


DUFRY WORLD

WorldClass.WorldWide.

**CORPORATE
MAGAZINE**
ISSUE 34
March 2020



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A Challenging Year Ahead, but a Solid Performance in 2019

We are currently facing a challenging year ahead, despite the solid results and performance we managed to deliver for the 2019 business year. While at the beginning of 2020, we first saw a continuation of the positive development seen in the last quarter of 2019, as of February, Covid-19 started to impact the travel retail industry and our performance in several locations.

Based on our experience gained from similar situations in the past, we have immediately setup a special committee within the Global Executive Committee (GEC), who has developed and action plan aiming at generating cash flows, reducing costs and safeguarding our profitability. The action plan leverages three key strength of our resilient business model:

- First, our highly flexible cost structure protecting cash generation and profitability.
- Second, Dufry's risk diversification strategy mitigating the impact. Our concession portfolio is diversified across 65 countries, 420 locations and different channels, and we have limited exposure to single contracts.
- And third, we have a highly integrated and centralized organization structure, with short reaction times, which allows us to deploy action plans fast across the whole group.

In more detail the action plan includes a variety of initiatives focusing on:



- driving sales in all locations to accelerate volumes through promotions supported by brands, by driving conversion in our stores and maximizing sales per customer
- maintaining the level of gross profit margin in collaboration with brands
- renegotiating concession fees; with some airports having already offered reliefs
- immediately implementing an efficiency program including all types of expenses as well as a hire freeze and a limitation to appoint temporary staff

These initiatives are expected to generate savings of CHF 60 million on a full-year consolidated basis at Adjusted Operating Profit level. Moreover, we have launched additional initiatives to reduce Net Working Capital and Capex expected to contribute a total of CHF 40 million. Last, but not least, we have also immediately implemented a CoronaVirus Protocol across the Group to safeguard health and safety of our employees and customers.

Based on current information, we expect to see a negative organic growth performance in the first months of 2020. Provided that the situation improves in the second half of the year, and that we could benefit from our strongest quarter – July, August and September – we would expect to improve the performance and to reach for the full-year only a negative, single digit organic growth.

Solid results in 2019 and targets achieved

From a 2019 business year perspective, we have presented a solid set of results and achieved our targets. We have made important steps to further grow our company through the acceleration of our strategy of profitable growth – both from an organic perspective

as well as through acquisitions. In this context, our turnover grew by +1.9%, reaching CHF 8,848.6 million. Organic growth for the year stood at 3.0%, with like-for-like contributing 0.6% and net new concessions adding 2.4%, thus achieving our target of organic growth communicated to the market. Moreover, our gross profit margin increased again by 40 base points and reached 60.2% following our ongoing negotiations with suppliers, the further standardization of our supply chain and the implementation of the commercial platforms.

The second target we had communicated to the market was to reach a mid-term range of CHF 350-400 million of equity free cash flow on a yearly basis – and with the CHF 383.3 million we reported for 2019, we perfectly met this expectation as well. This is an important result as it underlines our capability to generate resilient cash

flows, allowing us to further invest in developing our company and to reduce our debt. At year-end 2019, our net debt had thus further decreased by CHF 184.2 million to CHF 3,102.0 million, which is the lowest level since 2015. Moreover, the Board of Directors decided to propose to the upcoming Annual General Shareholder Meeting the approval of a CHF 4.00 dividend per share.

Thank you for your support

With the implemented action plan, Dufry is well prepared to face the temporary, but challenging situation we discussed above. The best reaction to win this challenge is to stay focused on our defined initiatives and action plans, executing them thoroughly with the goal to drive sales, reduce costs and focus on cash generation. I thank you for your continued dedication and motivation to support our company. ■

D3 New Plum Market Restaurant at Dallas International Airport

and all-natural foods is part of the accelerated food and beverage expansion at the airport.

In a joint venture with HG Multiplex DFW, Hudson will license and operate the new 223 m² Plum Market location at DFW Airport's Terminal B. It will open in mid-2020 and will feature a restaurant and bar with a diverse menu of chef-crafted meals available to grab-and-go or enjoy onsite. The space also includes a retail selection of convenience items with natural, organic and sustainably sourced candies, packaged snacks and beverages, alongside favorite local brands. ■



Render of the Plum Market Restaurant.

Hudson signed an agreement in January 2020 with Dallas Fort Worth (DFW) International Airport to open Plum Market. This pioneer concept focusing on organic

Dear colleagues, feel free to send us **your stories, news and any other contributions** to suggestions@dufry.com so that we can continue to develop Dufry World as a magazine from employees for employees.

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Snow Flakes in the ceiling of Helsinki Duty Free.



El Mercat, Barcelona's central piece of the renovated stores.

D1 Leading the Table

Dufry holds operations in seven of the top 10 European airports for shopping according to UK retail property advisors, Harper Dennis Hobbs (HDH), who has published its ranking of the Top 10 European Airports for shopping. London Heathrow and Copenhagen were given joint first place, followed by Paris Charles de Gaulle, Milan Malpensa, Lisbon, Rome Fiumicino, Zurich, Barcelona El Prat, Helsinki and London Gatwick.

The ranking is based not only on the variety of the commercial offer, but also on customer satisfaction. Top of the list of this ranking remains London Heathrow airport. London Heathrow, where World Duty Free is the largest retailer, has a well-established reputation for its shopping offer in ratings such as this and has won the Skytrax award for Best Airport Shopping for a record breaking 10 years.

To be – and to remain – in the top positions of these rankings takes hard work and this kind of recognition rewards the consistent commitment and dedication to excellent customer service delivered in these locations by all the teams involved. We are very proud and delighted of seeing Dufry taking most of the top ten positions and very thankful to our colleagues in London, Milan, Lisbon, Zurich, Barcelona and Helsinki who serve as inspiration to others. ■



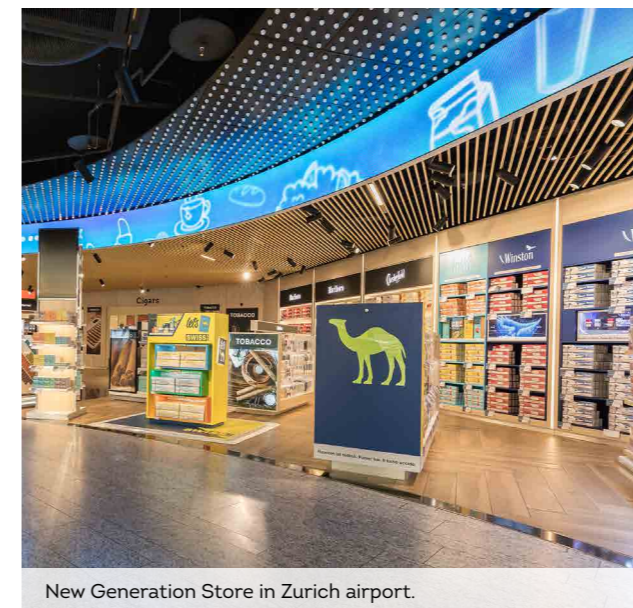
Welcome to Lisbon!



Dufry store in Malpensa, Milan.



London Gatwick tasting bar.



New Generation Store in Zurich airport.



New Generation Store of London Heathrow Terminal 3 Dufry World.

D1 Supporting SOS Children Villages in Spain

Dufry, through its World Duty Free stores in Spain, has strengthened its ties with SOS Children's Villages, an NGO focused on supporting children who have lost or are at risk of losing parental care, as well as their families. Pedro Castro, Division CEO Southern Europe & Africa at Dufry, handed over a check for the 22,904€ raised to Luis Alberto Ramasco Puente, Director of the Image and Resource Collection Area of SOS Children's Villages in Spain, and Alina Elena Balasa, Director of the Madrid Day Centres for SOS Children's Villages in Spain.

The donation to SOS Children's Villages was raised thanks to a collaboration between World Duty Free, Turrone Carremi and Perfumes y Diseño (PyD), with one of its Tous fragrances. During the period, for every pack of Carremi Mini Turrone purchased, 1.50€ was donated to the campaign and for every Tous EDP fragrance purchased, 3€ was donated.



World Duty Free in Collaboration with Turrone Carremi and Perfumes Y Diseño Donates 22,904€ to Aldeas Infantiles SOS (SOS Children's Villages) in Spain.

This solidarity project in collaboration with SOS Children's Villages was not only promoted by World Duty Free, but also by the Spanish Airport Authority AENA, who highlighted the initiative on their website. The campaign commenced with the Christmas season at World Duty Free, to give greater visibility to the project during a key time of the year for the company in terms of travel and commercial activity. The initiative was present in the 36 participating stores throughout the entire holiday period until 7th January.

Pedro Castro said that for World Duty Free "It is very motivating to know exactly where the money raised will be invested." In this case, the total money raised will go to the "El Tomillar" Day Centre located in Collado Villalba in Madrid. Thanks to this financial contribution, the centre will make improvements to its facilities (installation of an air conditioning system, painting of the interior and exterior of the building and the electrical installation in the family room). ■

D1 Lindt Chocolate Boutique at Zurich Airport "Best New Store"

Dufry's new Lindt Chocolate Boutique, which opened at Zurich Airport in April 2019, was recognised in the DFNI Awards, which were celebrated in December 2019. The store won an award in the "Best New Store" category. The boutique is an excellent showcase for the famous Swiss chocolate brand. The 130 m² store engages brilliantly with millennial travelers' courtesy of a fun Magical Selfie Mirror, while the Lindt Master Chocolatier station, the Pick 'n' Mix Paradise unit and the Gifting Station cater superbly to different confectionery purchasing motivations. ■



Lindt Boutique Store in Zurich Airport.

D1 Dufry Antalya: 'Winning Store Model'

The Dufry Antalya team has won the first ever Perfetti Van Melle 'Winning Store Model' award, introduced by the brand in 2019 to reward its best-in-class retail partners.



The Antalya team proudly showing the award.

With a mission to drive the confectionery business in global travel retail, the award was designed to create relevance for both retailers and shoppers, recognizing retail partners who have embraced the potential of non-choco-

late confectionery and moved towards the perfect in-store environment for Perfetti Van Melle's key brands. There were a number of reasons why the Antalya store received the 2019 award, including its strong focus on Perfetti's must-have assortment, along with fantastic visibility, strong promotions and excellent use of a Brand Ambassador.

Perfetti also recognized the Antalya team dedication, highlighting their positive retailer attitude and approach, as well as good control of the supply chain. For Perfetti Van Melle, the Antalya store is the biggest single airport operation and it has created the perfect shopping environment for their confectionery buyers. ■



periences, driving customer experiences and delivering business results.



Each winner was presented with their Award by their Managers, who shared with the audience the background as to how each individual had successfully incorporated the three guiding principles of ONEDUFRY (Care, Showcase and Efficiency) into to their daily working life. ■



Dressed on Harry Potter's outfit and with a magical wand to celebrate a new edition of the awards.

D1 Celebrating Success

A new edition of the Service Star Day took place in February 2020 in London, UK, where winners of the 2019 Dufry Service Star Awards met to celebrate their commitment to Dufry. The venue chosen for this event was the Harry Potter Warner Bros. Studio and it was attended by 45 Service Star Winners from World Duty Free, The Nuance Group and Centre Parcs operations across the UK and Switzerland.



The 45 winners of this year edition of the awards.

Winners were nominated by peers and colleagues for delivering WorldClass Service both internally and externally. The criteria to select the winners is based on the contribution of nominees towards each of the three pillars of the ONEDUFRY program: driving employee ex-

D1 UN's Global Goals Back On Stage in Zurich and Basel

For the fourth year in a row, the United Nations in Geneva has collaborated with Dufry Group to bring the campaign #YouNeedToKnow back to Zürich Airport. Installed prominently in the open space at Check-in 2 (in front of the departure boarding pass scanning), the campaign visuals remind passengers that there won't be a second chance to save the planet for future generations. It urges them to rally around the Global Goals and think about how to rid the world of poverty, provide quality education, guarantee gender equality and foster economic growth, among the many challenges the world must swiftly tackle. The campaign encourages people to take pictures at the photo booth and share them on social media using the hashtags #YouNeedToKnow, #ActNow, #GlobalGoals. The campaign was back at Zürich Airport and Basel-Mulhouse EuroAirport from 15 January to 14

February, in time to welcome people attending the World Economic Forum in Davos. An average of 80,000 passengers travel through Zürich Airport daily.

The story of the collaboration between Dufry and the United Nations for raising awareness about the Global Goals – also known as Sustainable Development Goals – goes back to 2016 when Dufry managed to take the campaign to 35 airports worldwide, reaching around 55 million passengers.



UN's set up in Zurich Airport with a clear call to action.

Since that initial collaboration, the #YouNeedToKnow campaign has evolved towards a more consumer-oriented messaging, featuring individual actions that each of us can adopt in our daily lives to help the nations achieve the 17 Sustainability Goals that world nations agreed in 2015.



Stefan Gross, Chief Commercial Officer at Zurich Airport, Tatiana Valovaya, Director-General of the United Nations Office in Geneva, and Ekaterina Herzig, General Manager Dufry Switzerland.

Airports are a very interesting location for the United Nations for this campaign, as they reach a very broad audience and different nationalities. At the presentation of the campaign, attended by the Director-General of the United Nations Office in Geneva, Tatiana Valovaya, she highlighted the importance of partnerships like the UN and Dufry one. Talking about the #YouNeedToKnow campaigns, she commented: "Today, progress is being made in many places, but, overall, action to meet the Goals is not yet advancing at the speed or scale required. We need to deliver concrete results for those most in need and speed up concrete actions to deliver the Goals by 2030. Continuing to bring the Goals to passengers from all around the world is part of the Decade of Action which calls for accelerating sustainable solutions to all the world's biggest challenges."

During 2020, Dufry will continue its collaboration with the UN and the company is currently working on a campaign that will give visibility to the #YouNeedToKnow campaign in our stores. Stay tuned! ■

D2 Aesop Debut in Travel Retail in Australia



Each Aesop store has a unique interior design.

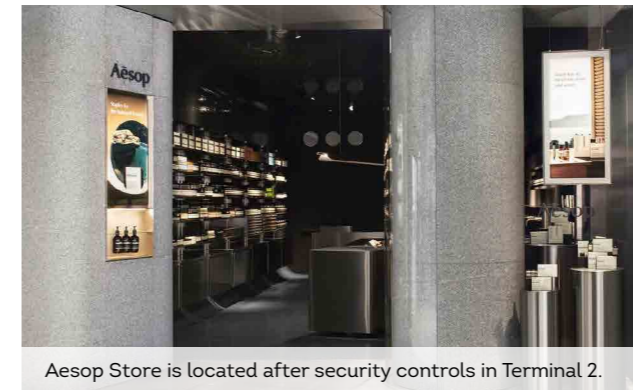
Dufry, working in close partnership with Aesop, has recently open the first ever Aesop Travel Retail shop in Australia. Located in Melbourne International Airport, the store provides a welcome and calming contrast to the bustle of the main airport and stocks a range of products for the skin, hair, body and home, including fragrances. Customers can purchase their carryon essentials and gifts, replenish their Aesop favorites and also take time to relax. Refreshing hot towels and a reviving beverage can be enjoyed pre-flight, alongside expert skincare consultations and product advice.



Aesop, a brand born in Melbourne, Australia, offers skin, hair and body care formulations.

Three products which are exclusive to travel retail also form part of the range and are perfect for customers to use whilst travelling. The Melbourne Kit contains a selection of nine travel sized skincare, hair, body and oral care essentials. The Aromatique Hand Balm Duet contains two travel sized hand-care products and a convenient 250ml edition of Aesop Mouthwash is also available. A distinct space has been created in the airport's duty free retail precinct, and Aesop Melbourne Airport

has been designed by the brand's own in-house design team, to integrate with its surroundings and reflect local culture, history and environmental influences. ■



Aesop Store is located after security controls in Terminal 2.

D2 Mono-Stores Opening in Sharjah

Dufry Sharjah Duty Free has recently opened two mono-brand shops at Sharjah Airport in UAE. The 40m² Bayara store offers a wide assortment of delicious and healthy snacks such as organic raw nuts and dried fruits, roasted nuts, spices, dates, tea & infusions etc. In the region the brand is well known, has wide awareness and is a key partner of our Sharjah operation.

For many years, Bayara has provided customers with great products and with the launch of the new mono-store in Sharjah airport, Dufry features a much wider and diverse assortment within a dedicated Bayara food concept store, that offers daily tastings and a counter to facilitate purchasing products by the gram or kilo, as customers prefer.



The two new stores are to attract passengers with quality products at affordable price.

Neighbouring our Bayara store a second mono-brand store has made its debut, Bijoux Ternier. This store covers 54 m² and offers customers a wide range of affordable accessories including an exciting selection of watches, jewellery, bags, pashminas, accessories and more, all at great value for money. The store caters for customers who are looking to treat themselves or pur-

chase gifts for friends and family, with all products sold at a single price of AED 49 (approx. CHF 13).

Both stores are directly opposite the Dufry main shop in Sharjah with high visibility, making it easy for our customers to access the stores and discover all its offerings. ■

D2 Shop & Drive Car Raffle Winner

Dufry Sharjah Duty Free and Sharjah Airport concluded the latest car raffle promotion that is held quarterly throughout the year.

The "Shop and Drive" raffle draw is held at the Airport in the key promotional space where the grand prize is displayed. The lucky winner Mr. Aboobacker Charupadickal from India won a BMW X1. The Chairman of Sharjah Airport and of Dufry Sharjah Duty Free H.E. Al Midfa drew the winner of the grand prize in the presence of Sheikh Faisal, Director of Sharjah Airport Authority and Member of the Board of Dufry Sharjah Duty Free, Mr. Donald De Souza, Commercial Director of Sharjah Airport, Mr. Felix Brunner, General Manager MEISL, and Fahim Shaikh, Operations General Manager, as well as dignitaries from Sharjah Police, Airport Customs and Sharjah Airport.



Prize giving ceremony with the lucky winner, airport authorities and Dufry Sharjah management.

We are very honoured that Sharjah Airport is providing two cars to support the promotion and thank especially the Chairman, HE Al Midfa.

Throughout the year, customers passing through the Main Departure store can have the chance to win the next grand prize, after shopping for AED 200 or more with Dufry Sharjah Duty Free. An additional incentive and way of thanking customers that Dufry Sharjah provides, on top of the best shopping experience. ■



The Customer Comes First

Delivering consistent outstanding customer service is Dufry's main aspiration to retain its position as the leading travel retailer. No matter where our stores are located, the ultimate objective of Dufry's Customer Retail Excellence program is to give our customers the best possible shopping experience. But, how can this be achieved?

By Jorge Muñiz

"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel." This quote from the American writer, Maya Angelou, captures in a little more than a line what the philosophy is, behind Dufry's Customer Retail Excellence Program.

It's true that, more and more, we bring exclusive products to our shelves as a way to increase Dufry's value proposition for customers. But, even just from a statistical perspective, exclusive products are a small proportion of the total number of products available in any Dufry store.

A Toblerone bar - or a flacon of Chanel 5 - is the same in our stores and elsewhere. The aspiration of Dufry's Retail Customer Excellence program is nothing else

than giving something more to our customers that turns this Chanel 5 into a Dufry Chanel 5, hence, turning a standard product into an exclusive.



Initiatives such as RED by Dufry is helping to improve our customer service level.

The in-store experience is what will make the big difference between a customer and a repeat customer - and it is what customers take with them. And this is a favorable battlefield for Dufry to beat its competitors.



Attention to detail. Every little helps to close a deal!

This program aims to make Dufry a WorldClass retailer that provides excellent employee and customer experience, focusing on:

- Reinforcing customer service through ideal staffing levels according to store traffic and sales
- Provide employees with a clear focus and target for each shift
- Empowering teams through strong leadership
- Enhancing selling capabilities around our products, promotions and specials



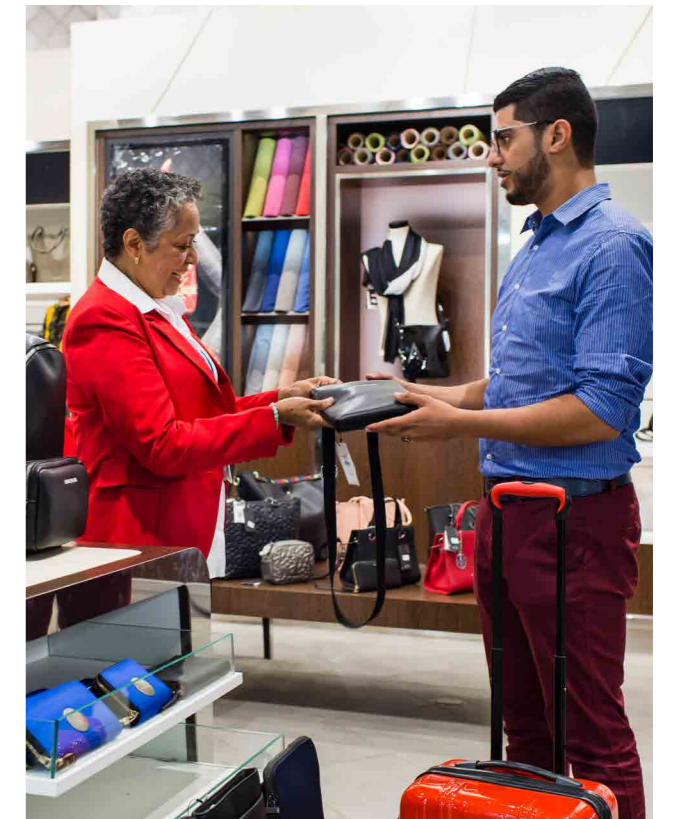
Making customers feel special.

Academy Stores - Case Study Zurich

13 Academy Stores spread across the 4 Divisions have been rolled out globally. These are located in Stockholm, Zurich, Athens, Madrid, Marrakesh, Jordan, Toronto, New York (Newark), Cancun, Sao Paulo, Buenos Aires (Ezeiza), Melbourne and Bali. The Academy stores have served to test concepts and best practices and, more importantly, to be a reference for stores in other airports and geographies. In the online version of Dufry World - available at www.emagazine.dufry.com - you can view a video we have posted about the Zurich Academy Store. Supported by teams from

different locations, Zurich has taken the complete Retail Excellence Program and tried a new way of operating the store. The plan covers the four areas of the Retail Excellence Program, including:

1. Workforce Management - not just adjusting shifts to coincide with peak traffic flows, but also distributing our staff across the store, ensuring managers cover the whole shop floor and are easily accessible to sort out issues as they happen.



2. Staff Briefing - shift briefings and performance reviews with clear information on daily events, objectives to achieve... and anything relevant to know for the day. The day starts with a daily huddle, where priorities and objectives are set and the latest novelties shared with managers to cascade to their teams.



Brand ambassadors also play a key role to deliver the perfect customer journey.

Service managers then have their daily briefing with the team, to cover what's about to come. From reviewing schedules, identifying customers that are due to pass through the store on that day, reviewing latest product releases or promotions to explain the sales target we want to achieve for the day, it's all about setting the expectations for the day. Similar briefings also take place with brand ambassadors and non-Dufry staff that are in our stores.



To the eyes of the customer, they are all part of the same team and the same WorldClass service is expected from everyone. We therefore have to play our part and ensure they are kept fully up to date with what's going on in the store.

3. Service orchestration – just as in a concert, our sales staff are the musicians. They can be the best in the world, but without clear and harmonic direc-

tion, the music – the service in our case – won't flow. The staff are key to ensuring the day flows seamlessly. And if there's anything to correct, or something is needed to perform the job, they are there to sort out. As with the conductor of an orchestra, the store manager's role is to ensure everyone plays their part in generating perfect harmony.

4. Driving engagement. We all like being rewarded for a good job. And, yes, it's also motivating to share success with other colleagues. That's why rewarding great service is a key element of the whole program. It not only reinforces positive behaviors we like to see in our staff, but it also serves as inspiration for others, who then strive to improve and get better every day.

The Perfect Customer Journey

The Retail Customer Excellence Program needs to be, by definition, something very practical and down to earth. It has a single objective: offering superior customer service that results in higher spend per customer and, eventually, more repeat customers.

Delivering the perfect customer journey is the way of achieving this. And whilst, the following description may sound quite academic, it really encapsulates what we strive to do:

1. The Discovery Stage – a prospective customer enters our store. He may want to buy something or just pass some time. But for us this is a passenger

that could evolve into a potential customer, and hence, is potentially interested and able to be converted.

2. The Consideration Stage – our prospective customer is now really interested in our product. Now it's the time to go "full-steam-ahead" with our selling arguments. Additional instruments, like sales tablets, play an important role here. It's time to impress our potential customer!

3. The Purchase Stage – you made it. The customer is really convinced. Time to close the deal... and in

doing so, highlight details such as larger sizes of the product that might be available, or a bigger or more premium product (up-selling) and/or help the customer with something else that's available in our store (cross-selling).

4. The Retention Stage – Sale completed. But we want to keep this customer loyal to us. Make sure he is in our RED by Dufry program... and say farewell with a great smile! ■



Discovering and experiencing new products is part of our value proposition.

D2 Sweet Garden Concept – New Confectionery Contract in Singapore

offer customers all the benefits of its own worldwide loyalty program RED by Dufry, as well as Changi's iShopChangi reserve and collect platform. ■

In December 2019, Dufry won a new three-year concession contract at Singapore Changi Airport. The four new shops will be located in the Terminal 2 departure hall and cover a total sales area of 563 m². The shops are expected to start operations sequentially as of March 2020.

The new confectionery shops will be designed under the Sweet Garden concept, which pays tribute to the iconic lush and curated gardens found in Singapore. The concept includes a variety of digital elements to maximize the customer experience. Dufry will also



Sweet Garden concept will pay tribute to the lush gardens of Singapore, which are already a feature of the airport landscape.

High-Flying Executive

By Dana Matuson

Flying can be seen as a great metaphor for the journey of life. Just as pilots on their first day learn that flying higher reduces air resistance, successful business leaders understand the value of continuing to push higher, and to keep on learning. While not a pilot by trade (although she can fly!), recently appointed Executive Vice President, Freda Cheung, is embracing her love for flying in a business context, by taking on the challenge of elevating the duty-free presence in North America to new heights.

Congratulations on your recent appointment to EVP Duty Free, North America. Tell us a bit about your new role, responsibilities and challenges. How will the new Duty Free team structure in North America positively affect the business and the growth of the North America duty free presence?

Thank you and I'm truly excited about this new opportunity and looking forward to a year of positive changes. In this new role, I have full accountability of P&L for all duty-free operations throughout Canada and the US; my responsibilities focus on store operations, commercial, supply chain and logistics. I believe the key to success in terms of leading 1000+ employees scattered across 20+ airports in two countries, within a highly regulated environment and in a volatile market, lies in my ability to create a cohesive high performing team of members who do not just work alongside each other, but also collaborate with each other. Having shared common goals among team members is critical to the success of driving business growth and creating a great place to work. The new Duty Free structure allows us to focus on the two largest operations in Division 3 - Vancouver and Toronto. It also affords a dedicated Regional VP to be in charge of all operations in the US, which is a very different market than Canada. Together we will be able to cement our presence in North America as the largest duty-free operator, as well as pursue opportunities to expand our footprint and deliver world class passenger experiences.

Hudson and Dufry have recently secured an 8-year duty-free contract with Toronto Pearson International Airport which is set to transform the airport's retail experience. What are the plans? Are there other key duty free wins in the past year that are also important to highlight?

Big and exciting plans are in the pipeline indeed! Recently Greater Toronto Airport Authority (GTAA) visited us in Basel and together we celebrated this important milestone in our partnership, which also marked the beginning of our Joint Management Committee. We have plans to do some limited refurbishment in our existing footprints to enhance our offers and improve our per-



IN A MINUTE:

- A meal: Enjoying teppanyaki wagyu beef at Shinjuku Seryna on the 52nd floor overlooking sweeping views of Tokyo
- A book: Social Intelligence by Daniel Goleman - my first awakening of human relationships
- A city: Luxor, Egypt - the world's greatest open-air museum; an absolutely breathtaking place of worship
- A film: The Sound of Music - watched it every Christmas when I was growing up
- A hobby: Flying a Cessna 172 - all I could hear in my head is "I believe I can fly..."
- A leader: Michelle Obama - she knows her place and is equally capable of leading from the front and leading from behind
- An airport: Changi - a fine balance between arts and science

formance, this is Phase 1 which would cover from now till 2023. Then Phase 2 is 2024 and beyond, in which we are planning a facelift of our entire duty free program in Toronto as the airport has great plans to double our current footprint to 100,000 sqf equivalent to 9,300 m². In addition, we have been successfully awarded the RFP for Newark Airport Terminal B. Together as a team, we are very proud of such recognition by the Port Authority, given that we didn't offer the best financial terms compared to other bidders. As we already operate Newark Terminal C, this further strengthens our presence in New Jersey where Hudson's headquarters are located.

The American business is somehow different to the rest of the Dufry portfolio - duty-free represent just 23% of the total Net Sales. However, it is a well-established business that is permitting Dufry to win share in more widely defined 'airport concessions' covering duty-free and duty-paid retail, convenience store and Food & Beverage concessions. How's the group progressing?

Since our first store opened in LaGuardia airport 30 years ago, Hudson has grown to 1000+ stores across 37 states in the U.S. and 4 provinces in Canada. Our programs consist of 4 lines of business - travel convenience, specialty retail, duty-free and food & beverage (F&B). This comprehensive and diverse portfolio allows us to offer a "package deal", especially to some of the smaller airports in the U.S. It also affords us the opportunity to expand into less familiar terrain such as F&B. Through our recent acquisition of OHM Concession, we could instantly tap into new markets and further position ourselves as "The Traveler's Best Friend".

Your career is an inspiring example for many of us in Dufry as proof that being a mother does not necessarily mean its an obstacle for professional development. What's the secret?

It's no secret that time has changed and many aspiring women would like to have a family as well as pursue a career that brings professional development and a sense of accomplishment. In both Canada and the U.S., while women outnumber men in post-secondary education, the workplace unfortunately is still not very mother-friendly. Unconscious bias towards professional women who also have family responsibilities is prevalent, and the willingness from organizations to foster a more flexible culture to accommodate them is still very much lacking. What I have learned over the years is that:

1. I need to be clear on what I want to pursue and make sure I communicate it to my employer and my family. It's amazing how people around me make an effort to give me opportunity and help me achieve my goals once I have made them known. I do believe that human nature dictates that we all have a desire to help others.
2. I need my spouse to share family responsibilities as well as domestic work. It's the 21st century, men are just as capable as women when it comes to child caring and house chores. There will never be gender equality if it doesn't start at home.

3. I choose my battle and prioritize what's truly important to me. I may not have been the one to drop off my kids at school every morning, but I have been to every single hockey tournament that my son played over 12 years and every single figure skating competition that my daughter participated over 10 years.

All in all, I would encourage other fellow professional women to remember that motherhood is a privilege, a blessing and a journey; don't forget to celebrate the small wins.

You have had the benefit of learning from different and strong corporate cultures and ways of doing business. What have you learnt from each of them that has proved beneficial for your day-to-day work?

My professional background is Accounting and Finance, and the majority of my career has been spent in corporate service industry as well as high tech industry. In my almost 30 years of professional experiences, I've come to learn that creating the right culture in an organization is by far the best investment as it yields the highest ROI in the long run. It's a daunting task that is much easier said than done. Not only does it take years but it takes good judgment on characters, courage to hold others accountable, and determination to make difficult decisions. Having had the fortune of working in some of the most forward-thinking organizational cultures, I must say that an open, curious and learning mindset, coupled with clear, concise intentional communication are what I strive to practice on a daily basis.

Tell us a little bit about your involvement with Women@Dufry and as a member of Hudson's newly formed Diversity & Inclusion Taskforce. How is Hudson championing diversity and in-clusion as it heads into 2020?

As many of us know, Women@Dufry was initiated by our Group CEO Julian Diaz and it began in the summer of 2017. Julian recognized the lack of gender diversity at the senior management and executive level; he called it out as something that Dufry could improve. Women@Dufry is a committee that comprises of 17 female leaders including myself. We meet with Julian for two hours every six month to share our experiences, observations, thoughts and ideas on how to improve Dufry as a more gender-inclusive workplace. We also champion the celebration of women's impacts in our society across various Dufry locations. Many of us serve as mentors and share our experiences with other women across the organization. Personally, it definitely has been a very rewarding experience for me.

Hudson's newly formed Diversity & Inclusion (DI) Taskforce started in September 2019; it is made up of 18 members across functions, across geographical locations in Canada and the U.S., duty-free and duty-paid inclusive. Our mission is to identify, understand and remove existing barriers that keep us from being a diverse and inclusive workplace. The end goal is to stay relevant in a changing demographics environment,

both in the US and Canada, as well as globally. This is particularly the case given that we are in travel retail. In order to understand our customers, our DNA should reflect the customers we serve. Since then I have been chairing a 90 minute session every two weeks and our discussions focus on: Recruitment, Career Road Map & Development, Succession Planning, Compensation & Benefits, Work/Life Balance, and Organizational Culture. I'm truly grateful for the active participation and constructive feedback from all the members over the last 5 months. I'm very excited to share that together as a taskforce, we just finished putting together a "Diversity Impact Plan" to be submitted in two weeks to Hud-

son's executive team for consideration. I'm confident that tangible, positive changes will come as a result, and together we can create a better place to work.

Tell us about yourself – what you like doing in your free time, your hobbies ...

I left home when I was 16 and crossed the Pacific Ocean alone to study in Vancouver, Canada. It has shaped me to be an independent thinker and a curious learner. I enjoy spending time with my family including my cockapoo Lilo. I believe that building memories is an investment and a legacy. ■

Wall of Fame



Suvi Niemi
Digital Marketing Specialist
Helsinki Airport, Finland

Suvi is the voice behind Dufry Finland's social media channel. And although the launch of the RED by Dufry program in Finland, and the Finnish language version of the Reserve & Collect website are probably some of the largest projects she's been involved in, the ongoing feeding of the social media channels, creating interesting content and consequently keeping Dufry Finland present in the mindset of our social media followers, is her major achievement. Suvi is known for being a hardworking and skilled digital marketing professional and, what makes her a great marketer, she is very customer oriented and a strategic thinker - always keeping the customer journey on her mind. Thanks Suvi, for being the face of Dufry's social media out there!

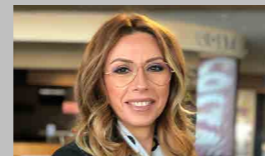


Victoria Kanellopoulou
Assistant Shop Manager,
Athens International
Airport, Greece

Victoria joined Dufry as a sales associate in 2012 at our Perfumes & Cosmetics stores in Athens International Airport and worked hard from the very beginning. Now she is an assistant Shop Manager at Victoria's Secret stores at the airport. She shows great enthusiasm for her current role and does the best for her team in order to deliver results and maintain high-quality customer service. She is always positive and communicative. As an outcome of her team's effort, the All Users area Victoria's

Secret store entered the Platinum Club in 2018 thanks to their exceptional scores in all categories of Mystery Shopper reports. "Victoria's Secret": Despite the fact that most of her colleagues know her love for music, they could have never imagined her as an Opera singer, but she really is! She started her studies at the age of 19 in music theater and opera and participates in concerts. One more secret thing about Victoria is that she is a vegan and an athlete in Pentathlon as well. She has her own page on Instagram and she shares delicious recipes trying to motivate people to adopt a healthy way of life.

Radoslava Todorova
Sales Associate
Burgas Airport, Bulgaria



Radoslava has been part of our team since the start of the Nuance operation in Bulgaria in 2013, when she joined as a cashier, but very quickly moved to sales thanks to her undoubted talent. Her great communication skills help her to easily gain customer trust and engagement. She is also one of our most knowledgeable employees when it comes to product knowledge and her motto - Retail is detail and Customers always come first! - has made of her one of our best performing employees. That was the reason she won a prize in a recent sales competition launched in Burgas. But instead of keeping it for herself, not only did she offer it to the team as a whole, but also proposed donating it to an orphanage located in a small Bulgarian village. The idea was backed by the whole team and clothes, shoes, food, educational books and toys were donated to this institution on behalf of Radoslava and the Burgas team. Well done!

Wall of Fame



Phin Kimleang
Central Services Team
Leader, Siem Reap Int.
Airport, Cambodia

Phin was nominated Employee of the Year for many reasons. Since he joined the team 2 years ago, Phin has demonstrated very strong sales and customer service skills; he knows how to engage effectively with every passenger and is a fast learner and a top seller in the Store. He shows flexibility and is willing to work any shifts that are assigned him. On top of his language skills - he speaks Mandarin, French, English, Korean and native Khmer - he's an expert Karaoke singer, and when not working, you can find him with friends covering some global hits!



Aleksandra Rajkov
Sales Assistant,
Belgrade, Serbia

Aleksandra is not just one of the best employees on the shop floor, but also a hero and a living example for many. She has given great and consistent results in sales: even in difficult times, such as when her health was seriously threatened (by cancer and she had to undergo by aggressive chemotherapy two years ago. Throughout her intensive treatments she kept going and working without quitting. Thanks to everyone's support she managed to stay professional and gave her best every day of the working week. The impact of her positive attitude reflected on the whole team within the main shop and she has become an inspiring example of how great people can be and how lucky we are to have the chance to know them and to have them as a part of our team.



Penelope Drakopoulou
Commercial team,
Athens, Greece

Penelope has worked at Hellenic Duty Free since 2005, initially in the Marketing Department in the Luxury Items category and then in the Commercial Department in the Wines & Spirits Category, as a coordinator (planning and implementation) of the cat-

egory's promotional activities. But probably one of her most remarkable milestones was finishing in 3rd position in the Women's General Category in the International Marathon Thessaloniki Great Alexander in April 2019. With a time of 3 hours, 10 minutes and 32 seconds, her result is quite impressive and she's currently in 8th position in the Greek Women Marathon Runners ranking of 2019. Who knows, maybe with Penelope, we'll find our first Dufry Olympic athlete in the Tokyo 2020 Olympics! Keep running Penelope!

Ekaterina Rymsha
Shift Supervisor,
St. Petersburg, Russia



Ekaterina joined Lenrianta in 1996 - almost 24 years ago! She started as a sales assistant and has made her way through the team to become shift supervisor. At work, she is always ready to help with advice, to support young employees. In her spare time, Katya organizes interesting excursions and themed events for children of Orphanage No. 6 in St. Petersburg, and helps in arranging children's holidays, and also organizes fundraising to buy gifts for these holidays. She also actively interacts with the "Center for the promotion of family education" for children with neurological diseases. She gives all the warmth of her heart to the children living in the orphanage. Always open, kind, friendly, she has become a real friend and support for the children.

Hasmik Poghosyan
Sales Associate,
Armenia



In the Armenian team since 2009, Hasmik is a Sales Associate in the Perfume & Cosmetics department. She is a professional seller always confident, open for challenges and development, welcoming and positive with customers and a good team player. She goes beyond her responsibilities and always strives to deliver excellent service and results, thus being a good example for other employees. She always reaches her personal targets and is excellent at inventory stocktaking processes and arranging merchandising, which has made of her one of the most respected and committed workers in the team!



Responsible Retailing of Alcohol

By Jorge Muñiz

If you are working in one of our stores selling alcohol products to our customers, or if you are somehow involved with the liquor category, this shouldn't be breaking news for you. Dufry is training staff on how to responsibly handle the marketing and sale of alcohol products in our stores, and thus is in line with the recommendations of European Travel Retail Confederation (ETRC).



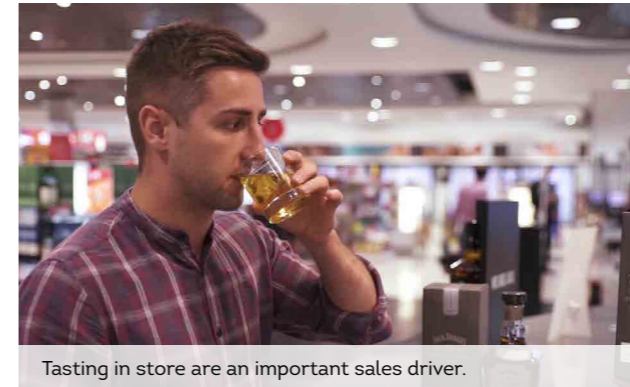
Wine and Spirits accounted for 17% of Dufry's global sales in 2019.

This industry initiative builds on the self-imposed Duty Free World Council (DFWC) Self-Regulatory Code of Conduct for the Sale of Alcohol Products in Duty Free & Travel Retail, which most of the ETRC members, including Dufry, have signed and implemented. This initiative was designed to complement any existing codes and guidelines being followed by individual alcohol manufacturing companies and other bodies.

The DFWC code from 2015 was specifically designed for the duty free and travel retail industry, reflecting the distinct nature of travel retail and the differences from domestic retailing environments, which amongst others include:

- Travel retail's unique customer base, which consists of international travelers frequently unable to speak the local language and potentially unfamiliar with the national laws on age of purchase, labeling etc.
- Opening hours in certain duty free and travel retail locations such as airports mean that shops are often

open 24 hours, 7 days a week, with licensing laws allowing them to sell alcohol earlier and later than their high-street equivalents.



Tasting in store are an important sales driver.

- The circumstances of purchase, with passengers often having little time to spare, or choosing to pass time in duty-free and travel retail shops as an inherent part of the travel experience.
- Custom limits and security requirements.
- Restrictions on consumption for passengers at airports until they reach their destination, enforced by the sealing of alcohol products in plastic bags – something that doesn't happen in high-street retail.



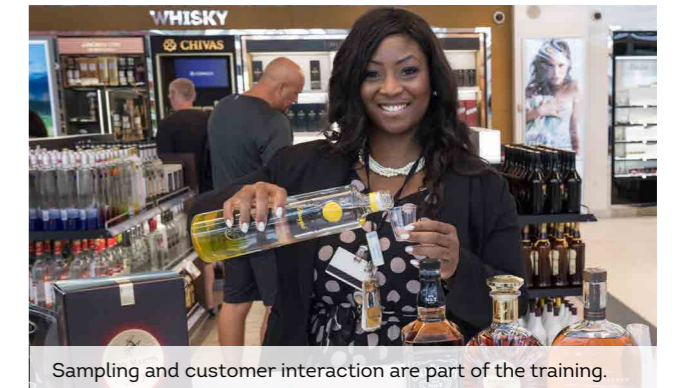
The Code of Conduct hence provides a unique standard for the promotion of responsible retailing of alcohol products in the duty-free and travel retail channel, establishing clear guidelines for commercial communications, sales of product in the travel retail and duty-free environments and for product sampling and tasting at the point of sale. The code is publicly available in the DFWC website www.dfworldcouncil.com/code-of-conduct/.

As a next step to the Code of Conduct, this training module is intended to further promote the understanding of the Code by all stakeholders involved in the sale of liquor: retailers, brands, commercial and communications teams.

What does this training consists of?

The training program builds on the above mentioned adoption in our industry of a Code of Conduct for the

sale of alcohol. Those taking this course are trained in all the key policies in relation to alcoholic beverage service under the DFWC Code of Conduct, including store set up, sampling and customer interaction. This includes understanding how to identify those customers that require extra care and attention, apply strategies to ensure a positive outcome and know how to respond when a difficult situation arises. The training module just takes 30 minutes, it is available in three different languages (English, French and Spanish), with more languages to follow shortly. It can be taken from any internet-connected device and the training can be completed in different sessions. Upon completion of the training, a certificate of accreditation is issued to successful participants.



Sampling and customer interaction are part of the training.

Why this accreditation?

The sale of alcohol is probably now - more than ever - in the spotlight, with various challenges to alcohol marketing and retailing in duty free. From health warnings and labelling, to separation of space where alcohol can be sold in stores, or even restrictions and reduction in the allowances, there are a number of initiatives that can negatively affect sales in this category. Beyond ensuring the understanding and assimilation of the Code of Conduct by stakeholders, the training module is a proof point that we, as an industry, are behaving responsibly. ETRC will be monitoring the number of participants who register and successfully complete the training, with the aim of demonstrating to policy-makers that the travel retail and duty free industry take self-regulation seriously and that our channel does not need any further legislation restricting our ability to retail. ■



Passing through duty-free stores is an inherent part of the overall travel experience.



Re-Imagined Store Design for Hudson

In December, Hudson announced its new store concepts, which will start to be rolled-out during 2020 in key markets. This next generation of Hudson stores is designed to better suit airports and passengers alike and will incorporate a number of new features that position Hudson for future growth, whilst enhancing the airport experience, by evolving to meet the demands of today's consumers.



New fascia design for our Hudson store in Las Vegas.

These new stores will feature digital displays that allow for localized and enticing consumer content, which is controlled internally by the corporate team. The flexible store model can be adapted at any time to meet the

local needs of airport travelers, with interchangeable modular walls for a smooth transition between retail offerings. From creating seasonal displays, enhancing select product categories and making swift changes to put the latest sporting merchandise on display for the big game, the Traveler's Best Friend can make it happen! In addition, after successful pilots, Hudson's next generation store concept will include self-check-out stations to facilitate quick and stress-free transactions for its always on-the-go travelers.

In addition to Hudson's next generation store rollout, the business will also introduce its new consumer-facing mobile application in mid-2020. The "Hudson Blue" App allows its loyal travelers to connect with their Hudson store from their mobile device and gather insight on products and promotions at any given time. Staying true to its purpose of being the Traveler's Best Friend, Hudson's consumer application will also provide features to ease the stress of travel outside their stores.

This revamped design of the Hudson stores responds to changes in the world of travel and evolution with new technology, adapting the product offerings, transactional capabilities and store model to the new trends and consumers' needs. ■

D3 New Contract at Toronto Pearson International

A new eight-year duty-free retail contract at Toronto Pearson International Airport, effective from June 2022 through to June 2030, strengthens Dufry's and Hudson's duty-free presence in North America, while highlighting the long-standing 35-year partnership with the airport authority. As part of redevelopment and expansion plans, new brands and concepts will be introduced, as well as innovative digital technology anticipating traveler's needs and adapting to the evolving passenger demographics. An admired and award-winning airport, Toronto Pearson has been recognized two years

in a row by the Airports Council International (ACI) as the Best Large Airport in North America and has received top accolades from the Airport Service Quality (ASQ). ■



D3 Hudson with New Brand Identity

On November 25, 2019, Hudson unveiled its new brand identity during the traditional afternoon bell ringing at the New York Stock Exchange. First of all, Hudson Group renamed itself as Hudson in a move to highlight its credentials as an 'all-encompassing travel retail partner' while improving the customer experience.



Second, a reimagined 'H' logo and supporting brand assets were created to capture Hudson's legacy and culture, while emphasizing its vision for growth. The design of the new logo represents the four cornerstones of the business as windows, which, together, form an iconic letter "H".

Hudson worked with the New York headquartered agency Siegel + Gale to devise a refreshed brand strategy and visual identity, with the goal that the Hudson brand authentically expressed the company's storied history and its innovative, future-focused approach to airport experiences.

As a result, a new identity evolved, that communicates the company's core strengths and unique culture and

embodies the qualities of a trusted friend. The corporate rebranding of Hudson, which operates more than 1,000 shops in airports, commuter hubs and at tourist landmarks and destinations, aligns with its commitment to being the 'Traveler's Best Friend'.



Jim Byrne (NYSE) with Roger Fordyce, Brian Quinn and Michael Mullaney (Hudson).

Keeping customers front-of-mind over 30 years by meeting their demands, championing brands and executing experiences and services at travel hubs underpins the new branding. ■



Roger Fordyce, CEO North America.



The Hudson team at the New York Stock Exchange presenting the new brand identity.



The Luxury Fashion Section at Casablanca Airport

The fashion, accessories and luxury section Dufry has introduced on one side of its Casablanca walk-through store, is the first of its kind at Casablanca Mohammed V International Airport. It was inaugurated on October 22, 2019 following an extensive refurbishment, along with eight other stores including Attitude, Travel Star, Timebox, Suncatcher and Hudson at Morocco's largest airport. This fashion retail corner is part of the main walk-through store, which offers the core categories of fashion and accessories, as well as many luxury brands

in a dedicated multi-brand section featuring famous brands such as Armani, Bric's, Calvin Klein, Desigual, Eden Park, Montblanc, Pinko, Samsonite, Superdry, Tommy Hilfiger, Tumi and Victoria's Secret.

This concept best fits the specific passenger profile in Casablanca Airport. As Casablanca is a business destination with one of the main connections to the US and Canada, it is a transit hub for many business travellers from West Africa. ■