



# Best dairy moments

Annual Summary Report

2023

# **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**



#### **Online reports**

The full version of the Emmi Annual Report, the Summary Annual Report and the Report on non-financial matters are also available online: [report.emmi.com](https://report.emmi.com)

# Key figures Emmi Group

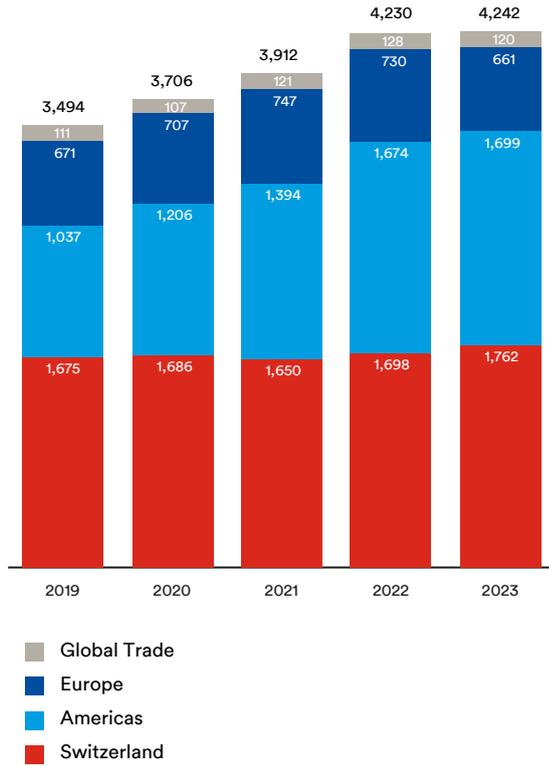
in CHF million	2023	2023 adjusted <sup>1)</sup>	2022	2022 adjusted <sup>2)</sup>
<b>Net sales</b>	<b>4,242</b>		4,230	
<b>Sales development in %</b>	<b>0.3</b>		8.1	
Net sales increase in organic terms in %	3.5		7.0	
Acquisition effect in %	-1.0		2.1	
Currency effect in %	-2.2		-1.0	
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>375.8</b>	413.0	379.3	
as % of net sales	8.9	9.7	9.0	
<b>Earnings before interest and taxes (EBIT)</b>	<b>258.2</b>	295.4	253.0	266.1
as % of net sales	6.1	7.0	6.0	6.3
<b>Net profit</b>	<b>186.3</b>	212.4	182.5	194.3
as % of net sales	4.4	5.0	4.3	4.6
<b>Investment in fixed assets (excl. acquisitions)</b>	<b>145.1</b>		206.2	
as % of net sales	3.4		4.9	
<b>Headcount (full-time equivalents) as at 31.12.</b>	<b>9,346</b>		9,368	
<b>Headcount (full-time equivalents) at yearly average</b>	<b>9,337</b>		9,299	
	<b>31.12.2023</b>		31.12.2022	
<b>Total assets</b>	<b>2,715</b>		2,635	
of which shareholders' equity incl. minority interests	1,415		1,284	
as % of total assets	52.1		48.7	
<b>Market capitalisation</b>	<b>4,874</b>		4,189	

1) 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 reporting year, these resulted from the sale of Gläserne Molkerei and the sale of the minority stake in Ambrosi S.p.A.

2) The adjustment effect in the previous year relates to an impairment of non-current assets at Gläserne Molkerei. This amounts to CHF 13.1 million at EBIT level and CHF 11.8 million at net profit level.

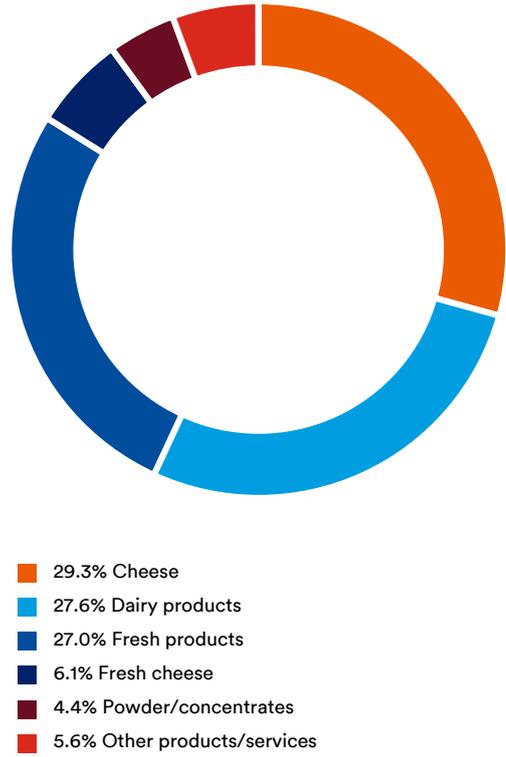
## Net sales

in CHF million

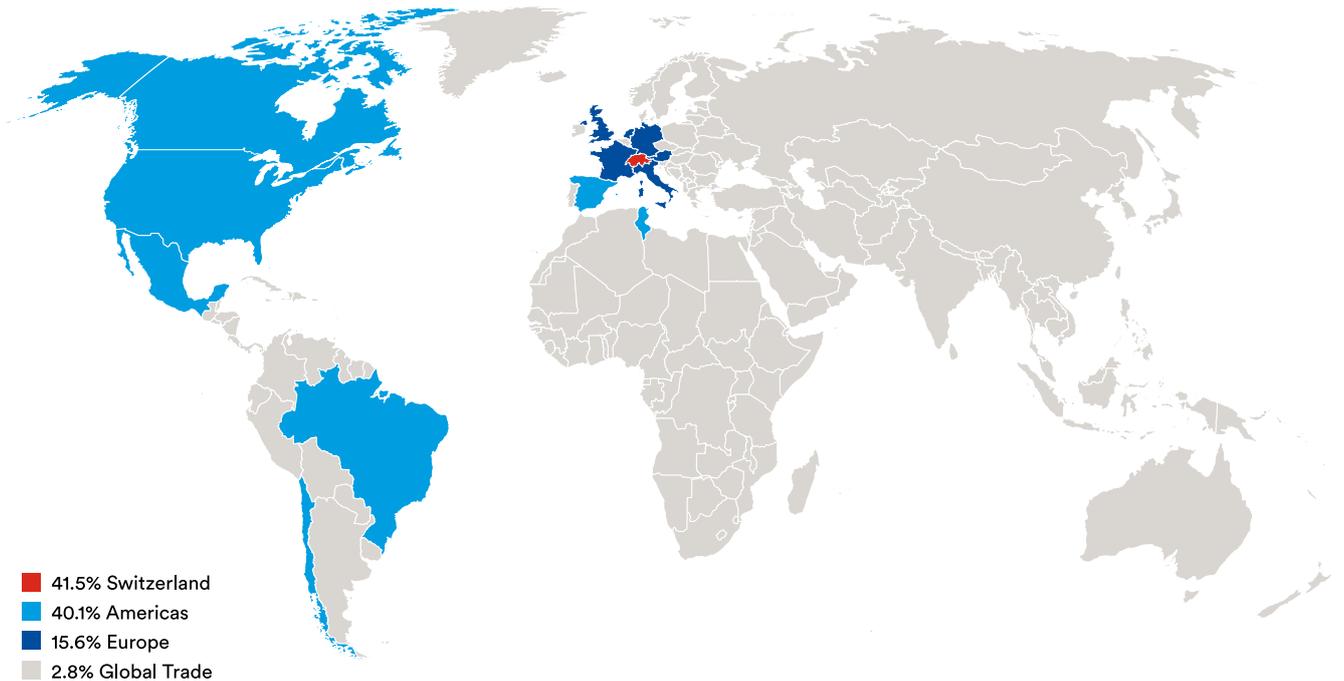


Since 1 January 2022, the companies in France have been part of the division Europe (previously division Americas). The previous year's figures have been restated accordingly.

## Net sales by product group

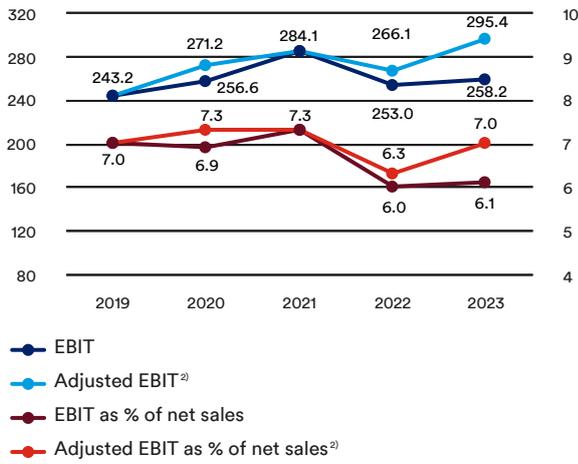


## Net sales by division



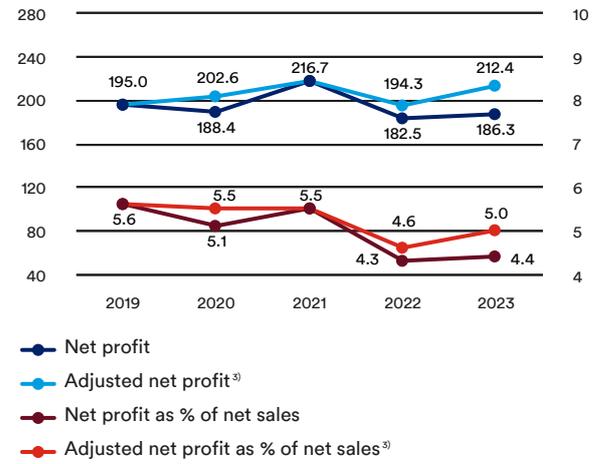
## EBIT

in CHF million (previous years restated)<sup>1)</sup> as % of net sales



## Net profit

in CHF million (previous years restated)<sup>1)</sup> as % of net sales



<sup>1)</sup> Figures for 2019 restated due to change in the consolidation and accounting principles for goodwill in 2020.

<sup>2)</sup> The adjustment effect in the year under review 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>3)</sup> The matters mentioned in footnote 2 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

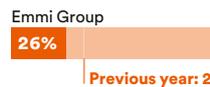


### Developing employees

100% of employees have a development plan in place



50% of all vacancies are filled by internal candidates



### Reducing water use<sup>3)</sup>

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



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



### Reducing emissions<sup>3)</sup>

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



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



Vision netZERO 2050



### Reducing waste<sup>3)</sup>

50% reduction in waste (vs. 2017)



Zero waste disposal in landfills (vs. 2017)



50% reduction in waste (vs. 2017)<sup>1)</sup>



100% recyclable packaging<sup>1)</sup>



30% recycled materials in plastic packaging<sup>1)</sup>



### Sustainable dairy

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



Emmi Group initiated

Further development of the Swiss industry standard

Provisional target achievement levels as at 31.12.2023

<sup>1)</sup> Currently only Switzerland considered | <sup>2)</sup> Corrected due to new data basis

<sup>3)</sup> See this document for the definition › emmi.com › Sustainability › ESG expert corner › Scope of report and methodology for Emmi environmental figures.

# Contents

## **The year at Emmi**

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**Ricarda Demarmels**  
CEO

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

## Dear Shareholders

Also last year saw no let-up in global upheaval. Geopolitical tensions, war, the advance of climate change, inflation and the rising cost of living adversely affected all of us as individuals as well as wider society and companies. In this environment, the Emmi Group once again did everything in its power to demonstrate its dependability as a partner. In line with a clear strategy and a sound set of values, our teams applied their extensive expertise in their craft and exercised foresight and flexibility to delight our many customers, not to mention millions of consumers, with outstanding products and innovative concepts – day in and day out.

### **Robust business model**

In 2023, the Emmi Group asserted itself effectively, increasing its annual sales to CHF 4,242.4 million in a demanding market environment that continues to be driven by inflation. The Group achieved solid organic sales growth along its strategic priorities, made important progress and expanded its market positions. Broad-based, price-driven and organic

sales growth of 3.5% reflects the consistent implementation of our strategy as well as our clearly differentiated market positions, the strong innovative brand portfolio and the diversified product range and country portfolio that characterises Emmi.

› [Our strategy, page 9](#)

In our home market of Switzerland, we exceeded our expectations by achieving pleasing organic growth of 3.8%, driven in large part by innovative brands, successful partnerships with the retail trade and the post-pandemic recovery in the food service sector. In international business, organic growth for the division Americas was 5.7%, slightly below expectations. While Chile, Mexico, Spain and Brazil performed strongly, the milk shortage in Tunisia and the subdued development of cheese specialities in the premium segment in the USA, our most important export market, served to slow down growth. The European market environment remains challenging. In the face of subdued consumer sentiment, division

**“In 2023, the Emmi Group achieved growth by showing innovative strength in its priority areas across strategic niches and markets. We have consolidated our strong market positions while generating long-term value for our stakeholder groups through our responsible approach to business.”**

**Ricarda Demarmels**

Europe reported slightly lower organic sales development of 0.4%, a figure marginally short of expectations. While development for Emmi Caffè Latte and Dutch fresh goat's cheese was pleasing, export business with cheese from Switzerland hampered sales development in Europe due to exchange rates and prices.

The negative currency effect linked to the stronger Swiss franc and the negative acquisition effect from the divestment of Gläserne Molkerei produced total sales growth of 0.3%. Emmi maintained the consistent development of its company portfolio in 2023, divesting Gläserne Molkerei as well as its minority interest in Ambrosi S.p.A.

### **Innovative brand and niche businesses**

During 2023, the Emmi Group also succeeded in differentiating itself on the market through its innovative brands while building on its leading positions. The strategic niches of ready-to-drink coffee – through the iconic Emmi Caffè Latte brand – speciality cheeses and chilled premium desserts all performed well. By contrast, sales of plant-based milk alternatives have dropped overall in the face of the challenging market conditions.

› **Our brands, pages 20–21**

### **Positive result in demanding market environment**

The year 2023 was defined by further rises in raw material, energy and wage costs. Despite this, Emmi achieved significant improvements compared to the previous year thanks to operational progress – notably in the strategic niche of chilled premium desserts in the USA and in the important growth market of Chile. This progress was supported by the consistent implementation of efficiency and cost cutting programmes as well as responsible sales price increases. On this basis, we were able to absorb another significant increase in overall input costs while achieving a positive result at the upper end of our own forecast.

› **Our operations, pages 22–23**

Adjusted to account for the loss from the sale of Gläserne Molkerei, the operating result at EBIT level stood at CHF 295.4 million (previous year: CHF 266.1 million) and the adjusted EBIT margin was 7.0% (previous year: 6.3%). Net profit, adjusted to account for the loss from the sale of Gläserne Molkerei and the profit from the sale of the minority interest in Ambrosi stood at CHF 212.4 million (previous year: CHF 194.3 million) while the adjusted net profit margin was 5.0% (previous year: 4.6%). Excluding the aforementioned adjustment effects, the operating result at EBIT level stood at CHF 258.2 million (previous year: CHF 253.0 million) and the EBIT margin was 6.1% (previous year: 6.0%). The corresponding net profit was CHF 186.3 million (previous year: CHF 182.5 million) and the net profit margin stood at 4.4% (previous year: 4.3%).

Against the background of a positive result and our strong balance sheet, the Board of Directors proposes increasing the dividend by 6.9% to CHF 15.50 per share (previous year: CHF 14.50) in the interests of a consistent dividend policy.

### Outlook

The Emmi Group expects the generally challenging economic conditions – characterised by a strong Swiss franc, geopolitical tensions, high input costs and subdued consumer sentiment – to continue during 2024. Emmi is responding with strict cost discipline and Group-wide efficiency programmes while consistently working to transform its portfolio. For financial year 2024, Emmi is anticipating organic sales growth of 1% to 2%. Growth in Switzerland is expected to be in the

range of 0% to 1%. In international business, sales growth is likely to be between 2% and 4% for the division Americas and between 0% and 1% for the division Europe. At EBIT level, Emmi expects a result of between CHF 295 million and CHF 315 million and a net profit margin in the range of 5.0% to 5.5%.

### Acting responsibly

For the Emmi Group, acting responsibly is a top priority and something that is anchored in our business model. Sustainable and profitable growth calls for a long-term perspective. The Emmi Purpose illustrates our conviction that we will continue to create value for all stakeholder groups in the future by working together with our partners and taking economic, social and environmental aspects into consideration. For this reason, we advanced our sustainability efforts in 2023 and are publishing our first report on non-financial matters.

› [report.emmi.com/2023](https://report.emmi.com/2023) › Non-financial report

“Emmi has been a reliable partner for more than 100 years. We take on responsibility within our value chain to achieve sustainable success together with our partners. Our long-standing commitment to sustainability, our continuity of leadership and the steady enhancement of an established business model make this possible.”

Urs Riedener

Together with partners, we compiled a science-based list of criteria for sustainable milk outside Switzerland. During the first year of the “KlimaStaR Milch” industry initiative in Switzerland, we identified the first effective climate protection levers to promote a more sustainable Swiss dairy industry. On our road to netZERO 2050, we are encouraging the use of renewable energies. As a founder member of RecyPac, we are also committed to establishing a circular economy for plastic packaging and drink cartons across Switzerland.

› **Our responsible business model,**  
pages 14–17

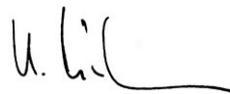
We can only create the best dairy moments in partnership with our employees. With this in mind, the working environment at Emmi promotes teams and offers them a whole range of development opportunities. In the people area, around 60% of all employees have a personal development plan. Our culture of cooperation extends to functions, locations and countries, and covers our collaboration with customers and suppliers. This is what makes the Emmi culture unique and plays such a major part in our success.

› **Our people, pages 18–19**

## **Continuity in supervision and leadership**

Last April, the Annual General Meeting elected Urs Riedener as the new Chairman of the Board of Directors. Emmi would like to thank Chairman Konrad Graber, who is stepping down, for his tireless efforts to secure a strategically sound set-up of the Emmi Group during his many years of successful collaboration. Appointed from the Group’s own ranks, former CFO Ricarda Demarmels succeeded Urs Riedener as CEO of the Emmi Group at the beginning of the year. Completing the Group Management team, Sacha D. Gerber was appointed the new Chief Financial Officer on 1 June 2023 and Raffael Payer was confirmed as the new Chief Marketing Officer on 1 October 2023.

The Board of Directors and Group Management, backed by a strong management team and over 9,000 dedicated employees, are committed to making sure that Emmi stays on its course for success. We would like to thank each and every one of them for their great commitment.



**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.

# 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](https://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 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.

This and further information can be found at  
 › [emmi.com/sust-expert](https://emmi.com/sust-expert) or downloaded from  
 › [emmi.com/download-center](https://emmi.com/download-center)

# Our highlights



### Emmi Caffè Latte speaks GenZ

The new Emmi Caffè Latte flavours were developed by and for GenZ. The Marketing department asked Emmi apprentices in this target group to share their ideas and preferences. The results were developed into new recipes, sampled and rated by the young people and finally produced by us. The winners: Popcorn and Hazelnut Brownie. The idea behind the new “Fun Latte” is that young people are once again looking for some light-hearted fun after the pandemic years.

### A role model in sustainability

We published our seventh sustainability report as part of our long-standing commitment to sustainability, which is an integral part of Emmi’s corporate strategy. Every two years we take stock of how we are measuring up to our commitments. We are on course to achieve our ambitious sustainability goals for 2027 in the areas of people, communities and the planet. Emmi has made progress in employee development and sustainable dairy while cutting greenhouse gas emissions and reducing waste. Thus, we create the best dairy moments – today and for generations to come.

### More commitment to less sugar

As the leading manufacturer of high-quality dairy products in Switzerland, we attach great importance to a balanced and healthy diet. Back in 2015, we committed to reducing the sugar content of our yogurts. Today we are supporting the extension of the Milan Declaration to milk drinks, such as our popular Emmi Caffè Latte, and also to quark.

### Emmi teams get closer together

A passion for the best dairy moments is also uniting our teams in the Netherlands. Since the spring of 2023, we have operated our goat’s milk powder business in Etten-Leur as Emmi Nutritional Solutions (ENS) with a view to strengthening this attractive niche. ENS then joined forces with Emmi Benelux and Bettinehoeve to form a more powerful and agile organisation. This creates more opportunities for employees, customers and consumers, and provides greater strategic oversight with the involvement of local teams.





**Emmi Dessert Italia scoops award in UK**

The Rachelli dessert Classico Tiramisu received the coveted Great Taste Award in the UK – just three months after launching on the UK market. Rachelli, a premium brand from Emmi Dessert Italia, is a pioneer in authentic Italian dessert creations made with carefully selected ingredients. It is produced using Sardinian Savoiardi sponge fingers and Italian Marsala wine. The award underlines the innovative flair of the Italian subsidiary in a key strategic niche which the Emmi Group is seeking to expand and develop as part of its strategy.

**Commitment to circularity**

As a founder member of RecyPac, we are actively committed to a circular economy for plastic packaging and drink cartons. The aim of the organisation is to establish a harmonised and sustainable system for collecting and recycling this kind of packaging across Switzerland. The materials collected will be recycled and used again in packaging. RecyPac chimes with our ambitious sustainability goal of making all packaging fully recyclable by 2027 in the interests of circularity. As a producer of high-quality dairy products, we depend on recyclable packaging. We commit to this goal through our membership of various organisations.

**Dedicated to young people**

Given the acute shortage of workers and skilled professionals, employee development – as anchored in the Emmi strategy – is vitally important. As part of this strategy, Emmi sets great store by high-quality apprentice training and staff development opportunities. The fact that all 44 of the apprentices in Switzerland successfully completed their training, with a large number of the young professionals subsequently staying with the company, is testament to Emmi’s dedication to its employees. We are passionate about ensuring young people can gain a sound training before looking ahead to development opportunities within the company.

**Consolidation of important US market**

In Wisconsin, Emmi Roth opened an ultra-modern site where cheese will be converted and packaged, using resources efficiently. This will enable the Emmi Group to consolidate its business activity in the USA, its most important overseas market, while forging still further ahead on the American speciality cheese market. The large-scale investment will give rise to additional sales opportunities for imported Swiss cheese. The facility, which runs on electrical energy, will also help Emmi on the road to netZERO 2050. Around 125 new and ergonomic workstations were also created.



# A role model in sustainability

Sustainability is an integral part of our business model and our strategy. To provide the best dairy moments for generations to come, we need to treat people and nature with consideration.

We believe that acting sustainably and taking account of economic, social and environmental aspects are essential. By working with our milk suppliers and partners, and by involving consumers, we aim to play our part in keeping nature intact and viable for generations to come.

## **Our sustainability model in practice**

We run our business in a resource-efficient, environmentally friendly and socially responsible manner on the basis of the Emmi sustainability model and our netZERO target.

To make further progress and to meet our ambitious targets in the areas of people, communities and the planet, we have enshrined sustainability in the central business processes of all Emmi Group companies.

## **Progress and challenges**

By 2027, all employees of the Emmi Group should have a personal development plan. Already, 71% of employees in Switzerland have a development plan; for the Group as a whole, every second employee has such a plan. This not only enhances the ability of our people to perform in their current fields of responsibility, it also creates a basis for filling vacancies with qualified professionals from within our own ranks. In fact, our goal is to fill half of all vacancies internally (the proportion was 26% for the Group as a whole in financial year 2023).

We are also making progress on our focus topic of sustainable dairy. In the year under review, 99% of our milk suppliers in Switzerland met the requirements of the industry standard for sustainable Swiss milk. We have also had success internationally. At our subsidiary in Chile, we managed to certify 80% of the milk volume with AENOR, the animal welfare label. Quillayes Surlat thus became the first company in South America to gain this certification.

Having achieved a significant reduction in greenhouse gas emissions (Scope 1 and 2) in 2022, emissions in 2023 were, as expected, only marginally below the previous year's level (-3%) and is now thus 30% below the emissions of the base year 2014 (previous year: 28%). Scope 3 emissions in the value chain were not reduced from the previous year's level. We are currently working on projects and measures that we expect to deliver positive effects over the years ahead.

Another aim is to cut production and food waste while conserving resources through the circularity of our packaging. However, we did not reduce our waste or landfill waste compared to the previous year, with both rising by 8% due to extraordinary quality-related incidents. We were able to reduce our waste by 16% against the base year 2017 (previous year: 22%) and waste to landfill by 3% (previous year 11%). We were also unable

to counter food waste in Switzerland (+6% against the previous year), corresponding to a reduction of 13% against the base year 2017 (previous year 18%). Working with our partners in our Swiss value chain, we have set a key milestone in terms of the circularity of plastic packaging and beverage cartons: the establishment of RecyPac will pave the way for a material cycle. Emmi is on the Board of this organisation. During 2023, we raised the proportion of recyclable materials in

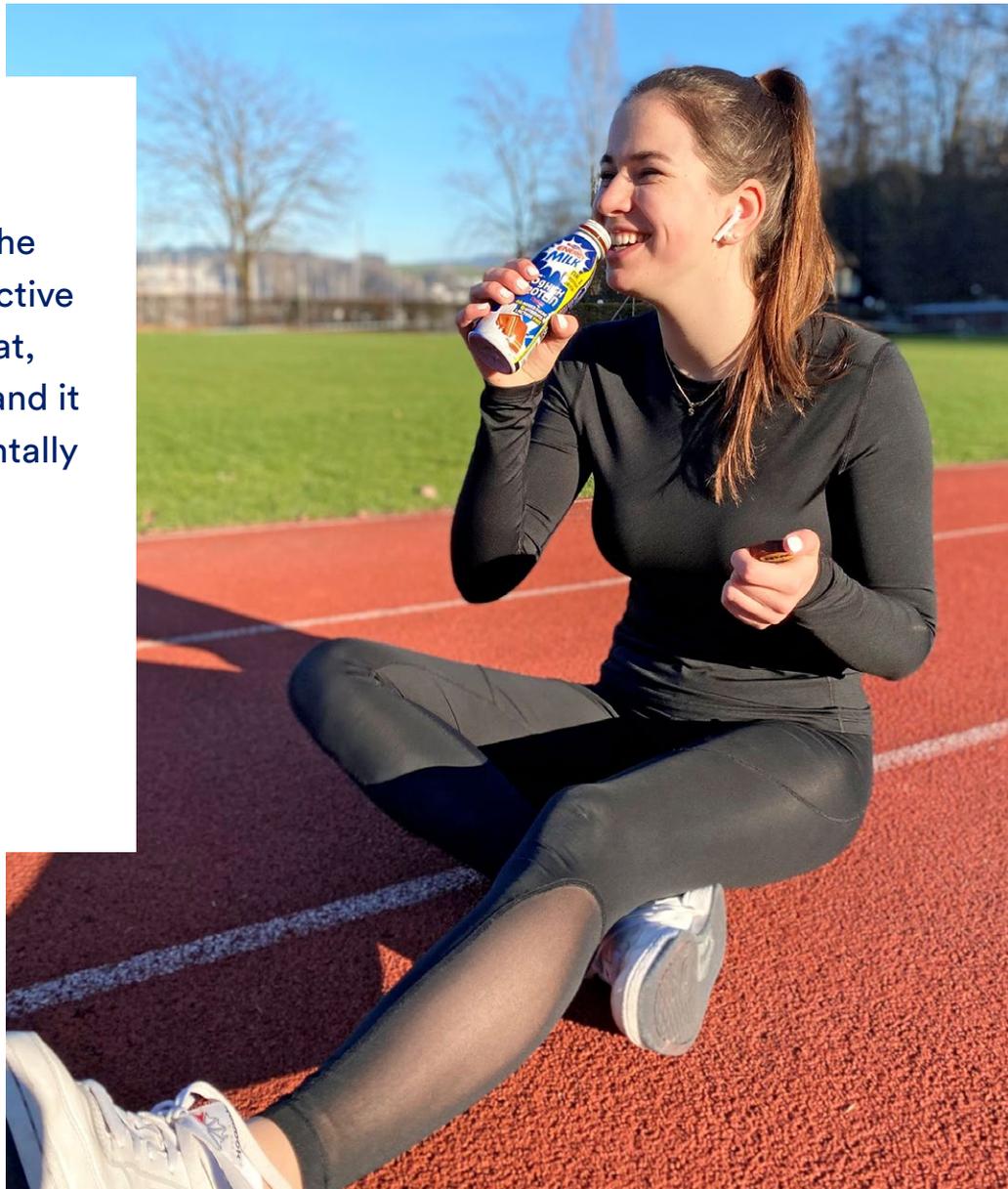
our packaging five percentage points to 50% in Switzerland. At international level, we continue working to improve the data basis and adapt legal requirements.

Although absolute water consumption has been reduced, we did not achieve a reduction in relation to the production quantity. This was because cleaning times did not decrease to the same extent as the production quantity.

“Emmi Energy Milk High Protein is the perfect choice for my active lifestyle. It tastes great, there’s no added sugar and it comes in an environmentally friendly, recyclable PET bottle.”

**Sophie Jung**  
Trainee management assistant

📍 Lucerne, Emmi Switzerland





“Emmi Caffè Latte is the ideal start to my day. With 100% natural ingredients, sustainable Swiss milk and freshly brewed, barista-grade coffee, it’s exactly what I need to get on top of our logistical processes.”

**Laura Scheier**  
Order dispatcher

📍 Nüziders, Emmi Austria

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### Outlook

Throughout 2024, we will be intensifying our focus on energy and decarbonisation and working closely with our international subsidiaries to develop reduction paths. As a major player in the Swiss dairy industry, we will continue to deepen our commitment to industry platforms and organisations in partnership with our dairy farmers, suppliers and part-

ners in the value chain. In particular, we will focus on the topic of “Developing employees”. Our aim here is to raise awareness of development opportunities, encourage exchanges and inspire the makers of Emmi to take the next step in their progression.

## United against food waste

In cooperation with other companies and associations, we have committed to the national goal of halving food waste in Switzerland by 2030. The goal is already part of our sustainability model, and adds extra impetus to the existing measures.

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## A circular economy for Switzerland

We intend to ensure 100% of our packaging is recyclable by 2027, with closed material cycles in place. To achieve this, all of the players in the value chain will need to work together. To establish long-term circularity for plastic packaging and beverage cartons in Switzerland in a far-sighted and sustainable manner, we teamed up with industry partners to found the umbrella organisation “RecyPac – circularity for plastic and beverage cartons”. We hold a seat on the Board with a view to promoting the topic responsibly and actively.

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## Sustainable dairy

Today, 100% of our milk suppliers in Switzerland meet the requirements of the industry standard for sustainable Swiss milk. The “KlimaStaR Milch” industry initiative, which we launched in association with partners, has also made solid progress. In Switzerland, 234 businesses have been recruited and extensive data has been collected. With partners in the value chain, we also participate in the Klimatisch. We are working to realise a joint “climate protection industry platform” with a view to coordinating, implementing and realising climate protection activities on farms.

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## Fondation Vitalait

Farmers in Tunisia are often young, with no formal education. Therefore, they depend heavily on a fair income. Thanks to the Fondation Vitalait, the farmers can receive training in productivity gains (technology and feeding) alongside such environmental aspects as water, renewable energies and optimal cooling of the milk for farms.

## “Zero Waste to Landfill” certification in Spain

Lácteos de Navarra, our Spanish subsidiary, produces yogurts in Pamplona. Through exchanges with waste disposal service providers, the company makes sure a minimum amount of waste ends up in landfill. Lácteos de Navarra was awarded “2022 cero residuo” certification in 2022. In 2023, 99.6% of waste was converted to biogas, used to generate energy or recycled.

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## Cutting carbon emissions in Brazil

After Switzerland, our Brazilian subsidiary Laticínios Porto Alegre processes the second largest volume of milk in the Emmi Group. A pilot project to record greenhouse gas emissions from suppliers’ milk production farms was initiated here during the summer. Measures aimed at reducing emissions will be developed on this basis.

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## Global criteria list

By the end of 2027, Emmi intends to process only milk that is produced according to the highest regional sustainability standards. In view of our niche activity in many countries, we rely on commitments within the industry and specific agreements with milk suppliers. Having devised the basis for these agreements over the past four years, we evaluated eight aspects of sustainable milk according to a list of criteria developed with experts.

# Emmi as an attractive employer

The Emmi Group faces the effects of the shortage of skilled workers, and the transition from an employer's market to an employees' market. We are therefore making all the more effort to be an attractive employer to our employees. Our corporate culture based on respect and our myriad development prospects add up to a working environment that supports and encourages teamwork.

Treating each other with respect is part of the Emmi DNA. We value team spirit, we encourage ideas and we commit to our employees and the upcoming genera-

tion. In the process, Emmi offers the creative scope needed to ensure chances are taken and ideas flourish while demanding and exciting tasks are accomplished.

“It fulfils me to be able to contribute my ideas to Emmi. Thanks to our proximity to the market, we can quickly meet the needs of our consumers and also inspire them with plant-based alternatives.”

**Arkaitz Virto**  
Key Account Manager y Canarias

📍 Derio (ESP), Kaiku Corporación Alimentaria



### **Excellent leadership makes the difference**

Attractiveness as an employer and a working environment that promotes dedication are the product of a consistent focus on people and our organisation over many years. When the potential of each individual is promoted and motivation is nurtured, employees buy into this environment.

For us to remain attractive to employees, a respectful management style is key. We therefore support the evolution of our management culture through specific measures, including specially developed courses and training sessions like “Excellent Leadership”, which enables our managers to develop as leaders. At Emmi Dessert USA, for example we launched a personalised bilingual course for shift supervisors. We now plan to offer the course in Switzerland as well.

### **New organisational forms and collaboration methods**

The future will belong to cross-functional, highly autonomous teams developing fast, customer-oriented solutions in line with clear priorities. Emmi will provide support by applying expertise in organisational forms and modern collaboration methods, while our change model will help us enact organisational changes effectively. On a regular basis, we also survey our employees to determine how they rate their work experience.

### **We are developing**

Continuous further development is incorporated into our values. We promote talent and impart specialist knowledge as necessary. In the face of rapid technological developments, the advancement of employees has become even more important.

Moreover, younger people expect to develop faster. We facilitate this with a wide range of opportunities within various professional groups at home and abroad. This year’s Sustainability Day was also devoted to the development of our people – something that will remain a focus topic over the year ahead.

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## **Successful project in partnership**

Teams from the Netherlands and Switzerland learned from one another as they worked together to commission a new powder tower in Etten-Leur, bringing the project to a successful conclusion. Experienced employees from Dagmersellen travelled to Etten-Leur to assist their colleagues with their know-how. The teams that stayed behind in Dagmersellen contributed to the success of the project by taking on the additional work in Switzerland. The project in Etten-Leur and the smooth continuance of operations in Dagmersellen are an example of how our values are practised and implemented.

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## **Developing our managers**

For some years now, we have been supporting middle management employees at our US subsidiary Cypress Grove through the “Task Force Purple” programme. Alongside professional training, the focus here is on team building and the establishment of an internal network. The managers are trained by the local Management and Human Resources teams, thereby aiming to enhance and develop personal strengths.



“I am very proud to be part of a team that is passionately devoted to the dessert traditions of Italy. Our chilled premium desserts are a delight for all those who appreciate high-quality and craftsmanship.”

**Daniele Cerchiari**  
Junior Demand Planner

📍 Gattico (ITA), Emmi Dessert Italia



## Diverse product portfolio of brands people love

Day in and day out, we delight consumers with a broad product range and differentiated, highly innovative brand concepts. Through high-quality products, we create the best dairy moments – today and for generations to come.

Each day, countless consumers show their trust in us by choosing high-quality Emmi products. Even as their demands continue to multiply, there is a strong emphasis on good value for money in the face of persistent inflation and changes to consumer behaviour. We are stead-

ily expanding our branded business in order to meet these increasing demands and address current needs. We rely on a broad, diversified product portfolio as well as innovations in growth areas, focusing on profitable markets and our strategic niches.

### **Profitable growth in strategic niches**

Emmi Caffè Latte is sustaining its positive momentum. Successful placements on the German TV show “Germany’s Next Topmodel” as well as “Love Island” in the UK have continued, with the latter including a limited edition product for retail stores. In the chilled premium desserts area, Emmi Dessert USA has made significant operational improvements. During financial year 2023, we also won the “Food & Beverage Innovator Award” from the National Restaurant Association in recognition of our dessert creations in reusable glass containers.

In the field of speciality cheese, Luzerner Rahmkäse cream cheese continues to develop extremely well on the Swiss domestic market. We collaborate with the comedy duo “Divertimento” to advertise this product. By contrast, the strong Swiss franc has hampered exports of cave-aged Kaltbach cheese. The Beleaf brand, our plant-based milk alternative,

has made significant progress in Switzerland, attracting consumers with a new design and an improved recipe based on certified Swiss oats. In Spain, the Begetal brand has heightened its retail presence with a fresh design.

### **Innovations driving growth**

Market-focused innovations are a core element of our strategy of profitable, long-term growth. The Brazilian subsidiary Laticínios Porto Alegre has launched new fat, lactose and sugar-free yogurt drinks, with drinks driving double-digit sales growth. In Switzerland, the successful Aktifit brand launched a low-sugar mini yogurt drink named after the cult comic character Globi. We achieved double-digit growth once again in this financial year with the Emmi Energy Milk brand in Switzerland, and in Spain the subsidiary Kaiku moved into the high-protein segment.

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## **Emmi Roth**

Since the acquisition of Athenos, which leads the US feta market, our American subsidiary Emmi Roth has built on the brand’s market position. The renewed sales growth for Athenos was supported by an innovative feta dip and a creative campaign involving regional feta recipes.

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## **Premium Italian delights**

Founded in 1935 as a family-run patisserie in Milan, Rachelli has always upheld a tradition of developing high-quality, innovative products. In 2023, the company introduced a range of delicious chilled premium desserts which are exclusively available in retail outlets in Italy and the UK.

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## **Emmi Caffè Latte for GenZ**

Created by a team of Emmi apprentices, Emmi Caffè Latte innovations in 2023 are explicitly targeted at GenZ. The recipes are based on the findings of recent market research which revealed that younger consumers need to be introduced gradually to the slightly bitter taste of coffee. For this reason, the original “Fun Latte” has a less intense coffee flavour. Our two new star products are Popcorn and Hazelnut Brownie – exactly what GenZ asked for.

# Agile, forward-looking production

The highly dynamic market and the persistently high input costs once again posed procurement challenges for Emmi in financial year 2023. By applying agile methods and working closely with suppliers, however, we managed to produce our high-quality dairy products with our usual reliability.

The market environment remained demanding, characterised by a high level of dynamism and consistently high input costs, especially in the energy area. Aside from the harvest-related shortage of raw materials, the Emmi Group generally managed to ensure goods availability.

## Overcoming local challenges with agility

When it comes to responding rapidly to dynamic conditions linked to suppliers and customers as well as legal frameworks, flexible resource allocation is one of the biggest challenges. During

2023, the Emmi Group supply chain worked on a method for pinpointing local priorities and allocating interdisciplinary resources. This gave rise to an agile approach to identifying solutions. The method, also known as sprint, facilitates cross-functional collaboration across national boundaries. One of the first sprints resulted in significant improvements to the safety and quality culture at Emmi Dessert Italia.

## Controlling costs and quality in the USA

Having opened a new site for cheese processing in Stoughton, Wisconsin, last November, Emmi has consolidated its business activity in the strategic niche of speciality cheese in the USA, our most important export market. Cheese is now converted and packaged in a resource-efficient manner at the ultra-modern facility of US subsidiary Emmi Roth, thus enhancing internal added value. The project is boosting efficiency, simplifying processes and encouraging innovation while enhancing the agility of Emmi on the US market.

## Data-based decision-making

We strive for excellence in everything we do. In order to control supply chains and production as efficiently as possible, key figures and data are critically important to Emmi. The Group has common principles that facilitate exchanges concerning the key control parameters. This enables

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## State-of-the-art facility for goat's milk powder

Our ambition is to be a pioneer in the field of sustainability. From our viewpoint, the facility for goat's milk powder in the Netherlands is an important development that will help us attain our sustainability goals. This is the first site in the Emmi Group to operate without a gas-driven steam system. An electric heat pump makes this possible by procuring the electricity required for operation from renewable energy sources. This has enabled us to avoid infrastructure investments like large steel pipes for the steam network while cutting down on carbon emissions.



“We produce our exquisite cheese specialties from fine, regional organic milk with a great deal of passion and craftsmanship. We are proud that we receive numerous awards every year for our cheese expertise and innovative strength.”

**Shawna Haley**  
Team Lead Production

📍 Petaluma Cader Lane (USA), Cowgirl Creamery

us to learn from one another and identify potential. Alongside production, quality and workplace safety indicators, environmental data is becoming increasingly important. This broad database informs decision-making at Emmi’s production sites.

## Investments on the Swiss domestic market

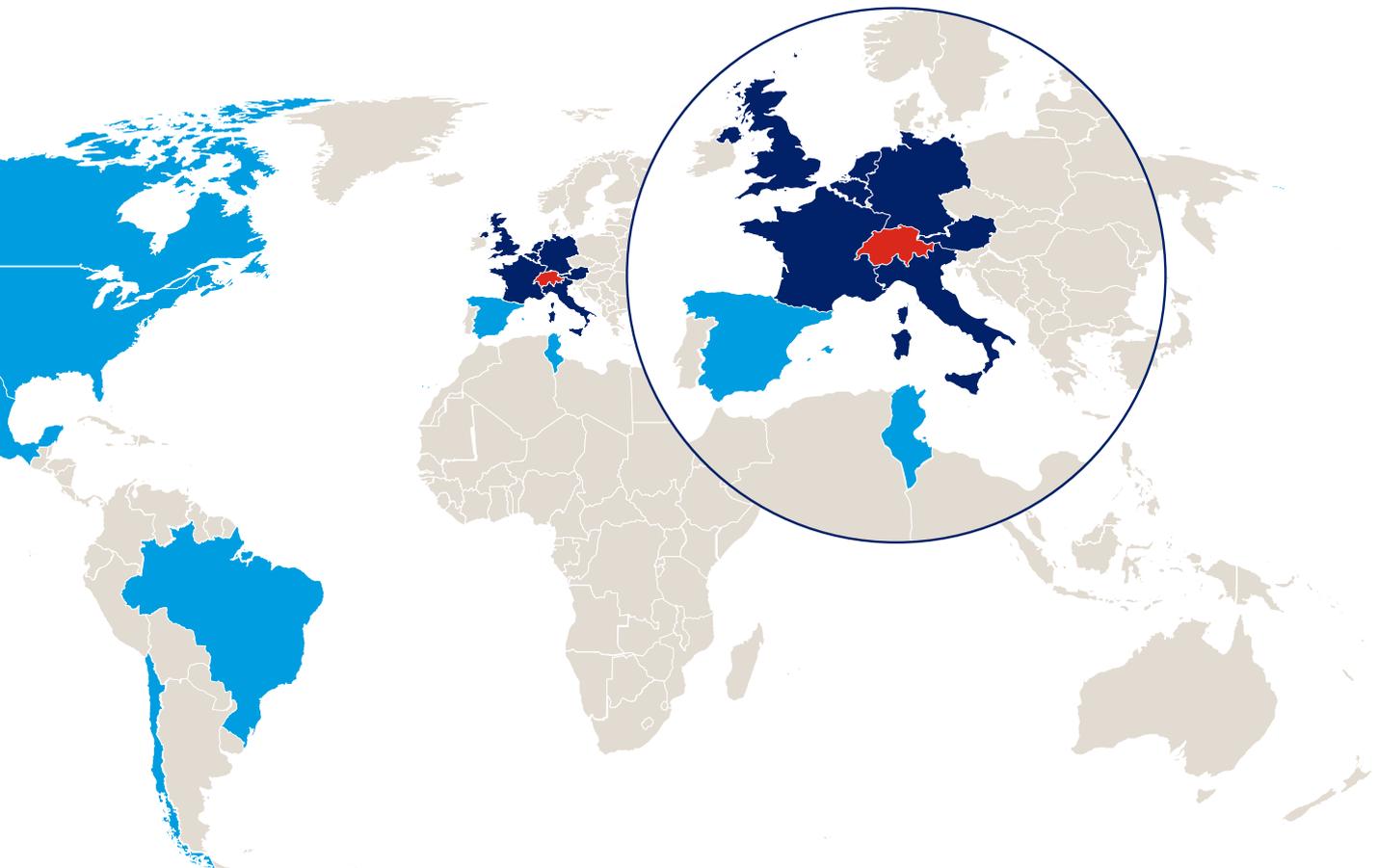
Emmi is intensifying its efforts in the area of sustainable packaging by using the recyclable material PET and deploying an additional production line. The company is also investing in modern, more efficient drying facilities in Dagersellen with a view to producing high-quality milk powder and consolidating the site for the long term.

# 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.

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 14 countries. The Emmi Group operates 57 production sites of its own.

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.



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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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