear to our hearts

Creating the best dairy moments is our passion. Our new purpose expresses this innermost conviction and guides our actions – today and in the future.

Taking responsibility for the long term has always been our hallmark. This innermost conviction is now also expressed by our purpose. It stands for our passion to carefully produce high-quality dairy products and specialties that respect nature and people. Our purpose also guides our actions and the way we develop our business, our brands and our portfolio with integrity over the long term and create value for all our stakeholders.

While we operate our business sustainably and profitably and increasingly internationally, our Swiss roots and our high quality standards remain intact. The same applies to our ability to act in an entrepreneurial manner, to set trends with innovations and to manage an operational spectrum ranging from small artisanal businesses to state-of-the-art modern production facilities.

Proximity to the origin of our products, local roots and close cooperation with our regional milk suppliers also remain central to our responsible business model. With high-quality, regional and increasingly sustainably produced milk, we thus contribute to value creation in rural regions.

So that the best dairy moments become Emmi moments – today and for generations to come.

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



Further developing the tried and tested

Our sustainable economic success is based on a focused and proven strategy. As a recipe for a successful future we have now refined our approach.

We have built on our unique heritage in producing high-quality dairy products to forge a new path centred around our responsible business model and proven strategy.

Complemented by targeted acquisitions, we have thus grown from a regionally anchored organisation into an internationally successful group. With strong brand concepts, relevant innovations and a diversified portfolio, and supported by a highly agile, locally anchored organisation, we have also emerged successful from the stress test of a global crisis. We aim to use this good

starting position to expand our strengths in a targeted manner and to continue to operate competitively and profitably in the future. Having honed our proven strategy, we are integrating relevant future aspects and the changing needs of our stakeholders even more firmly within our business model.

As a recipe for a successful future, the Emmi Purpose and our strategy help us to focus on doing the right thing, to take responsibility for tomorrow and to be as well prepared as possible for change in a volatile world.



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.



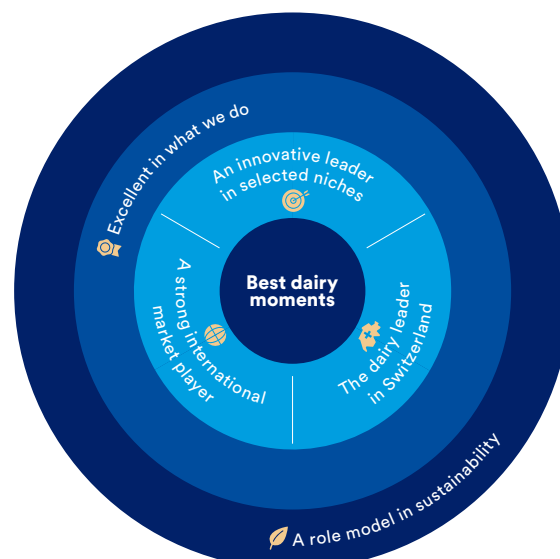
Excellent in what we do

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.



Our highlights



Best dairy moments for future generations

Emmi raises the bar yet again in terms of its commitment to sustainability, with extended targets up to 2027. In addition to further reducing our environmental impact and now also our water consumption, we have also extended our commitment to sustainable dairy farming at Group level. Furthermore, we have set new reduction targets along the entire value chain based on the Science Based Targets initiative (SBTi) and switched to a net zero reduction path with the netZERO 2050 vision.

Foundation laid for new cheese dairy

At our traditional location in Emmen, we are investing 50 million Swiss francs in the construction of a new cheese factory. It will replace the existing cheese dairy building and provide space for highly professional and resource-saving cheese production. In line with our long-term growth plans, we are thus creating additional capacity and regional added value.

New powder plant in Brazil

Our Brazilian Group company Laticínios Porto Alegre expands its presence with a new powder plant in Antonio Carlos. The additional capacity provides the scope to expand the supply of milk powder on the domestic market and extend the milk collection base in cooperation with local dairy farmers.

Added value through Swissness

Oats, with their sweet, cereal-like taste, are a popular milk alternative. But a large proportion of these products are produced abroad or manufactured here in Switzerland using imported oats. Not so with the oat products from our vegan brand beleaf. These drinks and yogurt alternatives use oats produced regionally in Switzerland as their key ingredient. We are therefore not only generating local added value; we are also improving our ecological footprint thanks to short transport routes, with Swissness as a mark of differentiation.





Five times gold

At the World Cheese Awards (WCA) in Ovideo, Spain, 26 cheese specialities from Emmi achieve a place on the podium. Five of them even win a gold medal, such as Kaltbach Rahmkäse, which is matured in the sandstone cave. As a producer of a wide variety of specialty cheeses and Switzerland's largest cheese trader, Emmi markets its cheeses around the world and uses the annual WCA platform to inspire people to enjoy cheese.

McDonald's names Emmi supplier of the year

We have been supplying McDonald's Switzerland with selected specialties for almost 20 years. The quality of this long-standing relationship is also reflected in the results of the company's annual supplier audit, with the chain – which was founded in 1940 as a snack bar – awarding Emmi "Supplier of the Year 2021". Emmi achieves a score of 100% – something no partner has ever achieved before.

"AOP eco-cheese" network in Kaltbach

Our cave masters in Kaltbach are now using solar energy and a local "AOP eco-cheese" network to produce our cheese specialties – from the farm, through production in the cheese dairy, to cave maturing. The centrepiece is a new photovoltaic system installed on the production building in Kaltbach. This complements the solar-powered production of Emmentaler AOP at the nearby traditional Schlierbach cheese dairy, whose local milk suppliers are also increasingly switching to solar energy.



Number 1 in the US feta market becomes part of Emmi

Emmi acquired Athenos, the number 1 in the US feta business, strengthening our strategically important specialty cheese business in our most important foreign market. The Athenos feta range perfectly complements the extensive selection of high-quality, locally produced as well as imported specialty cheeses in our business in North America. We are also creating additional export opportunities for Swiss cheese thanks to our strengthened distribution capacity.



Advancing sustainable solutions

Sustainability is a core element of our business model, and now also part of the Emmi Group strategy. Because without a balance between nature and people, our future remains fragile.

The impact of human activities on nature and climate is becoming increasingly clear and we see ourselves confirmed to link economic, social and ecological aspects.

In this way, we are also meeting societal expectations and laying the foundations for our long-term success and added value for our stakeholders, especially in rural areas.

Our sustainability model

Committed to this principle and our tradition of making high-quality dairy products while respecting nature, people and the environment, we further ramped up our commitment to sustainability in 2021.

The new Emmi sustainability model takes into account all relevant issues and includes ambitious targets in the areas of employees, communities and the planet. These range from fostering employee development, through establishing a sustainable dairy industry and reducing emissions, waste and water consumption, to forging a science-based CO₂ reduction pathway based on our netZERO 2050 vision.

Consistently driving progress

While we were able to fill 45% of vacancies in Switzerland with internal candidates in 2021, the total number of employees with a development plan is slightly below the previous year at 58%.

We are making good progress in the area of sustainable dairy. In Switzerland, 94% of the milk we process is now produced sustainably according to the “swiss-milk green” standard. At the same time, we have developed scientifically based indicators in the aim of gradually making milk production more sustainable in our international markets as well. We have been able to reduce greenhouse gas emissions in relation to the volume produced per metric ton, as well as absolutely

on an adjusted basis (-30%) compared to baseline 2014. This was primarily due to the targeted expansion of district heating and solar power, and also to the conversion of additional sites to renewable power. However, as a result of acquisitions, the total reduction of 20% was slightly lower than in the previous year.

Overall, we are satisfied with the 22% reduction in waste compared to the 2017 baseline, as well as the continued avoidance of landfill waste. The newly established focus area of water is also gaining momentum, with a reduction of 3% in risk areas and as much as 12% in adjusted terms. Here, initial pilot projects in California and Tunisia are showing results. In non-risk areas, acquisitions have led to a 2% increase using 2019 as the baseline.

Developments in the area of food waste remain below expectations. Increased efforts in consumer information and the use of safe-to-eat imperfect or expired products in our factory stores are being flanked by the ongoing search for a sustainable method of utilising whey.

Looking towards the future

In view of climate change and social as well as environmental issues, we see it as our responsibility as a major player in the dairy industry to help solve these collective challenges together with our dairy farmers, suppliers and partners.

This innermost conviction is the source of the Emmi Purpose. In order to meet this target and achieve our ambitious goals, sustainability is now also a core element of our strategy. In this way, we can take measures more quickly and promote responsibilities on a wider basis, and gauge complex requirements in the interests of future generations.

Promoting climate awareness in the coming generation

Raising people's awareness of sustainability is important to us. We put a focus also on our youngest employees. As part of the MyClimate Company Challenge, 32 apprentices from all Swiss locations once again worked on practical solutions for climate action and energy efficiency. This has resulted in a pool of valuable ideas, for example for reducing food waste, forming car pools, generating solar power and using water-saving equipment.

Partner

myclimate

Climate-friendly cooling

Our subsidiary Mexideli has commissioned one of the first CO₂ refrigeration plants in Mexico. The use of the natural refrigerant CO₂ and the efficient recovery of waste heat together significantly reduce the CO₂ emissions of the newly commissioned logistics centre. As a pioneer in the field, Mexideli is thus providing valuable impetus for the further proliferation of this climate-friendly technology in Mexico.



Saving valuable water

The careful use of water is becoming increasingly important due to climate change and therefore also takes top priority at Emmi and our subsidiaries. Thanks to targeted savings and optimisation measures, our Spanish Group company Kaiku was able to reduce its water consumption by 31% compared with the base year 2019. Emmi Roth also made pleasing progress in the US state of Wisconsin, with a 43% reduction. At our Swiss sites, too, we were able to further reduce overall water consumption with targeted projects for continuous optimisation.



Above-average climate rating

CDP is a non-profit organisation that has been collecting and evaluating environmental data from companies on CO₂ emissions, climate risks and reduction strategies for over 20 years. In its 2021 rating, Emmi improved once again to level "B" and remains above average for the food industry.

CDP also names Emmi among the leaders in its commitment to a sustainable, net-zero future across the entire value chain.

CDP

Fighting food waste together

With the aim of further reducing food waste at all levels, we have stepped up our collaboration with "Too Good To Go". We are now also using their app in our factory stores in Switzerland, helping to keep safe food in circulation for longer. The number of our products labelled "Often Good for Longer" in Switzerland, Germany, the United Kingdom and Spain has also continued to grow.

Partner

Too Good To Go

Net zero focus

In order to make our contribution to limiting global warming, we have launched our vision netZERO 2050. A science-based, SBTi-validated CO₂ reduction pathway shows us how we will get there. Our focus is on further progress in energy efficiency and the expansion of renewable energies, as well as measures in the upstream value chain in close cooperation with our milk suppliers and partners.

» emmi.com/sustainability



Sustainable partnership

Building on our tradition, Emmi is pursuing a broad sustainability model with ambitious goals. In place since 2016, our partnership with WWF Switzerland has played a key role in this process. WWF will continue to provide Emmi with strategic support on the way to achieving our ambitious goals in the areas of climate and energy, food waste and establishing a sustainable dairy industry beyond Switzerland. The successful partnership has been extended until 2024.

Partner



Climate-friendly milk

Mitigating the negative impacts of climate change and making the Swiss dairy industry competitive in terms of climate action and resource efficiency: these are the goals pursued by the “KlimaStaR Milk” industry initiative. Emmi, Nestlé and the producer organisations aaremilch and the Central Switzerland Milk Producers Cooperative (ZMP) are the initiators of this project, which is supported as a public-private partnership by the Federal Office for Agriculture. The School of Agricultural, Forest and Food Sciences at Bern University of Applied Sciences and ETH Zurich act as scientific partners.



Achieving more together

The Emmi sustainability model supports nine of the total 17 United Nations Development Goals. These range from sustainable employment prospects and development opportunities (SDG#8), through climate action measures (SDG#13), to the promotion of sustainable agriculture and dairy farming (SDG#2). In this way, we support the goals of the United Nations to address major global challenges such as climate change, poverty and environmentally sustainable growth.



Ready today for the challenges of tomorrow

Backed by our values, a unique culture and a leadership style that respects and values employees, we create attractive prospects for everyone.

In this second year of the pandemic, Emmi again benefited from its longstanding focus on employee development and values-based leadership, resulting in a committed and resilient workforce. Bound together by a strong culture and shared values, our teams are not afraid of hard work, they think for themselves and they are constantly refining their skills. Together, they ensure that the best dairy moments become Emmi moments.

Good prospects for everyone

Attractive development prospects that build on our values and a leadership culture that inspires employees to make full use of their abilities remain key to our success. Opportunities to develop in the job, a wide range of internal learning opportunities, and cross-divisional and international programmes offer an array of prospects for the future. We have set up a new “development island landscape” to convey the message that lifelong learning can come in many different forms and inspire people to take an active role in shaping their individual development.

A modern and agile working environment

In addition to attractive prospects, we also want to offer our teams a modern, contemporary environment and agile ways of working together. One of the key milestones here is the newly created access to the digital Emmi world for all employees – even for those without a computer at their workplace. This brings the Emmi family even closer together. At the same time, the experience of the last few years has shown that interdisciplinary and mixed teams achieve better results. With this in mind, we take great care in building heterogeneous project teams and are strongly committed to appointing more women to management positions.

A healthy and resilient approach to change

Digitisation, automation, working from home, professional development and greater autonomy all involve considerable changes. In this environment, values-based leadership and targeted mentoring for all staff is more important than ever. We promote and

support the health of our employees with regular leadership tips, resilience training, awareness campaigns on accident prevention, ergonomic advice and the “Let’s move” campaign.

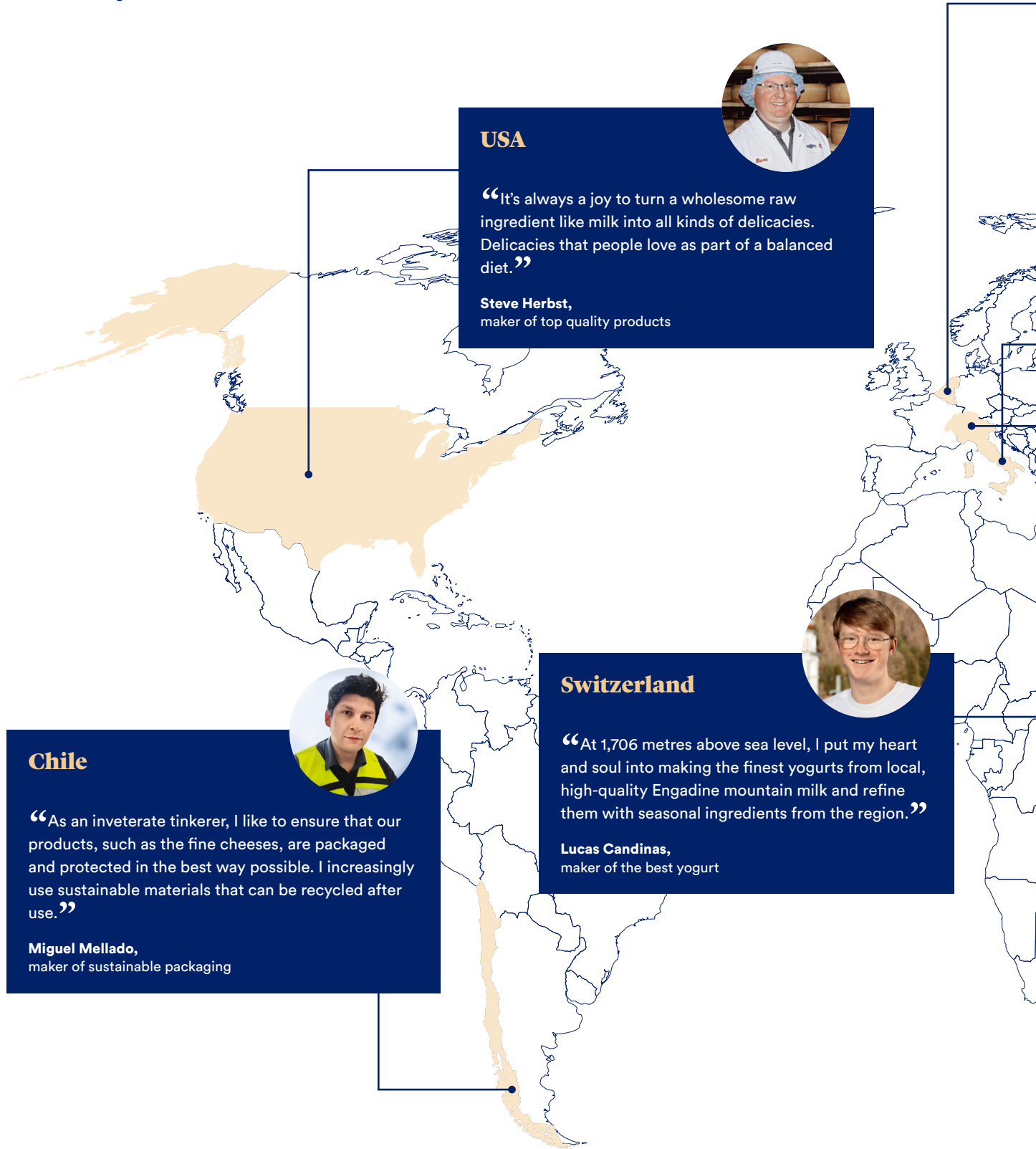
Actively doing good

While the pandemic limited our freedom of movement, our “Let’s move” campaign inspired Emmi employees to get active for a good cause. Our teams have walked, run or cycled over 170,000 kilometres. Emmi’s donations per kilometre amounted to CHF 15,000 in total and enabled 300 children to take part in play-based educational programmes run by the aid organisation “Right to Play” for over a year.

Staying connected

Providing rapid, regular and transparent information and pushing back against the virus with our optimistic outlook, including in the way we communicate. In line with this maxim, we set up special interactive communication and exchange channels, further promoting the strong sense among employees of being part of the Emmi family. This strengthened the resilience of our teams around the world despite the distance between them and facilitated learning between teams. The Swiss Association for Internal and Integrated Communication (SVIK) awarded Emmi its “golden feather” for this achievement.

Makers of the best dairy moments



USA

“It’s always a joy to turn a wholesome raw ingredient like milk into all kinds of delicacies. Delicacies that people love as part of a balanced diet.”

Steve Herbst,
maker of top quality products

Chile

“As an inveterate tinkerer, I like to ensure that our products, such as the fine cheeses, are packaged and protected in the best way possible. I increasingly use sustainable materials that can be recycled after use.”

Miguel Mellado,
maker of sustainable packaging

Switzerland

“At 1,706 metres above sea level, I put my heart and soul into making the finest yogurts from local, high-quality Engadine mountain milk and refine them with seasonal ingredients from the region.”

Lucas Candinas,
maker of the best yogurt

Our values – the foundation of our unique culture.



We are Emmi



We are continually developing



Benelux

“I’m always looking for new ways and methods to help our teams grow and learn. To ensure that each and every person at Emmi has the best development opportunities available to them today – to be ready for tomorrow.”

Irena van Binsbergen – Ewijk,
maker of the best teams



Italy

“Taking an idea from development through to the finished product – that is the product developer’s art. Even if it doesn’t look like anything can be improved, we continue to work away until we’re sure the product is just right. These are the standards we set for ourselves. This was exactly the way we created our vegan Tiramisù. A delicious treat in my humble opinion!”

Paolo Ravetta,
maker of the most innovative desserts



Switzerland

“I’m the lucky pioneer driving one of the very first ecofriendly hydrogen-powered trucks on our roads. I’m extremely proud to do so as it means we can deliver our great products without generating any CO₂ emissions. This is my contribution to our netZERO 2050 vision.”

Walter Baumgartner,
maker of a carbon-neutral future



Emmi Group

“Together with our partners, I ensure that we keep the local standards for milk production worldwide well above the average. By 2027, we want to be processing only sustainable milk in every country, generating local added value and respecting planetary boundaries.”

Laura Jakobeit,
maker of sustainable milk



We know how



We are market-oriented



We are proactive and
we are not afraid of hard work

Converting trends into growth

Millions of people put their trust in our brands and the quality of our products every day. This is a privilege we honour with differentiated brand concepts and relevant innovations.

We have successfully developed our portfolio of premium products in established and, increasingly, emerging markets along strategic growth lines. Our agile and networked teams were able to respond quickly and successfully to persistent uncertainties and pronounced changes in lifestyle, consumption and purchasing patterns.

Successful core brands

Our Emmi Caffè Latte and Kaltbach brands in particular once again enjoyed growing popularity among consumers and are emblematic of our ability to lead the market with relevant innovations. While seasonal and further lower-calorie varieties were the trump cards for Emmi Caffè Latte cold beverages, Kaltbach continued to grow with cave-aged cheese specialties both inside and outside Switzerland.

Among our national concepts, Emmi Energy Milk with its high protein products and the Emmi Jogurt Pur range, which is based on just three selected ingredients, performed well.

Differentiated brand portfolio

While we continued to establish our premium products in the important US market – for example, with the Roth® Grand Cru cheese brand – and strengthened our portfolio with the acquisition of the Athenos feta business, the good results achieved by Vitalait in Tunisia underline our ability to develop markets profitably and scale proven products successfully.

Our innovative dessert brands also performed well. Top among these were the Rachelli premium products in Italy and the Emmi Dessert USA range, which we are likewise using as a conduit to introduce the first products from our Italian dessert network to the world's largest dessert market, the US.

Seduction of the finest kind

Our Italian dessert brand Bontà Divina is synonymous with tempting dessert creations. The innovative “caramel macchiato” product inspired by Italian coffee bars, which has enjoyed strong demand and great commercial success, picked up one of the winner's awards at the 2021 Italian Food Awards for its creative packaging in a glass cup.



Recycled plastic

As part of our sustainability model, we are committed to establishing a circular economy. By 2027, we want to switch to recyclable packaging and increase the share of recycled materials in our product packaging to at least 30%. In a pilot project, we have introduced the first cups with a proportion of recycled polypropylene content for our Emmi Caffè Latte range.





Our vegan range also continued to benefit from the trend towards plant-based nutrition. We significantly expanded the presence of our vegan brand beleaf in Switzerland (which is also available in Germany, Austria and the Netherlands) and built up the “My Love my Life” brand in Austria and Germany.

Acting with an eye on tomorrow

With future generations in mind, our brands have also continued to focus on the growing need for sustainable moments of indulgence. In Spain, Kaiku raises awareness of foods produced regionally, using locally produced milk, which it labels as “Km0”. While Emmi Aktifit packages its health-promoting drinks in bottles made of recyclable polypropylene.

By using our passion for the best dairy moments today to take responsibility for tomorrow, we are continuing to invest in the trust in our brands and the foundation of our long-term success.

Authentic personalities

The Swiss ski racer Wendy Holdener has been Emmi Caffè Latte’s figurehead since 2016. And since summer 2019 she has been joined by the Swiss beach volleyball European Champions Brunner and Hüberli. Swiss musician and TV personality Stefanie Heinzmann is now also acting as brand ambassador for our vegan brand beleaf. What all these celebrities have in common is that they are down-to-earth, likeable, aligned with Emmi’s values and committed to sustainability.

170 million units

When it comes to cold coffee beverages, Emmi Caffè Latte has established itself as the benchmark in key European markets. Our baristas at the main Emmi Caffè Latte plant in Ostermundigen, Switzerland, broke the record of 170 million units filled for the first time. The 2021 novelties Double Zero Macchiato without added sugar or sweeteners and an El Salvador Limited Edition proved particularly popular.



Regional anchoring as key advantage

High input costs and bottlenecks at suppliers placed high demands on Emmi. Thanks to good planning, regionally integrated supply chains and an agile organisation, we weathered the storm.

Emmi has naturally not emerged unscathed from soaring prices in parts massively above long-term trends for many commodities, raw materials, logistics and energy, not to mention the general inflationary environment. In addition to adverse cost implications, this also resulted in challenges due to limited availability and longer delivery times.

Acting with foresight

Thanks to forward-looking planning and continuous optimisation of production, procurement and logistics, we were able to offset most of the additional costs. Without compromising on quality and safety, we have been able to supply people with high-quality and increasingly sustainably produced food at all times.

In this volatile environment, the investments we initiated in 2019 in efficient procurement across divisions and companies also paid off. Working closely with our regional partners, our agile teams were thus also able to ensure the resource- and environmentally-efficient operation of our more than 50 production plants worldwide.

Strengthening our network approach

As a matter of policy, we also continued to promote a Group-wide dialogue and close local cooperation beyond our supply chain organisation. This will allow us to continue to exploit the potential for efficiencies and ensure access to high-quality, regionally produced raw materials.

This network approach, which is based on a culture of cooperation and excellence, is already bearing fruit, whether in terms of development prospects for staff, the streamlining of existing processes or the integration of new companies. We see a strong network, backed up by committed and highly competent people, as the basis for sustained excellent results in the future.

Triple win

In order to further reduce emissions, transport kilometres and costs, and supply our customers even faster and more flexibly, we optimised our goods flows in the business division Europe. Compared with 2020, we reduced our transport kilometres by around 16% or a total of 2 million kilometres and cut costs by just under 10%.

Pioneering factory in Modena

A state-of-the-art production site for chilled dessert specialties and baked goods is being built in Italy. This first-ever net-zero production facility by design will create synergies and multiply know-how in our international dessert network as a future “innovation centre” for the food service sector.

Quality offensive

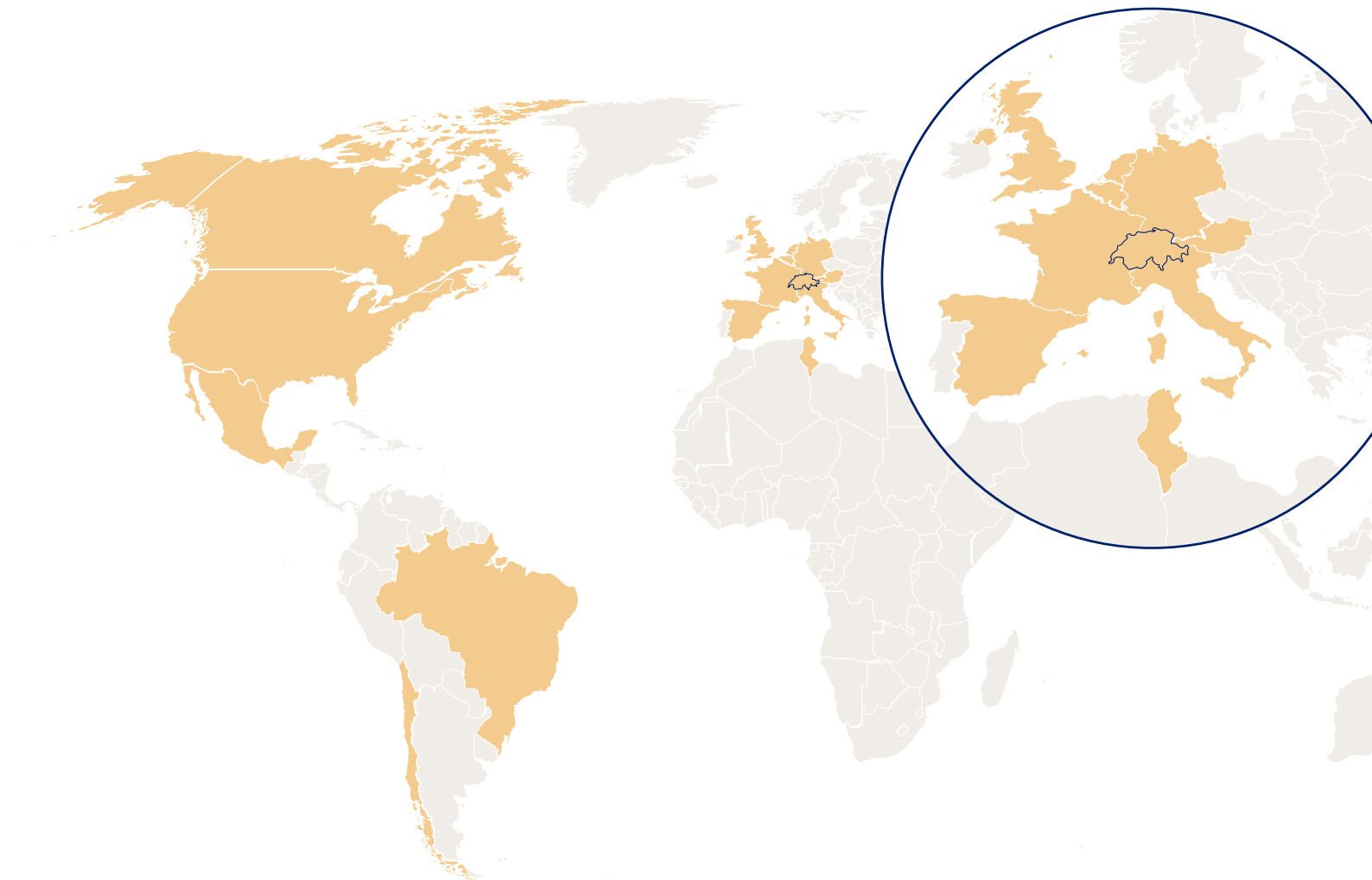
We have rigorously tested the quality management processes at all our European production sites. The good results testify to the expertise of our teams and their passion for producing exceptional products and creating the best dairy moments day after day.

Local roots, international reach

Close to the market, agile and founded on networked collaboration – these are the principles at the heart of our organisation's success.

From a regionally based organisation, 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 25 production sites in Switzerland and 8 abroad.

Our products are exported from Switzerland to around 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.



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This is a short version of the Emmi Group Annual Report 2021 containing an identical extract of the full document available on emmi.com and made available to our shareholders.

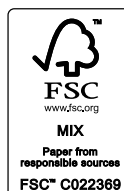
The Annual Report is published in German and in English. The German version is binding.

The Annual Report or any part thereof do 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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