

Vademecum 2024

Micarna Group

MIGROS
Industrie


MICARNA
GRUPPE

"With success comes responsibility"

What an eventful year 2023 has been for Micarna. The Group's strategic direction has allowed it to make meaningful progress on realising its vision and goals.

In October 2023, Micarna acquired a site for its new poultry processing plant and planning work is already well under way. Once completed, this advanced facility in Saint-Aubin (FR) will offer a modern, ergonomically optimised and safe working environment, and will enable us to boost the economic and environmental performance of our poultry production activities thanks to its state-of-the-art technologies and processes.

It was also a record-breaking year for the Egg Business Unit. Its success is testament to the quality of our products

and the dedication of our team. We also acquired a site, in Oberbuchsiten (SO), for Lüchinger + Schmid AG. The new facility will enable us to meet Migros Industrie's ambitious goals, guarantee supplies for all Migros cooperatives, and face the future with confidence.

These two milestones are momentous achievements for the Micarna Group. They would not have been possible without our rigorous work and the input of our high-performing employees who contribute day in day out to the Group's success.

For me personally, success comes with responsibilities. This includes shutting down projects which are not delivering the desired results. We therefore decided this

year to withdraw from the aquaculture business. It is a move that we firmly believe will empower us to invest even more of our energies in our core competencies.

We are optimistic about the future and look forward to the new challenges and opportunities that lie ahead.



Peter Hinder
CEO Micarna Group (until 30.04.)



Hans-Ruedi Christen
CEO Micarna Group (from 01.05.)





Product pride

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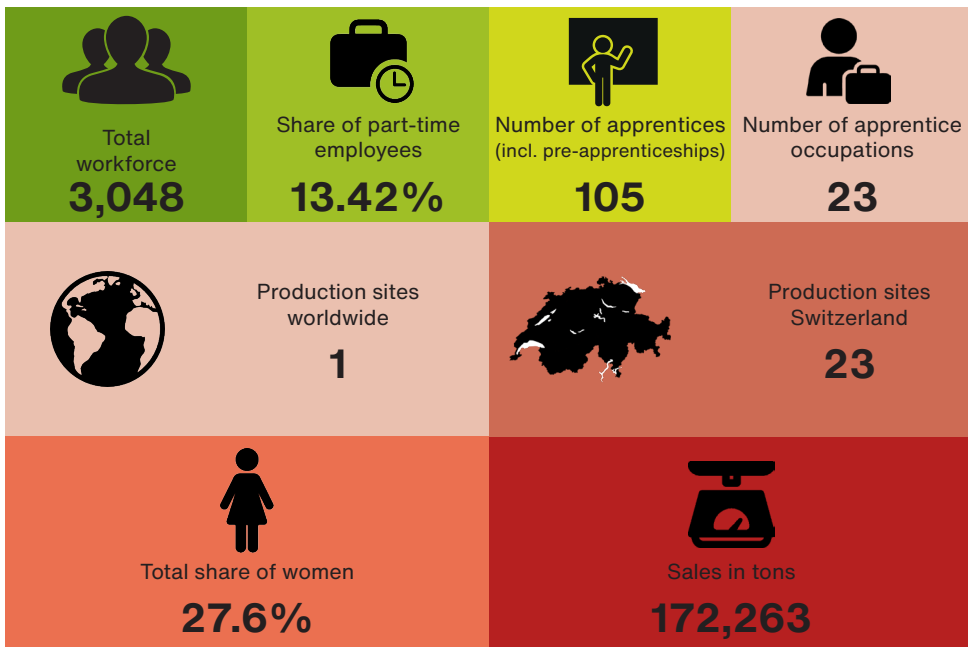
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The financial year in figures



Slaughter and processing rates

Slaughter rates

Poulets

32,910,760

43,35 % of the Swiss market

98 % from label production*



Pigs

624,340

25,6 % of the Swiss market

58,4 % from label production*



Cattle for slaughter or further

65,610

16 % of the Swiss market

67,9 % from label production*



Calves

28,817

15,1 % of the Swiss market

66,7 % from label production*



Lambs / goat kids

6,205

2,6 % of the Swiss market

100 % from label production*



Processing figures – eggs

590'134'349 eggs

Barn/free-range/eco-husbandry



* Animals reared in label facilities enjoy higher animal welfare standards than those prescribed by law. These labels include Bio, IP-Suisse, Optigal and Alplamm.



Redefining quality

In 2002 the Meat Business Unit launched a quality initiative that set the business on a brand-new course. "The findings of a detailed and wide-ranging customer survey led us to the realisation that the potential was there for more quality improvements", Udo Manz, Head of BU Meat, explains. This eureka moment led to the development of a quality initiative for the entire value chain, from producers to production managers and right through to the customer.

Focus on quality, taste, innovation and aesthetics

The initiative pursued several objectives: impress customers; reduce the number of customer complaints and product recalls; and raise quality awareness among employees, get employee buy-in for the initiative and ultimately increase the pride they take in their work.

The initiative has already led to quality upgrades across a wide range of products, including the beef entrecôte, beef tenderloin and lamb loin fillet. Thanks to various improvements, Migros can now offer products that really set it apart from the competition. This has been particularly successful with the beef entrecôte, the beef fillet and the lamb fillets.

Setting new standards

The Micarna Group is now the only fresh meat provider in Switzerland to offer a beef entrecôte with the wing end removed. As the head of BU Fresh Meat notes, "The added value is right there in front

of your eyes. No more first cuts. Only the fully trimmed centre cut is packaged, which makes for a more tender, indulgent and tastier product." The beef tenderloin is now sold without the 'butt' (the wider end of the fillet) and without unsightly butcher's twine because the 'tail' (the thinner end) is now cut more generously. Lamb loin fillets also have the 'butt' removed, which has massively improved the quality of the product's presentation and packaging.

"Our upgrades are setting new standards for the meat industry and are tangible proof that we deliver on our quality promise", Manz adds.

Optigal-Poulet

awarded IP-Suisse label

In August 2023, Micarna received great news: its Optigal-Poulet (whole chicken) range had been granted the prestigious IP-Suisse label. The award is tangible recognition of the Group's commitment to sustainable and humane poultry farming practices. Sara Hinske, Head of the Poultry Business Unit, is delighted with this latest development, "We are proud to offer our customers products that not only taste great, but also embody our values. The IP-Suisse label will further optimise these values."

Free to roam

Animal welfare is a core tenet of both IP-Suisse and Optigal. Birds are therefore reared in an environment which meets their natural needs. Poultry sold in the Optigal-IP-Suisse whole chicken range have unlimited access to pastureland during the day, where they can roam freely, and peck and scratch as much as they want. This type of animal-appropriate stockmanship means healthier and happier birds.

Safeguarding biodiversity

IP-Suisse directives require farmers to follow sustainable farming practices that are kinder to the environment. They include safeguarding biodiversity, preserving soil fertility, the efficient use of water and energy, and less recourse to pesticides and fertilisers.

Longer fattening period

Another important step on the way to even greater sustainability at Optigal-IP-

Suisse is the replacement of the previous intensive breed of chickens to one that is much better suited to semi-intensive rearing. Optigal-IP-Suisse has also made several changes to its husbandry methods in the interests of the animals' welfare. Not only can the birds move around much more and perform their natural behaviours, but also their fattening period has been extended from 37 to 42 days.

The Micarna Group is grateful for the continued trust shown in the Optigal-IP-Suisse brand and looks forward to fulfilling its mission of offering premium-quality and more sustainable chicken products.



Successful year for the Egg Business Unit

The Egg Business Unit and, by extension, Lüchinger und Schmid AG, can look back on a very good year. Sales in 2023 rose by around 30% on the previous year. This upswing is even more impressive given how unpredictable the egg market is, "Meeting the demands of a volatile market depends on high-quality, dedicated and flexible suppliers. This is one of our strengths", Thierry Chevalley, Head of the Egg Business Unit, explains.

Championing agility and flexibility

Guaranteed availability requires careful advance planning within the value chain. Agility and flexibility are key to surviving, and thriving, in this industry. Decisions must be taken quickly, "At Lüchinger und Schmid, we were optimally set up based on our corporate culture, such as team

performance and flat hierarchies, and were thus able to achieve this outstanding result with a cohesive performance."

More growth expected for egg market

Eggs are a rich source of protein, making them popular with consumers, especially during inflationary episodes. Hence, the high demand recorded in 2023. In addition to servicing this increase in demand, Lüchinger und Schmid succeeded in tapping into new markets and business opportunities thanks to offering its customers services tailored to their needs. Another driver of the increase in 2023 egg and egg product sales was the growing popularity of flexitarianism.



Superior quality fresh salmon products thanks to in-house filleting line

The Seafood Business Unit is a core part of the Micarna Group. Every year, it turns 1,500 tonnes of fresh salmon (ASC and organic) into around 800 tonnes of prime salmon fillets. Central to this operation is the Micarna Group's filleting plant in Zurich.

The Micarna Group is the only supplier of fresh salmon in Switzerland that does not outsource the filleting process abroad. It is an approach with an array of benefits, not least product freshness and quality, as well as operational flexibility. As Martin Stalder, Head of BU Seafood explains, "Having control over the entire process means that we can guarantee that the salmon is filleted under the best possible conditions, which makes for a premium end product with an optimal shelf life."

More freshness, longer shelf life, less food waste

The decision to introduce our own filleting line was prompted by the realisation that having the entire salmon processing chain under one roof would ensure a superior taste experience for customers. Previously, the filleting operation was managed by the Zurich Cooperative (GMZ). In 2018, Micarna completely overhauled its salmon processing line. Migros is thrilled with the positive impact that the facility has had on product quality. So much so that it is committed to maintaining the new salmon filleting line.

The filleting line's ability to react quickly to deviations between forecasted and actual demand means that Micarna can



fulfil its orders with a 99.8% delivery rate and guarantee maximum product freshness. The head of BU Seafood is proud of the results to date, "Our in-house filleting line in Zurich means that we can permanently offer a best quality guarantee. It is proof positive of our unwavering commitment to delivering fresh, high-quality salmon products."

Another benefit of the Micarna Group's decision is less food waste thanks to the filleting operation's just-in-time strategy. As a result, customers can buy great-tasting, superior salmon fillets at both the self-serve and full-service fish counters in Migros supermarkets around Switzerland.

Mérat and BU Seafood join forces

In mid-2023 Mérat and Micarna's Seafood Business Unit began working more closely together. Both parties hope that this new arrangement will help to grow their respective catering operations, especially BU Seafood's services, and improve supply chain efficiency.

Before 2023, they had never worked together before. Today, Mérat and BU Seafood cooperate closely in a number of areas and make full use of existing synergies. The harmonisation has also allowed them to make swift and positive progress on their joint procurement plans.

Exploiting synergies within the Micarna Group

"This partnership opens the door to the mutual transfer of knowledge between Mérat and Micarna, and creates opportu-

nities for both sides", Reto Maurer, Head of BU Gastro Service/Mérat, explains.

Thanks to the new alliance, Mérat and BU Seafood are able to make the best possible use of existing synergies. BU Seafood selects and prepares products, while Mérat handles the logistics and invoicing side of operations. By working together, the two businesses are now able to meet their customers' needs even more effectively than they did before. "The aim is to offer our customers much better value for money without sacrificing our regional roots", Maurer notes.

Shared success

The savings generated by Mérat's new structure are already being passed on to customers. In addition, BU Seafood's huge warehouse in Zurich ensures opti-

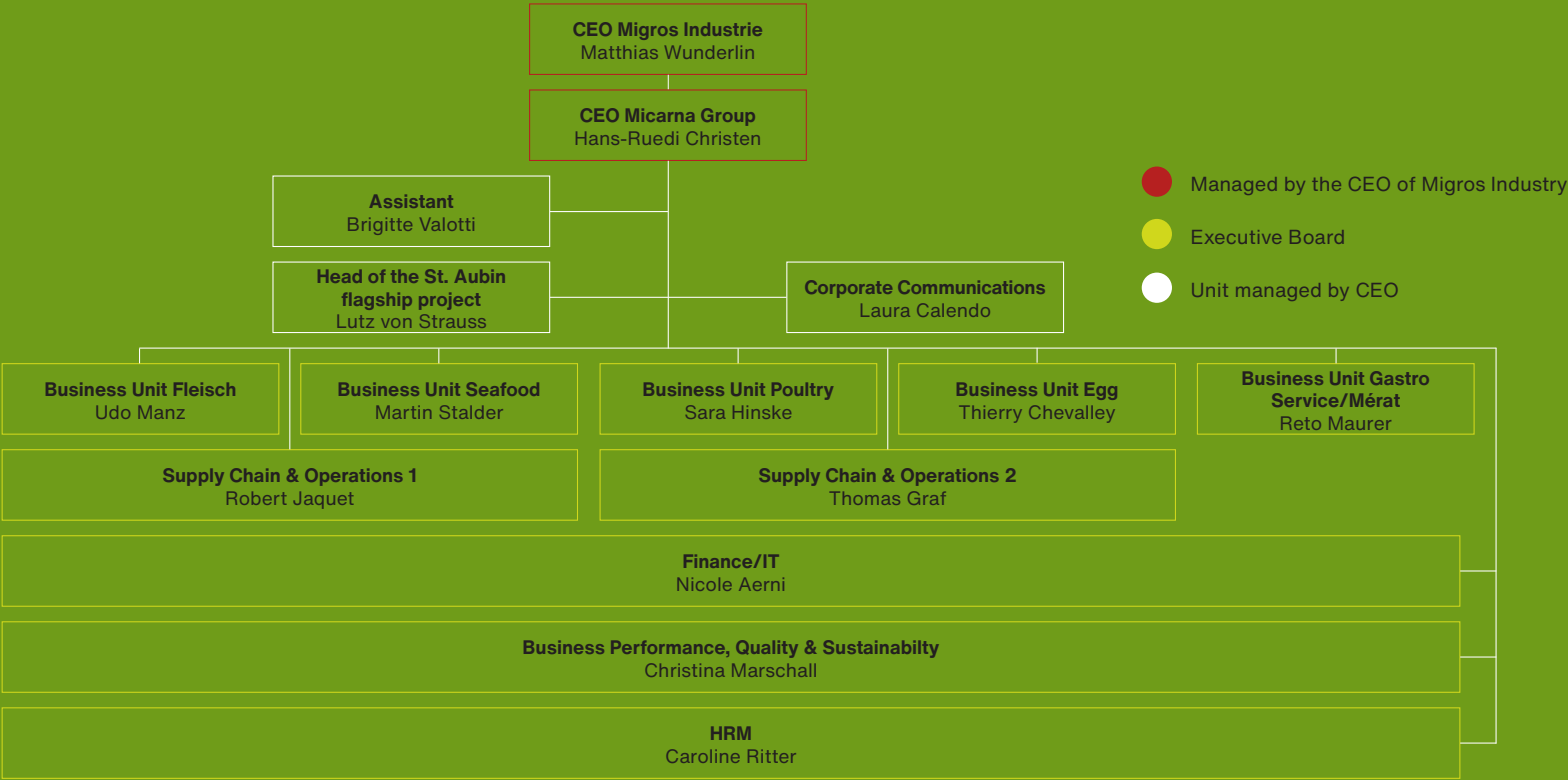
mérat
VIANDES & COMESTIBLES



mal product availability and shorter delivery routes and lead times. Buoyed by the success of the new business arrangements, Mérat is determined to continue on this path and step up its cooperation with the Micarna Group in the coming year.

Our organisation

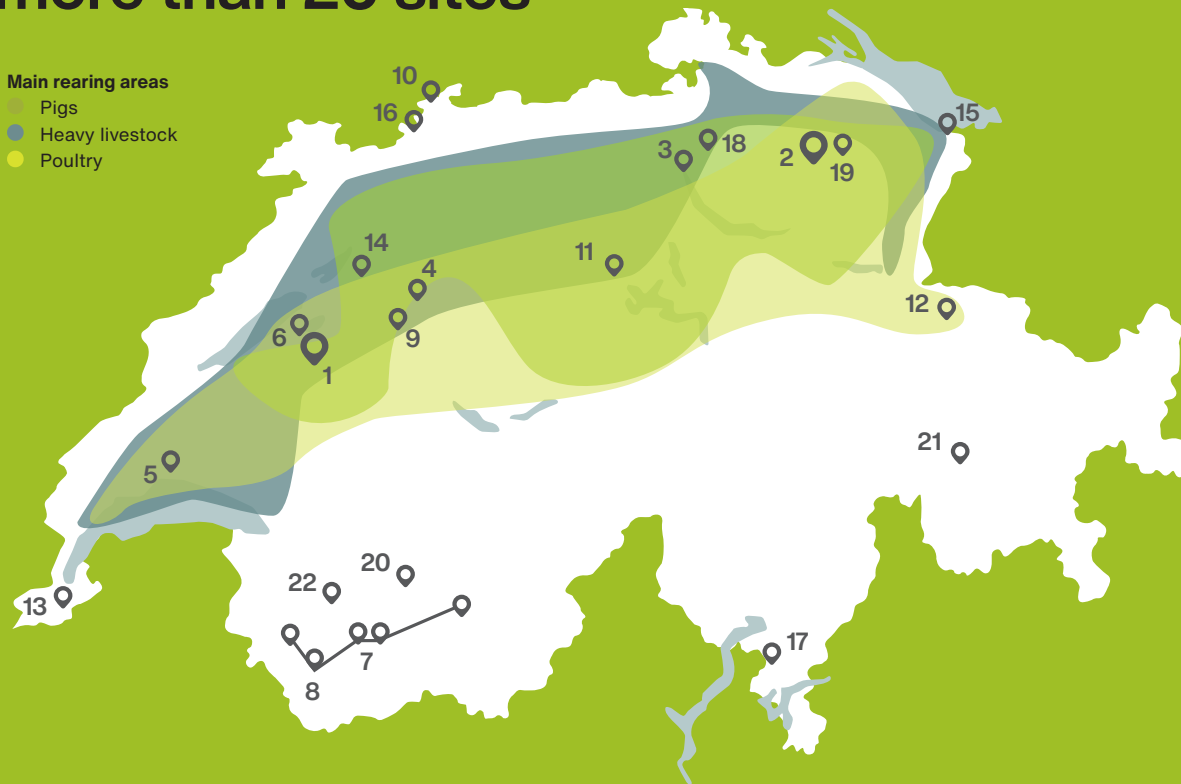
The Micarna Group has been the leading producer of meat, poultry, eggs and seafood in Switzerland for more than half a century and, as a Migros Industrie company, makes a significant contribution to Migros' corporate success. With over 4,500 products for specific customer groups, the Micarna Group is the largest meat producer in Switzerland in terms of sales.



One segment, more than 20 sites

Main rearing areas

- Pigs
- Heavy livestock
- Poultry



1	Courtepin Micarna SA
2	Bazenheid Micarna SA
3	Zurich Micarna SA Mérat AG
4	Schönbühl Micarna SA
5	Ecublens Micarna SA
6	Avenches Micarna SA (Hatchery)
7	Valais Micarna SA (Parent stock facilities)
8	Martigny Mérat AG
9	Bern Mérat AG
10	Allschwil Mérat AG
11	Rothenburg Mérat AG
12	Landquart Mérat AG
13	Carouge Mérat AG
14	Lyss Favorit Geflügel AG

15	Thal Schär Fleischspezialitäten
16	Flüh Maurer Speck
17	Sigirino Mérat AG Tipesca
18	Kloten Lüchinger + Schmid AG
19	Flawil Lüchinger + Schmid AG
20	Granges Fleury
21	Tinizong Natura Bündner Fleischtrocknerei
22	Vétroz Optisol

Our companies



Micarna SA

The leading Swiss processor of high-quality meat, poultry and fish products and a member of the Migros Industrie.



Favorit Geflügel AG

Manufacturers of Swiss Premium Chicken: from whole chickens to chicken breasts, through to fine Spiessli innovations.



Lüchinger + Schmid AG

Swiss eggs: the leading trading and production company, and Switzerland's most important egg producer.



Mérat AG

For restaurants and commercial kitchens: the best meat, poultry and fish specialities, from the butcher to the kitchen.

Our brands

Fleury

At home in Valais: Dried meat specialities from Granges; well-known and popular far beyond the canton's borders.



Maurer Speck

The "bacon man": Ernst Maurer has produced leading Swiss bacon specialities for half a century.



Natura Bündner Fleischtrocknerei

Dried meat specialities from Grisons: the best Grisons meat, smoked ham or Italian pork all produced in the mountains of Grisons.



Optisol

Optisol uses the chicken manure from our parent stock farms to produce high-quality fertiliser for Swiss agriculture and the gardening market.



Schär Fleischspezialitäten

Specialties from Eastern Switzerland: the specialist for meat and sausage products from the Sântis region with a tradition spanning over 70 years.



Tipesca

The Ticino-based company is a leading purveyor of fresh fish products and an impressive range of seafood specialities.



A bright spark

Embarking on another apprenticeship at the age of 36 requires courage, determination, and a desire for change. This is precisely what Doris Fäh did, and she has never looked back. In summer 2023, the professional painter-decorator started her electrician apprenticeship at Micarna, Bazenheid.

Varied training programme and collegial atmosphere

Doris became aware of Micarna through the 'Apprenticeship Forum' in Wil (SG). There, she met Thomas Fust, Head of Vocational Technical Training in Bazenheid, who filled her in on what it is like working for Micarna and what the electrician apprenticeship entails. She first completed a trial apprenticeship at the company, where she integrated very quickly in the team. It was during this time that she realised that support from co-workers

was also key to a successful apprenticeship. Doris greatly appreciates the spirit of collegiality and mutual respect within the Micarna team and is full of praise for her workplace trainer Tobias Glarner, "He is slightly younger than me, but he is really good at his job." Tobias completed his electrician apprenticeship at Micarna two and a half years ago, so he is very familiar with the VET system and the latest developments and trends. An instructor with his finger on the pulse and colleagues with years of experience under their belts is proving to be a winning combination for apprentice electrician Doris.

At the end of every workday, Doris loves looking back on what she has accomplished

Doris also loves the work itself, "Training at Micarna is very varied. It's not like in the construction industry. Here, there's

more to the job than just mounting sockets. You have to do lots of different things." If it runs on electricity, Doris and her colleagues are the ones to call. From system checks and repairing faults to general maintenance work and inspection rounds, no two days are the same for the Micarna apprentice electrician. Given that she was always good with her hands, Doris really enjoys the manual nature of her work. She also loves the fact that at the end of every workday she can actually see what she has accomplished.



Apprentice electrician Doris Fäh enjoys her varied training programme and appreciates her co-workers' collegial approach.

Micarna Group and Green Ethiopia Foundation – an enduring partnership

Micarna takes its responsibilities seriously and is committed to supporting local community projects and associations. Every year, for example, it donates the proceeds from staff events to regional initiatives. These charitable contributions are made in the name of the entire Micarna workforce.

Internationally, Micarna supports the Green Ethiopia Foundation and its reforestation projects. The charity focuses its activities on restoring and planting mixed forests because of the significant and sustainable and positive contribution they make to local livelihoods, environmental protection, and climate mitigation. Green Ethiopia's reforestation efforts have hel-

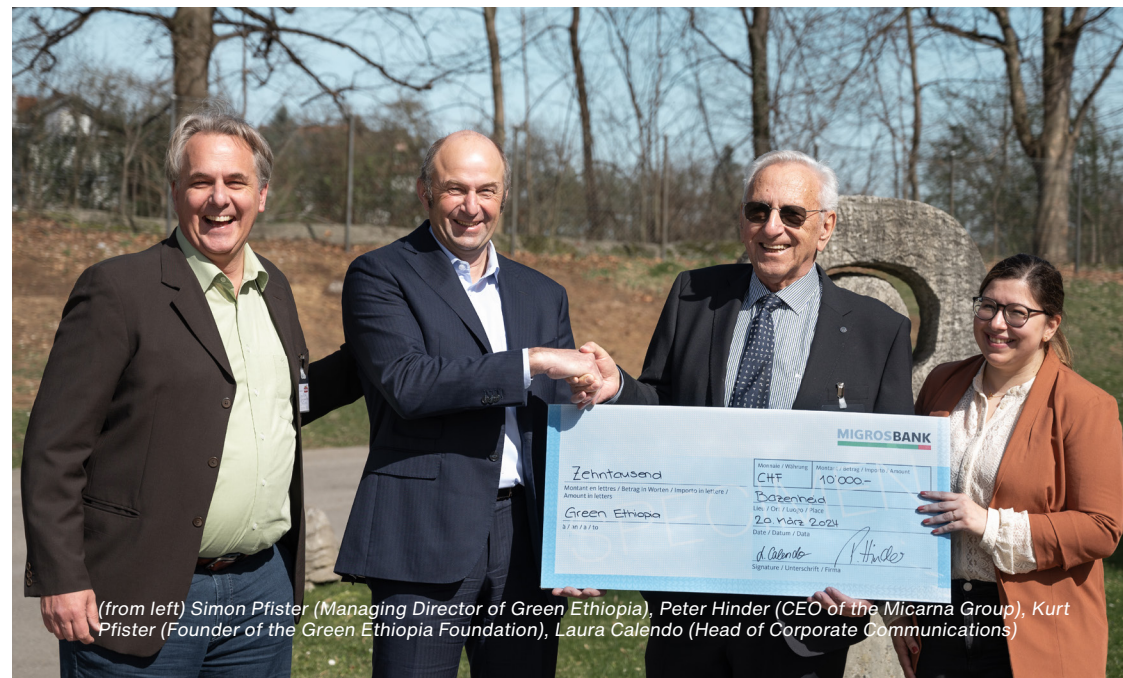
ped and continue to help improve the lives of farming families in rural Ethiopia.

Partnership with Micarna Group

The Green Ethiopia Foundation was established in 2002 with the goal of improving the lives and food security of the Ethiopian people. Forests are at the heart of everything the charity does. Thanks to its reforestation efforts, Green Ethiopia is able to carry out projects in other areas as well, such as water harvesting, soil improvement, erosion control and biodiversity promotion. It also works hand in hand with local farmers' and women's cooperatives to ensure that local communities directly reap the benefits of the Foundation's activities.

"Our reforestation activities support the climate and protect people and the environment. The forests that are being planted change the lives of people in rural Ethiopia in a sustainable way." Kurt Pfister, founder of Green Ethiopia.

The Micarna Group has supported the Green Ethiopia Foundation since 2010 and meets annually with the Board to discuss the progress made to date.



(from left) Simon Pfister (Managing Director of Green Ethiopia), Peter Hinder (CEO of the Micarna Group), Kurt Pfister (Founder of the Green Ethiopia Foundation), Laura Calendo (Head of Corporate Communications)

Micarna-Gruppe

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