GROUP

## Media release

## Emmi rewards milk quality with an additional quality premium


#### Abstract

Lucerne, 13 July 2021 - Emmi stands for high-quality dairy products and rewards the performance of the best milk suppliers with the "Emmi Q-Award" every year. This is now also linked to a quality payment system totalling over CHF 100,000. Quality Champion 2020 is dairy farmer Rudolf Tschui from Grenchen in the canton of Solothurn.


Emmi processes around 950 million kilograms of milk per year in Switzerland from over 6,000 dairy farmers, mainly from central Switzerland and neighbouring cantons. $93 \%$ of this natural, top-quality milk is produced regionally in accordance with the "Swissmilk Green" sustainability standard, contributing to the high quality of Emmi's dairy products.
"It requires a great deal of expertise and a lot of hard work to produce a natural raw material such as milk to a continuously high level of quality, while also taking into account increasing sustainability and animal welfare requirements. With that in mind, we would like to recognise and reward the performance of our best milk suppliers with a quality premium as part of the annual "Emmi Q-Award"," says Reto Hübscher, Head of Purchasing Milk Direct Suppliers.

## Dairy farmer from Grenchen crowned Quality Champion 2020

Rudolf Tschui from Grenchen is the first dairy farmer from the canton of Solothurn to take top spot in the "Emmi Q-Award". 2nd place went to Markus Schär from Heimenhausen BE, and third to Josef Odermatt-Bannwart from Aesch b/Birmensdorf, Zurich. "I am of course delighted to receive this award. Understanding how various factors work together to create the desired result is like a big puzzle. Individual processes contribute to the final product: while some can be directly influenced, others depend on cooperation and luck," says Rudolf Tschui, winner of the "Emmi Q-Award" 2020. The presentation ceremony for this year's "Emmi Q-Award" was held in the presence of national and regional industry representatives such as Alois Huber, member of the board of Mittelland Milch and the Swiss Farmers' Union of the Canton of Aargau, and Markus Wagner, Deputy Director of Mittelland Milch, as well as the 13 top-placed dairy farmers at the Sädelhof in Berikon, Aargau." All 100 award-winning suppliers will also receive an "Emmi Q-Award" plaque, while the list of the 100 award-winning dairy farmers can be viewed at emmi.com/qaward.

## Additional incentives with a quality payment system

Alongside milk quality, sustainable milk production and processing is becoming an increasingly important factor in consumers' purchasing decisions. To better reflect this trend, Emmi has introduced a new quality payment system together with its direct supplier organisations and the milk producer organisation "Mittelland Milch", effective 1 January 2021. This takes into account the fact that the content and quality of a natural raw material such as milk can be subject to fluctuations. The mean values of several monthly samples are now used to calculate the germ and cell counts.

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When it comes to the much-discussed freezing point, there is more tolerance in seasonal progression. However, milk contaminated with inhibitors remains subject to strict conditions: an antibiotic-positive milk sample leads not only to liability for damages and a reduction in the milk price, but also results in exclusion from the "Emmi Q-Award" for the year in question.

Furthermore, the quality payment is linked to the "Emmi Q-Award", which has been held annually since 2013. Instead of the previous monthly quality surcharge of half a cent per kilo of milk, those producers who have supplied the best quality milk throughout the year will be awarded a premium. Those who meet all requirements for all samples will receive a prize of CHF 400. Every time a target value is missed, this will result in "penalty points". In the case of one penalty point within one year, the bonus falls to CHF 200; in the case of two penalty points, the bonus is reduced further to CHF 100. Emmi expects to award a total of over CHF 100,000 in prizes to 400 to 500 producers.

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#### Abstract

About Emmi Emmi is a major Swiss milk processor. The company dates back to 1907, when it was founded by 62 dairy farming cooperatives around Lucerne. Over the past 20 years, Emmi has grown into an international, listed group (EMMN). It has pursued a successful, long-term strategy based on three pillars: strengthening its domestic market of Switzerland, international growth and cost management. Throughout its corporate history, Emmi's keen awareness of its responsibility to society, animal welfare and the environment has been fundamental to its mission.

In Switzerland, Emmi manufactures a comprehensive range of dairy products for its own brands and private label products for customers, including leading exports such as Emmi Caffè Latte and Kaltbach. In other countries, its products - mainly speciality products - are manufactured locally. Alongside cow's milk, it also processes goat's and sheep's milk. In Switzerland, the Emmi Group has 25 production sites. Abroad, Emmi and its subsidiaries have a presence in 14 countries, 8 of which have production facilities.

Emmi exports products from Switzerland to around 60 countries. Its business activities focus on the Swiss domestic market as well as western Europe and the American continent. Roughly half of its CHF 3.7 billion in sales - about $10 \%$ of which stems from organic products - is generated in Switzerland, the other half abroad. Over two-thirds of its almost 8,700 employees are now currently based outside of Switzerland.


