

Best dairy moments

Annual Summary Report

2022



Online report

The full version of the Emmi Annual Report and the Summary Annual Report for 2022 are also available online:
report.emmi.com

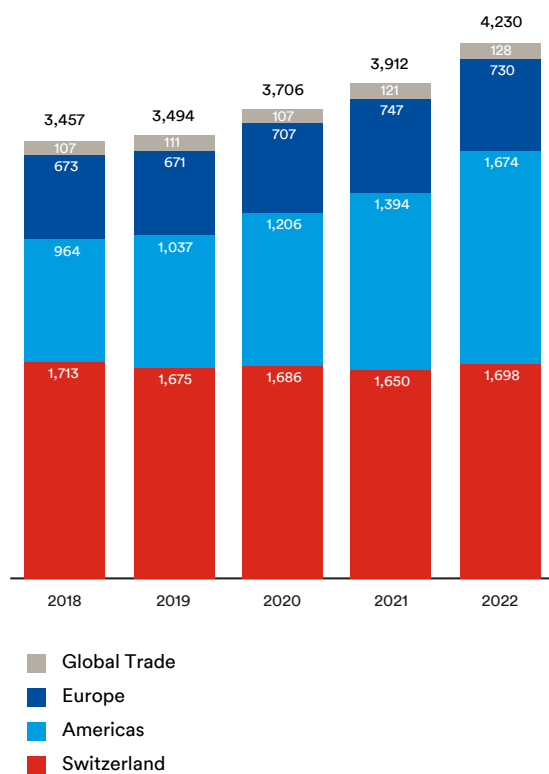
Key figures Emmi Group

in CHF million	2022	2022 adjusted ¹⁾	2021
Net sales	4,230		3,912
Sales development in %	8.1		5.6
Net sales increase in organic terms in %	7.0		3.6
Acquisition effect in %	2.1		2.3
Currency effect in %	-1.0		-0.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	379.3		394.7
as % of net sales	9.0		10.1
Earnings before interest and taxes (EBIT)	253.0	266.1	284.1
as % of net sales	6.0	6.3	7.3
Net profit	182.5	194.3	216.7
as % of net sales	4.3	4.6	5.5
Investment in fixed assets (excl. acquisitions)	206.2		152.6
as % of net sales	4.9		3.9
Headcount (full-time equivalents) as at 31.12.	9,368		9,230
Headcount (full-time equivalents) at yearly average	9,299		8,868
Net sales per employee in CHF 000s (average)	455		441
	31.12.2022		31.12.2021
Total assets	2,635		2,471
of which shareholders' equity incl. minority interests	1,284		1,182
as % of total assets	48.7		47.8
Market capitalisation	4,189		5,756

¹⁾ The adjustment effect in the year under review relates to an impairment of non-current assets at Gläserne Molkerei. This amounts to CHF 13.1 million on EBIT and CHF 11.8 million at net profit level. There were no significant non-recurring effects in the previous year.

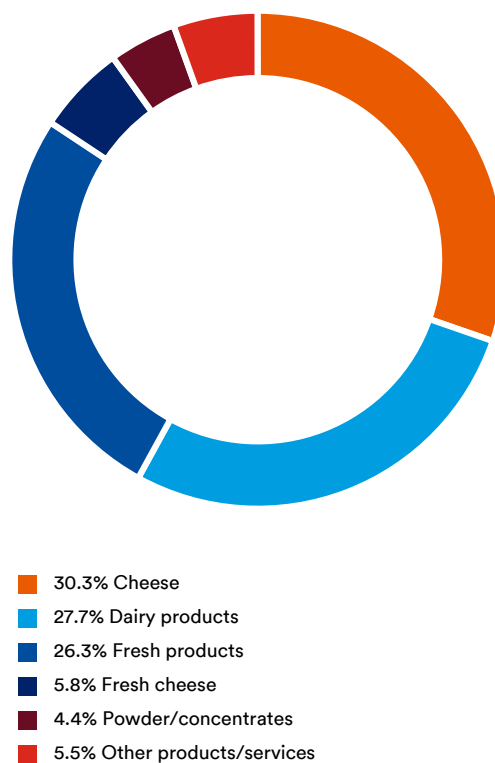
Net sales

in CHF million

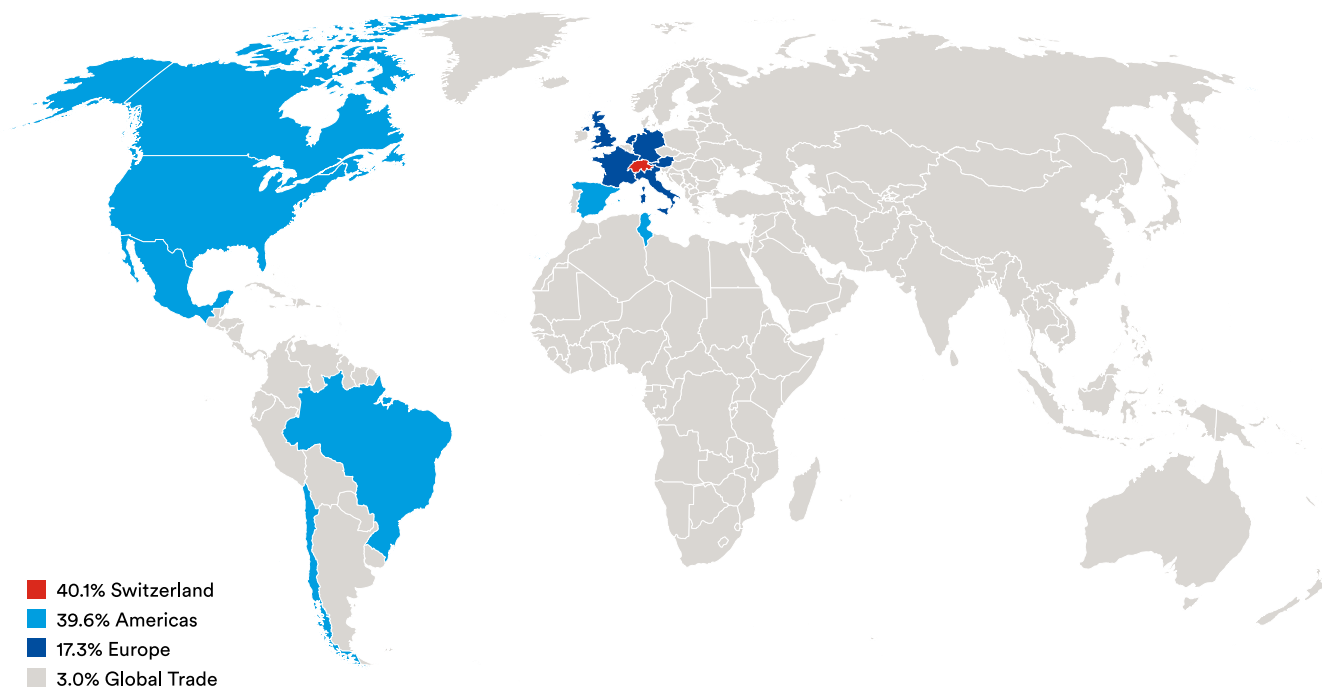


Since 1 January 2022, the companies in France have been part of the division Europe (previously division Americas). The previous year's figures have been restated accordingly.

Net sales by product group

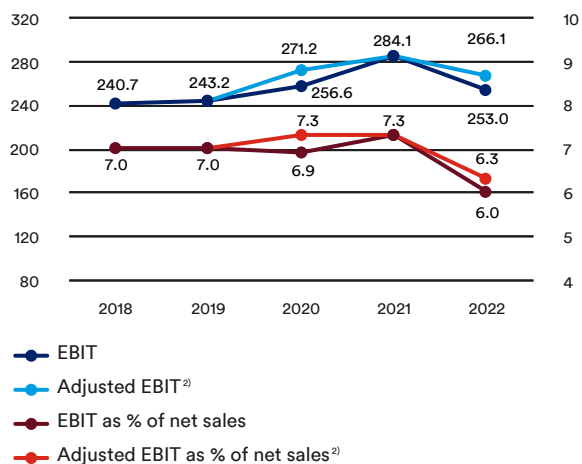


Net sales by division



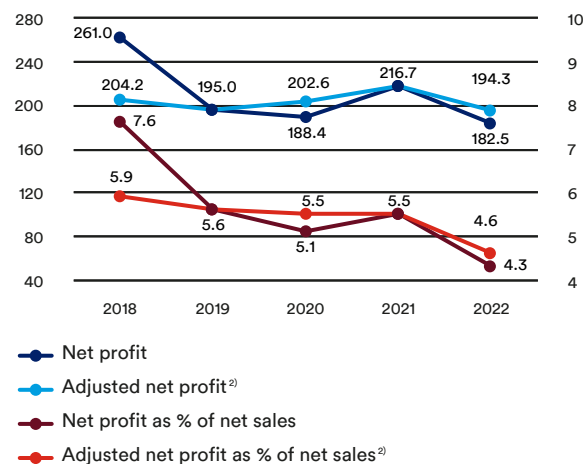
EBIT

in CHF million
(previous years restated)¹⁾ as % of net sales



Net profit

in CHF million
(previous years restated)¹⁾ as % of net sales



¹⁾ Previous-year figures for 2018 to 2019 restated due to change in the consolidation and accounting principles for goodwill in 2020.

²⁾ The adjustment effect in the year under review relates 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., and the one 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



Developing employees

100% of employees have a development plan in place

International¹⁾

46%

Switzerland

75%

Previous year: 58%

50% of all vacancies are filled by internal candidates

International¹⁾

29%

Switzerland

37%

Previous year: 45%



Reducing water use

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

1%

Previous year: 3%

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

-7%

Previous year: -2%



Reducing emissions

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

28%

Previous year: 20%

Vision netZERO 2050

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

-3%

Previous year: -2%



Reducing waste

50% reduction in waste (vs. 2017)

22%

Previous year: 19%

Zero waste disposal in landfills

11%

Previous year: 4%

50% reduction in waste (vs. 2017)²⁾

18%

Previous year: 13%

100% recyclable packaging^{1), 2)}

45%

30% recycled materials in plastic packaging^{1), 2)}

4%



Sustainable dairy

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

International¹⁾

initiated

Switzerland

87%

Previous year: 85%

Further development of the Swiss industry standard

Provisional target achievement levels as at 31.12.2022

¹⁾ Considered for the first time (without prior-year figure) | ²⁾ Currently only Switzerland considered | ³⁾ Corrected due to new data basis

The best dairy moments – dear to our hearts

Emmi is shaped by its responsible approach and passion for carefully produced, high-quality dairy products. And our purpose expresses this. Day in, day out, our more than 9,000 MAKERS of the best dairy moments do their bit to ensure that things stay this way – for our consumers, for customers and partners, and for society as a whole.

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

Alina Fischer
Trainee road
transport specialist

As part of her apprenticeship, Alina drives a carbon-neutral truck, contributing to a sustainable future.

› Page 14–15



Burton Christenson
Head Packaging

The sustainable initiatives developed by Burton reduce food waste and also our water consumption.

› Page 16–17



Stefania Cheng
Junior Product Manager

As part of the Emmi talent programme, Stefania receives support and encouragement while being trained to become a manager of tomorrow.

› Page 18–19



Alain Gabiña
Brand Manager Begetal

Alain inspires people with plant-based, sustainably packaged products made from natural ingredients.

› Page 20–21



Bernhard Ledermann
Team Leader Fresh
Products

Using freshly brewed coffee and high-quality Swiss milk, Bernhard produces delicious Emmi Caffè Latte creations.

› Page 22–23

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Konrad Graber
Chairman of the Board (left)

Urs Riedener
CEO (right)

Dear Shareholders

In the year under review, risks we thought had been overcome resurfaced – from inflation, an energy shortage and geopolitical confrontations, to a war in Europe. Reinforced by pandemic-related uncertainties, Emmi had to withstand the resulting upheavals with determination. Our teams did just that, acting thoughtfully and demonstrating extraordinary passion, expertise and flexibility. Alongside our enhanced strategy and supported by a culture of cooperation, we succeeded in maintaining business momentum and inspiring people with our high-quality products and unique brands.

› Our people, page 18–19

Robust business model

Emmi turned in a respectable performance in this challenging environment. With broad-based organic, higher-than-expected sales growth of 7.0%, we exceeded the historical 4-billion sales threshold for the first time. The CHF 4.2 billion in sales reflect how rigorously we have implemented our strategy and our differentiated market positions with innovative brand concepts and a

balanced product, country and customer portfolio.

› Our strategy, page 9

Our international business continued to display high momentum, with organic growth of 13.1% in the division Americas and 6.7% in the division Europe. In particular, our growth markets of Brazil, Mexico and Chile, along with the USA and Spain, made significant gains. Thanks to leading brand concepts and close co-operation with our customers, as well as recovered momentum in the food service and industry business, we also recorded pleasing organic growth of 2.9% in the Swiss domestic market.

Attractive brand and niche businesses

Activities in strategic niches once again proved to be a major growth driver, particularly ready-to-drink coffee with our flagship brand Emmi Caffè Latte and premium desserts with Italian dessert creations. The speciality cheese business did not quite reach the pandemic-related record levels seen in previous years in the counter segment in Europe, which is an

important channel for Emmi. However, our vegan brands Beleaf in Switzerland and Begetal in Spain were able to further expand their base for plant-based milk alternatives.

› Our brands, page 20–21

Thanks to the seamless integration of Athenos, the leading feta business in the USA, we were able to expand our range of speciality cheeses in the most significant foreign and key market for Emmi, and also reach new customers. In Switzerland, we believe we are well equipped for further growth thanks to the successful inauguration of our new resource-efficient, ultra-modern large cheese dairy in Emmen. As part of the transformation of our portfolio, we also announced the divestment of our minority stake in the Italian cheese specialist Ambrosi S.p.A., which has no longer a strategic priority.

Purchasing costs dampen results

In response to the dramatic increase in purchasing costs for raw and packaging materials, as well as energy and logistics services, we have further accelerated our efficiency programme at all levels. Thanks also to continued strong discipline in our cost management, we have succeeded in absorbing some of the additional costs. Together with necessary sales price increases we managed to deliver adjusted earnings within the range announced halfway through the year, with significant improvements in the second half of the year.

› Our operations, page 22–23

The operating result at EBIT level amounted to CHF 253.0 million, or CHF 266.1 million adjusted for an impairment at Gläserne Molkerei as a result of structural market changes. On the basis of adjusted values, this corresponds to a decline of CHF 18.0 million and an EBIT margin of 6.3% (previous year: 7.3%). Net profit amounted to CHF 182.5 million

“At Emmi, we will continue to act thoughtfully and responsibly also in future.”

Konrad Graber

(adjusted: CHF 194.3 million) and the net profit margin was 4.3% (adjusted: 4.6%). In the previous year, the net profit stood at CHF 216.7 million and the net profit margin at 5.5%. In view of our strong positioning, solid balance sheet and sound prospects, and in the interests of a continuous dividend policy and dividend growth, the Board of Directors is proposing to increase the dividend by 3.6% to CHF 14.50 per share (previous year: CHF 14.00).

Uncertain outlook for 2023

The outlook for 2023 remains subject to economic uncertainty and recessionary risks. In contrast to inflation, it is likely that purchasing costs have not yet reached their peak. At Emmi, we will therefore continue to exercise discipline and take our usual forward-looking approach to tackle the sustained cost pressure with intensive productivity measures alongside responsible sales price increases. We will also continue to drive forward our ongoing strategic development. For the financial year 2023 we are anticipating organic sales growth of 3% to 4%, which remains above medium-term expectations of 2% to 3%. In Switzerland, growth is likely to be 1% to 2%. Boosted by inflation, international business is expected to grow by 6% to 8% in the division Americas and 3% to 5% in the division Europe. At EBIT level, despite sustained cost pressure, Emmi is anticipating a result of between CHF 275 million and CHF 295 million and a net profit margin in the range of 4.5% to 5.0%.

Acting responsibly

Extreme weather and natural disasters in the previous year continued to make the risks of climate change feel ever-present. This confirmed us in our belief that acting sustainably and linking economic, social and environmental aspects remains essential. As a result of this conviction, also expressed by the Emmi Purpose, we have made our long-term commitment to sustainability an integral part of our strategy. Consequently, we continued to invest time, effort and resources in shaping our products, processes and value chain more sustainably in 2022.

“Emmi turned in a respectable performance in an extremely challenging environment.”

Urs Riedener

We made particular progress in decarbonising our energy supply and reducing our greenhouse gas emissions. We

also co-initiated the “KlimaStaR Milk” industry initiative in Switzerland, and have recently joined the international “Pathways to Dairy Net Zero” initiative. This enables us, in cooperation with over 100 private, public and scientific protagonists, to accelerate the development of evidence-based methods for reducing greenhouse gas emissions in milk production.

› Our responsible business model, page 14–17

Continuity in leadership

Today, Emmi is on a very firm footing, both strategically and operationally, and is well positioned as an internationally successful manufacturer of premium dairy products. After almost 15 years in our roles as CEO and Chairman of the Board of Directors of the Emmi Group, we believe this is the ideal time to put responsibility for Emmi’s future path into new hands. As announced, Ricarda Demarmels started her new role as CEO at the turn of this year.

Together with a strong management team and over 9,000 employees, she is ideally qualified to carry forward Emmi’s success.



Change of CEO

On 1 January 2023, Ricarda Demarmels succeeded Urs Riedener as CEO of the Emmi Group.

The HSG graduate previously served for several years as Chief Financial Officer and as Member of Group Management at Emmi, helping to steer our strategic and operational development. Before that, she held management positions at various food, investment and strategic consultancy firms.

The 43-year-old hails from the Grisons, has two daughters and lives with her family in central Switzerland.

Konrad Graber
Chairman of the Board

Urs Riedener
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.

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.

Information on the Emmi sustainability model, our goals and the progress we have made to date, along with the Emmi Sustainability Report, can be found at emmi.com/sustainability

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.

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.

Stakeholdermatrix

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.

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.

This and further information can be found at
 › emmi.com/sust-expert or downloaded from
 › emmi.com/download-center

Our highlights



Working together to make sustainable milk the norm

Gaining new, scientifically backed insights, and making the Swiss dairy industry more competitive in terms of climate action and resource efficiency: these are the goals pursued by the KlimaStaR Milk industry initiative, which we launched together with Nestlé and our milk suppliers aaremilch and the Central Switzerland Milk Producers Cooperative (ZMP). The project is supported by the Federal Office for Agriculture (FOAG) and scientific partners, and comprises around 240 agricultural pilot operations.

Blazing a trail in the goat's cheese market

The American supermarket chain Whole Foods chose Cypress Grove as the best supplier in 2022 in the Outstanding Innovation category. The goat's cheese manufacturer is breaking new ground with its refined cheese specialities, featuring innovative combinations like lavender and fennel seed and classics containing a layer of ash. The prize is awarded to manufacturers that make pioneering, innovative products that are setting new trends in the industry.

New purpose and enhanced strategy

Taking responsibility for the long term: our new purpose expresses this innermost conviction and guides our actions – today and in the future. Together, we create the best dairy moments – today and for generations to come. We have also enhanced our proven strategy and integrated future issues and the changing needs of our stakeholders even more firmly within our business model.

Emmi desserts sweep the board

The dessert creations by Emmi Dessert USA and our Italian manufacturer Pasticceria Quadrifoglio won three awards at the renowned Food & Beverage Innovator (FABI) Awards in the USA. The FABI Award recognises companies that have developed extraordinary food and drink products. These must stand out in their respective categories for their new flavours, taste profiles, creativity and innovative potential.





Pioneering role includes vegan cheese alternatives

Emmi is blazing a trail with Beleaf's innovative vegan, oat milk-based semi-hard cheese alternative, and is expanding its range in the growing segment of plant-based milk alternatives. Thanks to a sophisticated fermentation process and the addition of plant-based proteins and Swiss oats, the product is a viable alternative to the original in terms of both taste and nutritional value.

Emmi Dessert Italia wins organic prize

Rachelli's chilled tiramisu received the renowned "Bestes Bio 2023" award in Germany, which is bestowed each year for the best organic product. Rachelli, a premium brand from Emmi Dessert Italia, is a pioneer in authentic Italian dessert creations that use selected, organically produced ingredients and ethical production methods. This recognition shows the innovative strength of Emmi's Italian desserts.

Seamless integration of the Athenos feta business

Following the acquisition of the Athenos business in 2021, the leading speciality cheese on the US feta market was quickly and successfully integrated into Emmi Roth USA. This has enabled Emmi to systematically expand its portfolio in the strategic area of speciality cheese and in our most important foreign market. The integration also creates synergies and additional efficiency gains, further strengthening Emmi Roth's market position.



Pioneering solar thermal system

Emmi is the first Swiss private company to bring an industrial solar thermal system made by Geneva-based company TVP into operation. At the Langnau site, where products including the Gerber fondue specialties are made, the system converts sunlight into carbon-free heat using around 100 solar thermal collectors. This step towards netZERO has enabled us to further decarbonise our energy supply.



A role model in sustainability

Sustainability is an established component of our business model, and now also part of our strategy. Only by treating people and nature with care we can continue to create the best dairy moments for generations to come.

More extreme weather and natural disasters continued to highlight the risks and threat of long-term damage from climate change in 2022. We are therefore increasingly convinced that we need to act sustainably with regard to economic, social and ecological concerns. By working closely with our milk suppliers and partners, and by involving our consumers in the process, we can safeguard what sustains us all – an intact natural world.

Our sustainability model in practice

This conviction has led us to make our long-standing commitment to sustainability an integral part of the enhanced corporate strategy. Based on the Emmi sustainability model, which is focused on the netZERO target, we aim to continue to operate our business in a resource-efficient, environmentally friendly and socially responsible manner.

To ensure we achieve this and make further progress, sustainability has been incorporated into the central business processes at all Emmi companies. We believe that this is the key to jointly achieving our ambitious sustainability targets in the areas of people, communities and the planet.

Progress and challenges

We are now recording the development of our teams in all Emmi markets and seeing pleasing progress. By 2027 we aim to provide all employees with a personal

development plan and fill half of all positions internally. In Switzerland, three out of four employees (+17% compared with the previous year) already have a personal development plan, and almost half have one at the international level. Group-wide, in the year under review we were able to fill almost one in three positions internally.

We are also making progress in the area of communities and our focus topic of sustainable dairy. All Emmi companies now have qualitative targets for more sustainable milk production. To ensure that this development is also quantitatively measurable, we are relying on a science-based catalogue of criteria, which one in four of our companies applies.

While the number of our milk suppliers that meet the “swissmilk green” industry standard increased slightly in Switzerland, the volume of milk processed according to this standard remained the same as in the previous year, at 94%. Together with industry organisations and partners in the value chain, we are working towards developing this standard further with a particular focus on climate protection, biodiversity and animal welfare. The KlimaStaR Milk industry initiative, which we initiated together with Nestlé, milk suppliers and scientific partners, has got off to a successful start. This initiative is specifically aimed

at making the Swiss dairy industry more competitive in terms of climate action and feed-food and land competition. In terms of the planet, a greater volume of renewable electricity, additional photovoltaic systems and district heating, along with more intensive reduction measures, have enabled greenhouse gas emissions (Scope 1 and 2) to be reduced by 10% compared with the previous year. By contrast, the increased loss of refrigerants and gas consumption had a negative effect. Scope 3 emissions remained virtu-

ally unchanged on the previous year. We are committed to making progress in this area in the future, with projects such as KlimaStaR Milk. We were able to reduce waste by 4% and reduce landfill waste by 7%. In order to meet our target of making all packaging recyclable by 2027, we established a relevant data set in the year under review. In Switzerland, our plastic packaging already contains 4% recycled materials and is around 45% recyclable.

**“I’m proud to drive
for Emmi and make my
contribution to a sustainable
future.”**

Alina Fischer

Trainee road transport specialist

📍 Emmen, Emmi Switzerland

Her three-year apprenticeship includes driving carbon-neutral trucks as part of the standard programme. Alina loves the dynamic, almost silent driving experience they offer.





“I work with the sustainability team to develop innovative solutions that reduce food waste and also our water consumption.”

Burton Christenson
Head Packaging

📍 Monroe, Wisconsin, Emmi Roth USA

As part of our sustainability model, Burton develops initiatives that reduce food waste, for example from production processes, and also our water consumption. In this way he contributes every day to reducing our ecological footprint.

We achieved a reduction in food waste of 5% in Switzerland. We also reduced our water consumption in risk areas by 6% in absolute terms.

Looking towards the future

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

on fossil fuels and make the process of manufacturing our milk products more sustainable. As a major player in the dairy industry, and in view of the extent and importance of the collective challenges facing us, we will continue to work together with our dairy farmers, suppliers and partners and move forward with commitment. At Emmi, we see bringing more sustainability to our value chain as a mandate to create long-term added value and take responsibility with future generations in mind.

A shared goal: netZERO in the dairy industry

To demonstrate our commitment to this ambition and our netZERO reduction path, Emmi has signed up to the initiative of the Global Dairy Platform (GDP): “Pathways to Dairy netZERO”. We have joined over 100 dairy industry companies, organisations and stakeholders from the worlds of science and research. In cooperation with this network and together with our milk suppliers, we can continue to move forward with commitment: working to improve and accelerate the development of evidence-based methods for the reduction of greenhouse gas emissions in milk production.

Biodiversity initiative: “Our meadows are alive!”

Healthy ecosystems are of prime importance for the dairy industry. It is with that in mind that our German subsidiary Gläserne Molkerei launched the pilot project “Our meadows are alive!”. The project aims to sustainably increase biodiversity over 8,000 hectares of agricultural land. Managed by participating pilot farmers, an average of 40% of the land covered by the project was found to contain valuable habitats for rare and endangered animal and plant species. The businesses also receive support for implementing protective measures.

Energy ecosystems

Together with regional partners, Emmi is planning at its site in Dagmersellen to establish a renewable energy ecosystem that is unique in Switzerland. It will be centred around a wood-fired power plant designed to generate heat and renewable electricity beginning in 2027. The project is an important step towards our CO₂ reduction targets.

Fighting food waste together

Together with other companies and associations, we are committed to the federal government’s target to halve food waste in Switzerland by 2030. This target is already incorporated in our sustainability model, but it gives an additional boost to the existing measures.

“Pact” to close cycles

By 2027, we aim to make 100% of our packaging recyclable and have closed-loop resource systems in place. Stakeholders throughout the value chain need to work together to achieve this. In order to move more quickly towards a sustainable circular economy for plastic packaging and drink cartons in Switzerland, we have worked with 50 stakeholders on a Swiss Recycling project, “Drehscheibe Kreislaufwirtschaft” (circular economy hub), to bring the “pact” initiative to life.

Climate-friendly energy

Our subsidiary Quillayes Surlat in Chile has installed a photovoltaic system on the roof of its cheese dairy. The electricity generated covers about 10% of the power consumption of the entire plant. This shows how we are scaling up our expertise with sustainable energy sources outside Switzerland, reducing our CO₂ footprint and switching to climate-friendly energy sources.

Milk in a sustainable food system

Establishing sustainable practices in the dairy industry is a complex process and requires cooperation along the entire value chain. This is exactly what Emmi Roth USA is intending with its “Dairy Sustainability Alliance” initiative. Involving multiple stakeholders in the US state of Wisconsin, the initiative aims to bring about systemic changes in the dairy industry. In connection with this, Emmi Roth is also conducting a study to measure the carbon uptake of soil on the land of its dairy farmers.

We are Emmi. Our approach is personal.

Our employees are part of one big family. They are our most valuable resource. A cooperative culture based on appreciation, varied employment and development opportunities, and targeted support of junior staff: it is vital to keep renewing the foundations on which our success is built.

Our unique corporate culture, which has developed over decades and is continuously evolving to reflect Emmi's values, is a key element of our success. Working

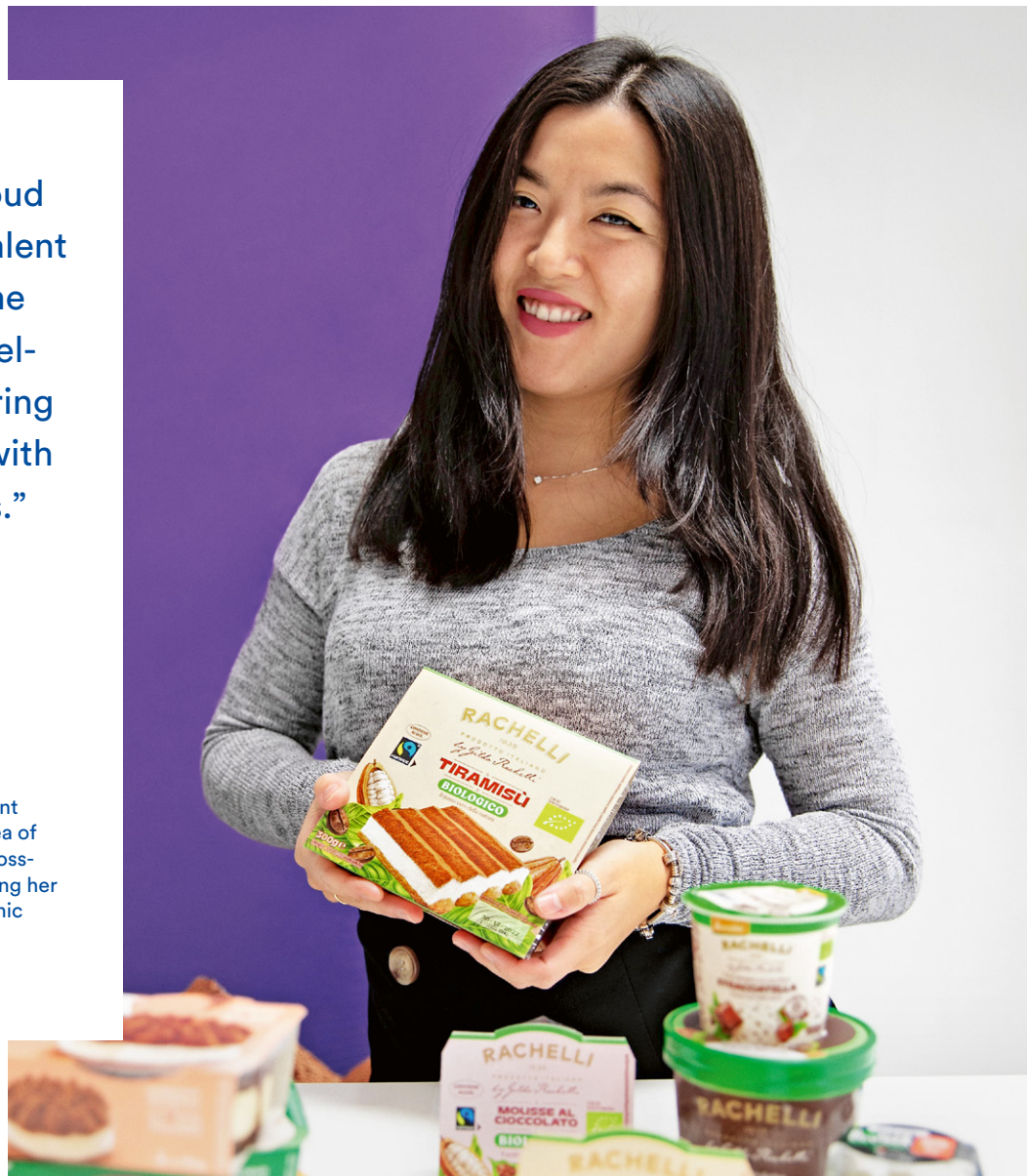
together with appreciation and in a spirit of collaboration is the cornerstone of this culture. It strengthens our bond, ensures we take shared responsibility for the

“As a food lover, I’m proud to be part of the Emmi talent programme. It gives me the opportunity to develop professionally and bring pleasure to customers with our delicious products.”

Stefania Cheng
Junior Product Manager

📍 Gattico (ITA), Emmi Dessert Italia

As a member of the Emmi Future Talent programme, Stefania focuses on the area of marketing. She is also enhancing her cross-functional and strategic abilities by pursuing her dream of making tiramisù the next iconic Italian food globally.



future, and enables us to keep inspiring people with high-quality food products. Employees become hands-on Emmi MAKERS, who put their heart and soul into creating the best dairy moments.

We are continuously developing

As an employer, Emmi offers a wide range of development opportunities for many different professional groups, with good prospects in both Switzerland and abroad. We offer employees targeted and personalised support that is appropriate for their development level and is aligned to the skills the company needs. As part of our sustainability model, our intention is for all employees to have a personal development plan in place by 2027. We are also committed to enhancing the employability of all our staff. We invest in talent development programmes that encompass a range of business units and countries, and ensure targeted succession planning is defined for key positions.

Promoting junior staff in times of skills shortage

In times of skills shortage, we place great importance on developing attractive education and training opportunities for our junior staff. This includes continuously increasing the number of apprenticeships available in Switzerland or expanding the trainee programme at Emmi Dessert Italia, at Laticínios Porto Alegre in Brazil and in Switzerland. The Young Professionals development programme gives young employees the opportunity to expand their professional horizons at one of Emmi's locations outside Switzerland.

Being healthy and staying healthy

Health is everything. We raise awareness among our employees and support them with the help of various preventative initiatives. The leadership training course "Health-oriented leadership", which was recently launched in Switzerland, teaches managers how to identify stresses and

risks to health at an early stage, tackle them by taking appropriate measures – and ultimately reduce them. Kaiku in Spain has also implemented a holistic Health & Safety training programme for managers, and Bettinehoeve in the Netherlands has introduced targeted measures to support healthy working right up to retirement. Moreover, we are promoting dialogue within the Group and encouraging employees to share their best practice experiences on health and safety issues.

Promoting and retaining talent

The trainee programme run by Emmi Dessert Italia, which was launched in 2020, aims to offer young adults an in-depth insight into a wide range of specialist areas after completing their studies. All successful graduates from the first cohort were offered permanent employment in 2022, and five new trainees started the programme. Across the Group, 14 employees took part in the interdisciplinary Management Practice programme, which trains the leaders and specialists of tomorrow.

Record number of apprentices

Fifty young people began their apprenticeship at Emmi in Switzerland in 2022 – more than ever before – and furthermore at a time when there is a skills shortage in many places. The hard work done by our teams is one reason why we are in high demand among apprentices: every day, our teams advocate for our young recruits and help raise awareness of our apprenticeships with information events, school visits and shadowing days.



“I work with a lot of passion and creativity to ensure that our plant-based Begetal creations inspire people and make them happy.”

Alain Gabiña
Brand Manager Begetal

📍 Bilbao (ESP), Kaiku Corporación Alimentaria

Alain and his team understand the needs of consumers. He is passionate about improving the taste of plant-based products and supporting sustainable lifestyles with a growing range of products, from yogurts to desserts.

Setting trends, gaining relevance and inspiring others

Setting trends with differentiated, innovative brand concepts and building trust – inspiring people with high-quality products that are tailored to individual preferences and produced in increasingly sustainable ways.

With established brand concepts, high-quality products that are produced in increasingly sustainable ways, and a range of innovative creations, we have inspired customers with our brands in these uncertain times.

By making targeted investments in our branded business, we have also been able to strengthen the relevance of our portfolio in markets that are important for us. We systematically focus on trends in growth areas, profitable markets and

strategic niches with concepts and innovations that are geared towards creating consumer benefit.

Brand concepts in profitable niches

In the strategic focus area of ready-to-drink coffee, the momentum of Emmi Caffè Latte was maintained across all markets. Alongside the limited editions, ongoing involvement in the Alpine Ski World Cup races and cooperation with casting shows such as “Germany’s Next Topmodel” and “Love Island” in the UK helped to boost its profile further. In the speciality cheese segment, we set new trends in the goat’s cheese segment in the USA with Cypress Grove, brand-name cheese at Emmi Roth and the newly integrated Athenos feta business. In Switzerland, the popularity of Luzerner Rahmkäse continued, while the internationally popular cave-aged Kaltbach cheese could not quite achieve the high levels reached in the domestic consumer market last year as a result of the pandemic.

Innovation as a growth driver

The premium dessert business continued to record dynamic growth. Our innovative Italian speciality desserts are manufactured and distributed internationally in our dessert network of specialist manufacturers in Italy and, since 2021, also in the USA. Our vegan brands Beleaf and Begetal have further established themselves among plant-based dairy alternatives. While the market for milk drink alternatives continued to grow, Beleaf launched the first Swiss cheese alternative, which is based on Swiss oats and has a high protein content. Alongside these premium concepts, we further strengthened our business with local leading brands and ranges in the basic products segment in growth markets such as Brazil and Mexico. Regardless of the brand and market, our passion for creating the best dairy moments guarantees our future success.

Less material, big impact

Emmi Caffè Latte is breaking new ground in many countries, and its packaging is no exception. In 2022, its packaging developers once again succeeded in reducing the amount of material used for each cup by 14%. This means Emmi Caffè Latte is lighter to carry and easier to stack. This step will enable around 350 tonnes of polypropylene to be saved each year and will avoid 65 truck journeys.



3 ingredients for a big taste

Double-digit growth in the yogurt segment confirms that our Jogurtpur concept, with its minimal list of ingredients, has captured the spirit of our times. We have now added chocolate and mocca to the fruity flavours in the portfolio.



More protein for active people

For active people who make conscious lifestyle choices, we have added the new banana-nougat flavour to the Emmi Energy Milk range. This protein-enriched, lactose-free milkshake with vitamins and no added sugar helps build muscle.



Success through forward planning and local networks

Increased costs and bottlenecks at suppliers continued in 2022 and presented ongoing challenges for Emmi. Thanks to our international procurement network and close cooperation with local suppliers, our supply chains proved solid and robust.

Emmi has not emerged unscathed from the soaring prices for commodities, raw materials, logistics and energy, which are well above long-term trends, not to mention the general inflationary environment. In addition to adverse cost implications, we were also confronted by challenges due to limited availability and longer delivery times.

Planning for success

Extremely volatile markets on both the procurement and sales sides again put our teams and planning processes through their paces. Thanks to close collaboration across the entire Group

and further progress made in our excellence and efficiency programmes, our teams in the areas of manufacture, procurement and logistics were again able to defy the challenging conditions. Without compromising on quality and safety, we have continued to supply consumers with our high-quality and increasingly sustainable food products.

Our stepped-up initiatives to establish efficient, sustainable procurement across all divisions and companies are an integral part of our corporate strategy and a pillar of our long-term success. Experienced, strategic procurement experts, well-thought-out procurement strategies, sustainable and highly efficient processes, and close interrelationships with our regional partners enable us to operate our more than 50 production sites across the world in a resource-efficient and environmentally friendly way.

Climate-neutral operations

Using renewable energy and innovative refrigeration systems, Käserei Studer and Mexideli have become our first sites to achieve climate-neutral production. The heating required at Käserei Studer is generated by a woodchip heating system and a photovoltaic system. From 2024, the plant will boast carbon-neutral operations thanks to a heat pump. At our Mexican subsidiary Mexideli, the refrigerators are run with the natural refrigerant CO₂, which sets new standards for climate-friendly refrigeration.

Working in the network

Group-wide expertise and dialogue, combined with locally anchored supply chain teams, are key to Emmi's success. They enable solutions to be multiplied and scaled up, they strengthen our culture of cooperation, and they are a motivating force for all stakeholders. This will allow us to continue to exploit the potential for efficiencies and meet the growing challenges in an increasingly volatile environment.



“I put everything into producing the finest Emmi Caffè Latte creations from high-quality ingredients, and maintaining a consistently high quality.”

Bernhard Ledermann
Team Leader Fresh Products

📍 Ostermundigen, Emmi Switzerland

For a drink that does not compromise on taste, Bernhard blends freshly brewed barista-quality coffee from certified beans with high-quality Swiss milk – all produced with care and without any artificial ingredients.

Our culture of continuous improvement is showing an impressive impact in various projects worldwide. By cooperating across functions and working in networked teams, our employees can develop and share their knowledge. This also promotes knowledge transfer within the Group and creates valuable and varied development prospects in an international context. We are facing the skills shortage head-on – creating the optimal conditions for excellent long-term results and the best dairy moments.

New large cheese dairy in Emmen

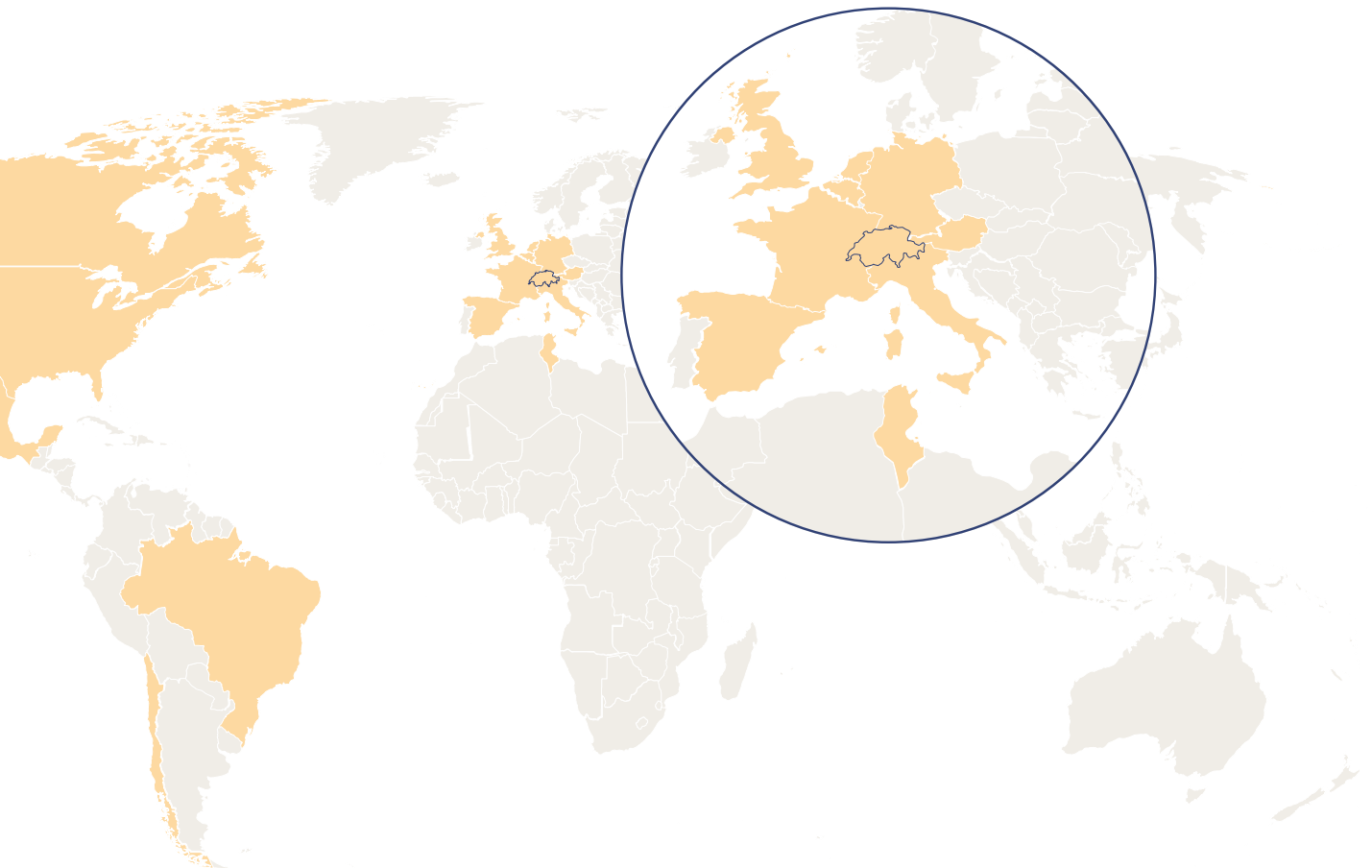
Emmi celebrated the opening of the new, resource-saving cheese dairy at its traditional location in Emmen. With an investment of CHF 50 million, this new dairy is one of the most significant projects in our history. The ultra-modern plant is geared to the company's long-term growth plans in the area of speciality cheeses such as Luzerner Rahmkäse and is boosting long-term value creation in central Switzerland in homage to the Swiss cheese tradition.

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 14 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 2022 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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