

# DUFRY WORLD

WorldClass.WorldWide.

**CORPORATE  
MAGAZINE**

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# Focusing on the Reopening

**By Renzo Radice**

**Preparing Dufry for the recovery phase is now the main area of focus of the company. In this interview with the CEO of Dufry, Julián Díaz, we tackle the main needs of the company going forward and how Dufry is adapting its structure, operations and procedures to adapt to the new reality.**



**What is the goal of the new Group organization we have announced a few weeks ago and how will it support the recovery phase?**

The main goal of new organization is to reflect and to adapt to the type of company we will have to setup during and after the recovery phase.

Now that the shops start to be re-opened, we will for sure face some different market and operating conditions than before the crisis. Moreover, the recovery phase will be very dynamic, with different developments happening in different locations at the same time. This means that we have to be very flexible and agile to adapt quickly to these specific requirements and drive sales as much as possible in every single shop. The new organization allows us to take decisions swiftly and therefore to better respond to the local needs in the single operations – skills which will also be useful and support the company going forward.

**We have created the Group Reopening Protocol with a detailed scenario for every single shop. How is the implementation proceeding in the shops and locations which have already reopened?**

What we are currently seeing is that as of July and August there will be a considerable number of flights being reinstated and that in June, flight connections have already resumed considerably as compared to April and May. For us this means that in the coming weeks, we need to be ready to reopen shops location by location and that by the end of June we should reach the level of 700 open shops. This number will further increase in July and the current projection is to have 936 shops in operation at the end of July. From a sales perspective, these shops have the potential to generate around 40% of sales by the end of June and 60% of sales by the end of July, as compared to the respective months in 2019. Therefore, the implementation of the defined protocols is key for achieving these performance levels. And

with protocols, I refer to both the reopening protocol but also the health and safety initiatives, which together will protect our employees and our customers, whilst at the same time drive sales.

**How do you expect the recovery to happen, now that more countries have or are lifting travel restrictions?**

There are quite a lot of flight connections now being reinstated or newly announced, which follow the expected pattern of initially offering domestic destinations in larger countries. A further positive sign is that also regionally, within the same continent, flight connections are steadily increasing following the agreements of several governments to lift travel restrictions in June or at the beginning of July and August. Especially in Europe, this trend is key to drive duty-free sales on top of any duty-paid offer we can provide. Finally, it also seems that intercontinental flights could resume as soon as August or September and thus faster than expected. Today, this is more a question on how, for example, the United States, China and some other Asian countries will lift travel restrictions, rather than the European side, as here reopening is already ongoing.

**Do we already have some first indications on the how the business is performing?**

It is still very early for an assessment at this stage, as sales levels are obviously still very low. However, we see a positive trend of sales accelerating in June versus April and May, and this is important, as this confirms the public's willingness to start flying and visit other countries as soon the situation allows. It even seems that spend-per-passenger is above the levels of before the crises, but this needs to be confirmed yet.

**What are in your view the most important requirements or steps to make the recovery phase successful, both from a company and an environment perspective?**

From an environment perspective we are currently pointing in the right direction as the key element is undoubtedly the lifting of travel restrictions including the opening of borders, as well as the waving of extraordinary health regulations such as quarantine requirements. The second element is the facilitation of flight connections to the most important destinations from a business and a tourism perspective. Internally and from a company perspective, we need to be ready at any moment, so that we can reopen our shops and serve customers quickly. In this context, the implementation of the new structure is the key element, as we need to adapt the company organization as well as processes and procedures to the different size and complexity of the company we are today.

**Are there any comparisons which can be drawn with recovery phases of previous crises?**

Today's crisis is for sure unique in respect to its magnitude of impact seen at global level, which is unprecedented. To have the majority of airports closed or with extremely low flight connections has never been seen before. Previous crises had a more regional or local character, or were more driven by times of economic downturns, but we never had the low passenger levels seen recently. However, in terms of looking at the solutions and the lessons learnt, these are absolutely comparable with crises of the past. The protection of cash and liquidity, the reduction of fixed costs and also the increase of flexibility by adapting the company to new circumstances were the same challenges that we see today, although on a smaller scale.

**Do you think that some of our competitors might have more difficulties to remain operational and therefore opportunities for acquisitions could emerge?**

This is still very early to say, as it will depend on how fast the recovery will happen, but we cannot exclude that some of the competitors will have operational issues or problems with their financial strength. In any case, Dufry will continue to play an important role in the industry going forward as we have done so far, and if opportunities arise with respect to winning new concessions or taking over some companies, we will try to benefit as much as possible.

**What are the key messages that you want to share with our colleagues right now?**

I think it is important to understand that in the short- and mid-term uncertainty on the business performance will remain and we will have to adapt quickly to the respective requirements. But I also want to make it very clear and reassure all of our colleagues that in the long-term the travel retail industry in general, and Dufry in particular, are resilient businesses – both from an operational and a financial perspective.

Currently, we are living a phase where tough decisions have to be taken in order to adapt the company to the new requirements and reality with respect to sales volumes and complexity. Unfortunately, this adaptation, which is driven by an external factor, cannot be avoided and it is necessary to preserve the resilience of the company going forward. A very challenging process both from an organizational and an emotional perspective, requiring the full focus and dedication of the management teams and all our colleagues.

However, it is equally important to me to reassure you – and I want to emphasize – that there is light at the end of the tunnel. Looking at the daily news flows we can see positive signals and new pieces of information pointing to restrictions being lifted and flight connections being resumed. Internally, with landlords and suppliers discussions are now focusing on re-opening the shops, on how to attract customers and on how to accelerate sales. All this is motivating and forward-looking with a more positive spirit, which is an important driver to succeed.

# Believer

**By Jorge Muñiz**

As restrictive measures and international travel bans start to be lifted in many countries, there is much curiosity and speculation about how different the world will be and what the “new normal” will look like! It seems that our usual routines and habits will change significantly, until we improve our understanding of the virus and, more importantly, how to beat it. The northern hemisphere is to kick off the holiday season and travel and start to give some signs of returning to this “new normal” after months of grounded planes and closed airport terminals –something unseen since the Great Wars. It’s now time to get back to what we do best –welcoming customers into our stores and providing the WorldClass shopping experience they expect and are accustomed to. And beyond new protocols and ways of working and dealing with our customers, it’s also time to harness all the skill, expertise and knowledge we have built up over the past few years, as the leading travel retailer.

It’s time to move on to the next chapter of this story. And here are my five reasons to be a believer:

## Digital Transformation

It was July 2018 when Javier González, Dufry’s Global Marketing and Digital Innovation Director, gave us some hints about Dufry’s plans to seize the “digital” opportunity (see [issue 27](#) of Dufry World). At that time, he anticipated two to three years to see tangible results in our digital evolution. That time is now; and Dufry’s digitalization a reality.

### Digitalisation in numbers at end of 2019

- 5 million customers in our CRM
- RED by Dufry, available in 236 locations across 46 countries.
- Reserve & Collect service in 170 airports in 44 countries.
- 13 New Generation Stores.
- Sales tablets in operation across 111 locations in 30 countries.

RED by Dufry, Reserve & Collect, Forum by Dufry, Staff Digitalization. Tangible items that are part of our new reality and that have enabled Dufry to take a major step forward in engaging with our customers. Today we have data of over 5 million customers in our CRM, which enables us to understand much more about their preferences. The digital customer journey is a strong one and has multiplied the opportunities we have to engage in con-



versations – even way beyond they even start their trips – and to tailor our offering to them. Just as in a big band, the orchestration of the different elements is what elevates our customer experience to unprecedented levels.



The Reserve & Collect is now in 170 airports in 44 countries.

Sales tablets are becoming a useful tool for our in-store staff.

Forum by Dufry – raises the excitement by sharing relevant content from brands, influencer and bloggers directly with our customers. That excitement is capitalized with Reserve & Collect, offering the possibility of reserving your shopping in readiness for your next trip. RED by Dufry also creates a bridge between the pre-trip and the in-store experience, rewarding loyal customers and customizing the offering; once in store, our staff equipped with tablets can give more personalized help to customers helping to contribute to an overall positive and memorable experience.

### Stores

Size matters, and by the end of 2019, Dufry had over 2,400 stores spread across 420 locations in 65 countries, totaling over of 470,000 m<sup>2</sup> of retail space. In airport retail, our market share is close to 20% –which means that almost 1 in 5 of all airport stores is operated by Dufry. Moreover, there are still opportunities to keep growing and Dufry has identified over 40,000 m<sup>2</sup> of additional retail space to fight for, which equates to about 8.5% of our existing retail space.

## Dufry retail space as of December 2019

- 41,600 m<sup>2</sup> of retail space refurbished in 2019.
- 40,000 m<sup>2</sup> of retail space in the pipeline.
- 13 New Generation Stores opened.



Melbourne New Generation Store.

Location of the stores is another critical element. And, in this respect, Dufry has stores in 6 of the 10 busiest airports in the world (Atlanta, Los Angeles, Chicago O'Hare, Heathrow, Shanghai and Dallas Fort Worth) and our portfolio include some of the best airports for shopping – both for the quality of stores and the average spend per passenger.



Dufry's New Generation Store in Terminal 3 at London Heathrow Airport.

Lastly, the quality of our stores. In a company of our size, it is hard to keep all stores up to date. But we have invested a lot in the last few years, not just to keep the stores up to date, but to take them to the next level. Only in 2019 we refurbished around 10% of our total retail space. That's key for us as we have proved that refurbished stores generate more revenue per passenger. As of the end of last year, we had opened 13 New Generation Stores, showcasing to the whole industry how far we can go in terms of innovation and creating exceptional shopping environments and delivering a new and superior store standard.

## **Our Staff and WorldClass Service**

In previous issues of Dufry World, we have covered key training programs, such as ONE-DUFRY, the Retail Excellence Program or specific and innovative training initiatives, such as the Responsible Retailer training program. All these skill upgrade programs have something in common: they are global programs. Thanks to the global reach of the programs, Dufry can offer a consistent, WorldClass service across the different locations and Dufry retail brands (Dufry, World Duty Free, Nuance, Hellenic Duty Free, etc.).



Service makes the difference and it's what drives customers to spend more with us – and to return. We are building something big here. The Dufry logo in our stores is becoming synonymous with superior and recognizable service. And, in a time when online keeps growing and service has become the distinctive value and point of difference, this is an invaluable asset.

## **Relationships with Landlords and Brands**

This should be a given for any travel retailer. In the case of Dufry, however, we go way beyond. Collaboration with brands and airports is natural to us and we have built great things around that. Dufry is proud of having pioneered concepts and joint initiatives with airports, hosted exclusive product launches and taken brands' visibility to new heights. Dufry has helped to significantly improve the passenger experience in airports and contributed to increases in their non-aeronautical revenues. All of this is the fruit of many years work and the deep knowledge and expertise of our colleagues. In the current environment and going forward, this collaboration will be more necessary than ever before.





Dufry CEO Julián Díaz and John Holland-Kaye, CEO Heathrow Airport Ltd.

### **Financial Position**

The level of uncertainty around the global economy is big and it is difficult to make any forecast as the number of variables are many. One thing is clear however, and it is that this situation won't last forever and gradually and steadily, travel volumes will return. While this happens, it is reassuring to know that our company is built on strong financial pillars. The solid and disciplined financial track record of the company has enabled us to get the backing of investors and financial institutions in these uncertain times. Internally, Dufry has taken decisions to adapt the company to the current situation, to be better prepared for uncertainty, reducing expenses and adopting an even more flexible cost structure – a key element for the expected gradual recovery. The combination of all these elements has fostered the resilience of the company, and it is reassuring to know that the company remains strong and keeps moving forward and looking to the future.

# Be Safe: Dufry's Global in-Store Coronavirus Protocol



One of the key elements going forward and during the recovery phase, will be health and safety for all our employees and customers alike. In particular for customers, the impression and the certainty of shopping in a safe environment is key for them, to enjoy an attractive and relaxed shopping experience. To effectively promote a healthy workplace and shopping environment we absolutely need to work together and join efforts.

As a company, we all share the responsibility to our customers, who rely on us to maintain a clean environment - now in particular! Due to the nature of our business, we meet people from the four corners of the world, hence, safety and protective measures are vitally important.

In this context, Dufry has put together the Dufry Group Coronavirus in-store Protocol, which provides guidelines and recommendations to protect the health & safety of our employees and their families as well as customers, business partners and other stakeholders with whom we are in close contact. The protocol is accessible through this [URL](#) and we highly recommend reading it, as well as sharing it with other colleagues.



New ways of working, but same WorldClass service.

**Why a protocol?**

Beyond the duty of care and responsibility that Dufry has over all employees, be they in shops, offices or warehouses, there was a special need to develop some minimum recommendations that applied to all employees, regardless of their geographical location.

This protocol is based in the recommendations issued by international health bodies, such as the World Health Organization (WHO) and industry best practices. However, and in this case more than ever, one size does not fit all, and this protocol should always be aligned and enhanced with recommendations and guidelines issued by the local authorities, which may require different approaches.

The protocol complements other measures adopted, including the revision of all our house-keeping and cleaning procedures to ensure our workplaces are regularly sanitized, the limitation of customers in store, the provision of alcohol and cleaning points across the store or adjustments needed at tills and point of sale for example, just to mention a few.

**For whom**

Although the recommendations included in the protocol are valid for everyone, it includes specific recommendations for our sales staff and for brand ambassadors serving in our stores. With over 2,400 shops in 65 countries, that needed to be the first area to be addressed. Similar protocols are being designed for offices and warehouses in alignment with the recommendations of the local health bodies to ensure we provide safe workspaces to all our employees.

# YOUR HEALTH & SAFETY IS OUR PRIORITY

Due to the current Coronavirus situation, we are taking the following measures for our customers' & team's wellbeing:



For the testing of beauty products **we are only using single-use applicators**, cosmetic brushes will not be used.



We encourage customers to **use contactless payment methods** wherever possible.



**Our fragrance testers are sanitised regularly**, and our staff can help if you would like them sanitised before you try them.



**Our baskets are sanitised after each use.**



**Our stores are cleaned and sanitised regularly.**

 **DUFRY**

Sample of in-store communication.

### Care. Showcase. Efficiency

At this point, it is clear that operation of our shops will change. The so-called social distancing will be a challenge for our customers and our staff alike. Building trust with our customers will be key and our customers need to perceive we care for them. Care, Showcase and Efficiency, the three guiding principles of ONEDUFRY that inspired how our activities need to be carried out, are now more relevant than ever when it comes to adopting this pro-

to col. The observance of the guidelines and recommendations made has the double effect of protecting not only ourselves, but also and demonstrating to our customers that they can trust us and depend on us, whilst we continue to provide quality service and shops.

### Sharing is caring

This protocol is being cascaded to all our frontline colleagues. Main recommendations are to be reinforced during the several staff meetings that take place in all operations. At the same time, communications in the form of posters and stickers and using the in-store screens, will be placed in our stores to encourage and remind employees - and customers - to take all the extra precautions as advised.. The information provided is designed to be easy to read and includes clear graphics and diagrams.



A sample of pictograms.



## Dufry Becomes UN's Global Compact Signatory Member



**Strengthening its commitment to sustainability, Dufry formally announced in March that it became a signatory to the UN Global Compact, an initiative for companies to align strategies and drive operational awareness around universal principles on human rights, labor, environment and anti-corruption.**

Dufry has become a participant of the United Nations Global Compact, the world's largest corporate sustainability initiative. As a signatory, Dufry will support the Global Compact's 10 principles in the areas of human rights, labor, environment and anti-corruption, reinforcing the company's commitment to responsible business practices on a global basis.

Joining the UN global compact is a step-up on Dufry's commitment to sustainability. Efforts carried out to date in the areas of anti corruption and bribery, environmental sustainability, code of conduct and many other initiatives were closely



aligned with the principles of UN's Global Compact. By joining this initiative, Dufry shows its intent to further implement and foster those principles and to make the UN Global Compact and its principles part of the strategy, culture and day-to day operations of the company.

Dufry will also continue to engage in collaborative projects, which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. In this context, Dufry has been supporting the awareness campaign #YouNeedToKnow since 2016 and promoting the 17 SDGs reaching over 55 million people across more than 30 airports worldwide.

"We are delighted to have been admitted to join more than 9,500 companies and groups in over 160 countries in the world's largest corporate sustainability initiative" – said Julian Diaz, CEO of Dufry. "Our support of the UN Global Compact principles is both a formal expression of Dufry's commitment to sustainability and a new milestone in our objective of creating a sustainable business."



## **The United Nations Global Compact**

As a special initiative of the UN Secretary-General, the United Nations Global Compact works with companies everywhere to align their operations and strategies with ten universal principles in the areas of human rights, labor, environment and anti-corruption. Launched in 2000, the UN Global Compact guides and supports the global business community in advancing UN goals and values through responsible corporate practices. With more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 60 Local Networks, it is the largest corporate sustainability initiative in the world.

## **Beyond corporate reputation**

Becoming a signatory member of the UN Global Compact is an important milestone of Dufry's long-term sustainability roadmap and complements the efforts already carried out by the company in previous years.

It underpins Dufry's strong commitment towards sustainability. Becoming a signatory member implies the commitment of incorporating the Ten Principles of the UN Global Compact into our strategies, policies and procedures, and establishing a culture of integrity.



The old days where Corporate Social Responsibility only consisted of sponsoring a few charities are gone. Society now expects more from corporations – big and small – and wants to make sure companies self-impose mechanisms, policies and procedures that safeguard the most elementary rights and that ensure that corporates act responsibly in the areas of human rights, relationship with their workforce, the natural environment and corruption.

The 10 principles of the UN Global Compact above mentioned are the following:

### **Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

### **Labor**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

### **Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### **Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

### **Where does Dufry stand with the 10 principles?**

The observance of these 10 principles is not new ground to Dufry. Just by reviewing Dufry's Sustainability Report of the last few years – and even before – you can see that our business has been run according to the principles outlined by the UN.

Dufry however, as well as the most important companies, has made a big effort towards transparency with the disclosure of elements which, to date, remained completely internal and private. Initiatives such as the UN Global Compact or the Global Reporting Initiative (which Dufry started to follow in 2016 for the Sustainability Reporting) establish a universal language for corporate responsibility and provide a framework to guide all businesses regardless of size, complexity or location.

The journey initiated a few years ago has served to identify areas of improvement and growth. By becoming a signatory member of the UN Global Compact, Dufry has also committed to report on the progress made by the company. This means that, every year, Dufry will publicly share the objectives set by the company around the principles and what has been done to achieve them, hence, raising reinforcing our sustainability commitment.



# Supporting our Healthcare Workers on the Frontline



We have all been too aware of the extreme pressure that our medical and health services have been under during this pandemic. When we started closing down our stores, our staff saw the opportunity to make donations to hospitals and care homes, of the food and confectionery products that would otherwise expire and have to be destroyed.

In the UK, everyone pulled together to make multiple product deliveries to various hospitals and care homes located nearest to the airports in which we operate.

This selection of photos shows some of the deliveries being made to various locations across the UK. Other World Duty Free employees have also volunteered as NHS responders, 111 Volunteers and for St John's Ambulance, as well as organizing lots of fundraising activities for the NHS and other local causes that need help and support at this challenging time.

There really are some amazing people in our business and these fabulous stories continue to demonstrate this. We are extremely proud of our staff and all they have done - and continue to do - at this difficult time!

## Face mask donations in Spain

Nearly 9,000 face masks were donated by Spanish operations to hospitals at the beginning of the pandemic at a time where medical protection materials were scarce. The donated masks, which the Spanish operation had stocked, were released when our airport stores were closed due to the emergency and provided much needed support to medical staff.

### **WorldClass.WorldWide.**

It's impossible to cover each and every gesture of support and solidarity from our staff in these past weeks. We have all heard the stories of the next-door heroes and their contributions in support of others and of the many acts of kindness that have been shown in so many challenging situations. We are extremely proud of each and every one of our valued staff and thank them for their many contributions.



## “All Greek to Me” Concept Store: Welcome to Greece... Just Before your Leave!



Welcome to the paradise of the best Greek gifts, welcome to the exceptional concept store “All Greek to Me”, where Greek inspiration and quality elements of Greek design, fashion and gastronomy have been brought together with a modern aesthetic approach to introduce Greece to all of us. In a few words, welcome to Greece... just before you leave.

The first “All Greek to Me” concept store opened its doors, as a pilot store of 208 m<sup>2</sup>, in the middle of the Greek summer in 2019, in the Extra Schengen Area at Athens International Airport. Since then, it’s fulfilled its promise to help customers re-visit their memories of Greece, through the delicious products and flavors that can be discovered in the store, against the impeccable backdrop of a stylish, unique and authentically Greek store design. The pilot store was such a success, that more “All Greek to Me” stores were created in other key tourist destinations in Greece, including:

- Athens International Airport at Intra Schengen Area: 148m<sup>2</sup>
- Rhodes International Airport at Extra Schengen Area: 91m<sup>2</sup>
- Rhodes International Airport at Intra Schengen Area Corner Store: 15m<sup>2</sup>
- Thessaloniki International Airport Corner Store: 55m<sup>2</sup>
- Heraklion International Airport Corner Store: 30m<sup>2</sup>

When entering “All Greek to Me” the luminous decor will immediately transfer you to a Greek island where the intense blue of the sky, the light wood and the white of the Cycladic houses, combine to create the perfect environment in which to shop for unique gifts before getting to the plane.



The facade of the store welcomes customers to get in.

You will firstly encounter the fashion corner with Greek designer's creations, such as elegant jewelry, silk scarves, soft pashminas and striking accessories. The Greek designers have been carefully sought out from all over the country and their creations the wealth and diversity of Greek culture, style and tradition.

They say that taste creates the best memories and can take you on a culinary journey all over the world. So, in the food corner, you can savor your last delicious taste of Greece and take a little bit of it back home to recreate the essence of Greek hospitality that is reflected in families and friends sitting around the table, tasting traditional specialties and drinking ouzo and wine.

Indulge yourself with Greek delicacies such as rare cheeses, unusual charcuterie, classic olives and the more innovative stuffed and flavored olives, exceptional extra virgin olive oils from all over the country, famed Greek honey from all corners of Greece, much loved confections and pastries from spoon sweets to baklava, and a whole range of meze products, sauces, dips, and condiments.



From local food and drinks to fashion and accessories. All with a Greek twist.

In the cava area of the store you can raise your glass wishing “Stin ygeia mas” (“Cheers” in Greek) choosing from the best selection of white, red and rose wines, tsipouro and ouzo exclusively from Greek distilleries. In the food corner you can also discover various memorabilia and wooden utensils for cooking, tossing and serving, such as honey dippers and spatulas which make perfect gifts and convey a sense of place.

It is always a joy to take something original and authentically Greek back home for friends and family. Other gift options available in the “All Greek to Me” store include stylish memorabilia, key holders, notebooks, pillow cases and books that can help share just a little of the spirit and culture of Greece with the recipient of the gift.

Note: For those of us not (that) familiar with colloquial English says, “All Greek to me” is a sentence used to convey that you cannot understand what is being said or written. A nice wink to such a lovely store!

 Regional News

## Rarest Craigellachie Whisky, Exclusively at LHR



Bacardi Global Travel Retail released the oldest, rarest and most expensive Craigellachie bottling (available to purchase) through a World Duty Free exclusive at Heathrow Airport earlier this year. Available in all terminals at Heathrow, all 138 bottles are individually numbered. Customers could also purchase the whisky through the Heathrow Boutique Reserve & Collect service.

At £3,499.99 per bottle (equivalent to CHF 4,165), the launch was supported by activities across the airport, including the wifi platform, digital screens in the World Duty Free stores and with targeted messages to members of RED by Dufry. All customers purchasing the travel retail exclusive were entered into a competition to win a luxury trip to Scotland, including a Craigellachie whisky pairing dinner in Edinburgh, a personally-guided tour of the city's bars, a behind-the-scenes look at the distillery and an overnight stay at the Craigellachie Hotel, as part of the fantastic three-day trip.



A tasting bar in our specialized whiskey store "World of Whiskies".



Craigellachie 39 YO, exclusively available in Dufry LHR Stores.

Distilled in 1980, the whisky was laid down in a refill Bourbon Hogshead, and in 2019 was singled out by Stephanie MacLeod for its notes of delicate oak, charred pineapple and toasted cereal. After 39 years of ageing, 138 bottles remain of this exceptional whisky, each bottled from a single cask at 51.5% ABV with no caramel coloring added and non-chill filtration.

Dufry UK Liquor Category Manager Paul Martin highlighted that, "Craigellachie 39 Year Old is a fantastic launch for us and perfectly fits our mission to present rare

and exclusive opportunities to our whisky customers."

David Hughes, Regional Director Europe, Bacardi Global Travel Retail noted that since it first launched in travel retail in 2016, "Craigellachie has gone from strength to strength thanks to its multi-award winning success and the following of its many fans who adore its bold character. We are excited to launch the 39 Year Old expression in the luxury retail setting of World Duty Free at Heathrow, giving us the opportunity to share this special release with a discerning, international audience."

Heathrow Retail Director Fraser Brown concluded: "Heathrow is always proud to showcase the best of Britain in our products. That is why we are so pleased to be able to extend our diverse selection of Scotch Whisky and welcome this exclusive and rare edition of Craigellachie 39YO. Passengers now have another reason to consider Heathrow the world's best airport shopping experience."



Our London Heathrow stores offer a commendable collection of fine *whiskies* from around the world which can pre-order and collected at the airport.

 Regional News



## Melbourne Spaceship Activation

In partnership with Dufry, Paco Rabanne had debuted its first-ever travel retail exclusive activation at

Melbourne Tullamarine International Airport Terminal 2 – the second biggest airport in Oceania for fragrance sales.

During the month of March, this special activation immersed travelers in Paco Rabanne's universe via a 360-degree experience onboard a Paco Spaceship, a multi-faceted animation that gave travelers a shopping experience based on attraction, entertainment, discovery and gifting.

This special activation served to take advantage of Melbourne's New Generation Store communication possibilities. Upon entering the Dufry store, travelers were encouraged to engage with the activation via advertising on screens that run around the top of the store. They were then welcomed further into the Paco Spaceship by beauty advisors dressed in metallic silver astronaut-inspired jumpsuits, designed by the Paco Rabanne fashion team.



Welcome to Paco Spaceship! The central piece of this amazing activation.

Once 'onboard' the spaceship, the retailtainment element was brought to life through an immersive game in which players had to follow the rhythm of the music in order to collect points. At the end of the game, players arrived on either the Million or Victory planet, where they were prompted to discover Paco Rabanne's best-selling fragrances via a sample. The journey then continued when a beauty advisers gave travelers their exclusive ticket to space - a sample blotter that mimicked an airline boarding pass.

The Paco Spaceship adventure continues with the traveler to their destination thanks to a number of gifting elements consistent with the travel-oriented theme, including luggage stickers, travel sprays and t-shirts. Shoppers had the chance to customize their t-shirts with phrases such as #pacospaceship, Paco loves Melbourne and From Melbourne to space which created a strong sense of place and further mementos of their trip to



Your spaceship boarding pass.



Melbourne. In keeping with the space theme, and rounding off the Paco Rabanne discovery experience, purchases were placed in a metallic silver gift bag. An immersive activation and a great example of 360-communication campaign.

📍 Regional News

## Perth Airport Welcomes New Dufry Stores in Terminal 3

In January, Dufry expanded its presence at Perth International Airport with the opening of new stores in both the departures and arrivals areas of Terminal 3. These new stores follow the revamp of the T1 duty-free stores that took place in June 2019 and that marked the beginning of Dufry operations in this airport, after the seven-year duty-free contract inked with Perth Airport in July 2018.





## Art and Wine Come Together in Montevideo

Uruguayan artist Natalia Perelló in front of some of her creations.

Tannat is a red wine grape, historically grown in South West France in the Madiran AOC, and is now one of the most prominent grapes

in Uruguay, where it is considered the "national grape". It also gives name to Rincón del Tannat, which is Dufry's subsidiary Duty Free Uruguay wine specialized store in Montevideo Carrasco Airport.

The store, which specializes in the sale of Uruguayan wines and oils, hosted a very special event in February with the local winery Familia Deicas and Uruguayan artist Natalia Perelló. Art and wine came together with an exclusive selection of wines boxes painted by hand by the artist, who illustrated typical motifs of Uruguay in bright colors. Art pieces that can still be visited and acquired in the store. Cheers!



These unique and colourful art pieces are for sale in El Rincón del Tannat store.



 Regional News



## Dufry Brazil Signs Exclusive Partnership with Visa

A global partnership between Visa and Dufry will allow customers in Brazil to split the payment of purchases made in Dufry duty-free and duty-paid shops into separate monthly payments. As of January,

Visa cardholders have the benefit of exclusive payment installments across the entire Dufry chain in Brazil, which includes 119 stores located at international airports in cities such as São Paulo and Rio de Janeiro amongst others.

The new agreement comes at a time when the Brazilian government announced the rise, in 2020, of the limit for purchases in duty-free shops, from \$ 500 to \$ 1,000. Travelers returning to Brazil will be able to buy high value-added products in their arrival on Brazilian airports, such as smartphones, video games, sports equipment, electronics, and home appliances.



Ad campaign used for national flights and purchases made in Dufry Shopping and Hudson stores.



Dufry Shopping is a very popular outlet amongst Brazilian customers.

"We are very pleased with our new partnership with Visa, which is another step in the quest to offer our customers the best purchase option, making the travel experience even more complete," said Gustavo Fagundes, Director of Dufry in Brazil and Bolivia.



Dufry's duty-free store in Rio de Janeiro airport.



Communication campaign used for international flights.

Deeply rooted in Brazilian consumer behavior, installments are a payment method that can enable customers to split the total value of a payment in equal and small parcels to be paid monthly, making it possible to fit high average ticket products in Brazilians' budgets. For those on international trips, the partnership will bring the option to split the payment in up to

12 monthly parcels without interest. In the case of domestic flights, at Dufry Shopping and Hudson stores, consumers will be able to pay in up to 8 monthly parcels without interest.



The spectacular duty-free store of Dufry in São Paulo.

## 📍 Regional News

# Dufry- Exclusive Desigual Handbags Collection

# Desigual.

Dufry has teamed up with the international fashion designer Desigual to roll out a capsule collection of Dufry-exclusive handbags in Dufry's stores starting January 2020.

This exclusive collection features the 'bag and play' shopper bag, which includes a smaller handbag and a crossbody handbag, boasting eye-catching prints.

The large shopper bag, designed with enough room to store accessories and essentials, also contains a colorful internal mini-bag with a zip fastener to be used as a toiletries bag or to store things that need to be kept at hand. The smaller black crossbody handbag comes with an adjustable strap, a colorful flap and a snap fastener.

The collection is available at selected Dufry stores in airports and cruise ships, as well as in border shops.



The complete Dufry-exclusive capsule collection.

📍 Regional News

## Dufry 2020 Ordinary General Meeting

On 18<sup>th</sup> May 2020 Dufry held its Ordinary General Meeting. This event is typically held in an external venue and with the attendance of shareholders, but on this occasion the meeting took place in Dufry's headquarter office in Basel, Switzerland, following the special provisions issued by the Swiss Federal Council on measures to combat the Coronavirus (COVID-19).



Long-serving Board member Andrés Holzer Neumann stepped down.



Newly elected Board member, Mary J. Steele Guilfoile.

The Annual General Meeting (AGM) – a Shareholders' meeting – is always the most important corporate event. Beyond being a legal requirement for all companies, it is also a key moment to engage with the owners of the company (the shareholders) and share with them the job done – with the approval of the annual accounts. Typically, there are other items on the event agenda, including the renovation of the mandate of the Board of Directors' members, their remuneration, or modifications of the company by-laws for example.

However, the Shareholder’s Meeting is also the event at which to present, discuss and eventually approve the most strategic decisions a company can adopt. And this year the forum of the Shareholder’s Meeting was especially important. The effect of Covid-19 on our business required urgent and important decisions to protect the business and some of those decisions, such as the creation of additional share capital, were subject to the approval of shareholders during this meeting. A press release with the results of the voting on these and other points of the agenda was distributed and can be seen [here](#).

### **Changes in the Board of Directors**

Mary J. Steele Guilfoile was appointed as new member of the Board of Director of Dufry. Mary J. served the Dufry’s subsidiary Hudson Board of Directors until her appointment to Dufry’s and brings vast experience and deep insight into the travel industry, logistics services, marketing and finance. With her appointment, 80% of the Board members are independent, and 45% are female, hence, further increasing diversity within our seniordecision making body.

Mary J. replaces Andrés Holzer Neumann, who decided not to stand for re-election. Andrés, one of the early investors and founders of the Dufry, steps down from Dufry’s Board after long years of service and will continue to serve as member of the Board of Directors of Dufry’s subsidiary, Hudson.

### Regional News

## The Parisian Macao Welcomes Renovated Space



The refurbished space of Dufry’s store Temptation.

January saw the opening of Dufry’s refurbished Temptation store at level 5 of the Parisian Macao hotel. Inspired by Parisian nights and the lights of the iconic Eiffel tower, the store immediately takes customers to the City of Lights, with its impactful lighting effects and con-

trasting materials. The 537m<sup>2</sup> refurbished store features a new and creative configuration, with 12 branded shop-in-shops purely devoted to make up.

Temptation is one of the largest stores in Shoppes at Parisian Macau. With over 2,600 m<sup>2</sup> retail space, It has a breathtaking architectural interior and is distributed across two spaces on levels 3 and 5 of the mall. Staircases connect the levels with a mezzanine floor, where a large indoor LED screen provides a dramatic highlight in the store with the ingenious feature of a mirrored verge.



Lighting and design inspired in the Parisian night and the iconic Eiffel tower.





# International Women's Day

The world celebrated International Women's Day last 8<sup>th</sup> March, and so did Dufry with a number of events and activities across many locations in the 65 countries where Dufry operates. With presentations and discussions across our different office locations, representatives of the group initiative Women@Dufry, an initiative aimed at unlocking the potential of women at Dufry and to help talented and ambitious women to further progress their careers within our company, sparked the conversation and assessed the progress made so far and joined a global day celebrating the social, economic, cultural and political achievements of women.



Some of our colleagues from different locations with the #EachforEqual pose.

In the context of the celebration, Dufry's Lead Independent Director Heekyung Jo Min shared a special message with all Dufry employees through a video that can be visited [here](#)



### **A women's company**

22,654 of the 35,086 Dufry employees in 2019 are women (around 65%); and 33% of women are on management positions in our company. However, the issue does not (just) rely on numbers or quotas, but rather in identifying what Dufry can do to further ease their way to managerial positions. [women@dufry.com](mailto:women@dufry.com), created in 2016 with the endorsement of Dufry's CEO, Julián Díaz, aims to bring together female leaders across the business in a variety of functions and geographies and has the mission of ensuring women's advancement at Dufry. It supports talented women rise to leadership positions within the company across all departments and levels of the organization (local, regional and global roles). With regular meetings – not just on International Women's Day – the work of [women@dufry](mailto:women@dufry.com) is twofold: working with the company to ease women progression and giving visibility to prominent women in our business as a way of inspiring other male and women colleagues. Amongst many others, some of the initiatives sparked by [women@dufry](mailto:women@dufry.com) include many workshops hosted across our offices addressing key matters, including:

- helping employees to manage work, family and life-balance;
- how to become more "visible" in the organization;
- how to manage conflictual situations;
- how to overcome bias – touching the risk that artificial intelligence can play at this regard.



IWD celebration at Dufry Morocco.



The session hosted in Basel HQ had a record male attendance.



Inspiring session lead by Isabel Zarza in Madrid.



IWD celebration reached all main Dufry locations. The Vancouver team celebrating the day.

But there is more beyond women@dufry. From a company perspective, diversity and inclusion remains an area of focus for Dufry and there are a number of other corporate initiatives focused in building a culture of equal opportunities at all levels in the organization. The launch of the Women Leaders Program, aimed to develop future women leaders in Dufry by providing the necessary skills through training programs, or the constant revision of our HR policies and procedures, including the recruitment processes – which enforces all vacancies to be internally advertised to give equal opportunities and the encouragement to include women candidates in the process, are movements in the right direction.



Session hosted in Basel HQ attended by Global Executive Committee members, Javier González and Luis Marin.

### **Playing our part**

*#EachforEqual* was the theme of this year's International Women Day and is a campaign that will run all year long – not just for 8<sup>th</sup> March. The theme selected is a call for collective action and shared responsibility for driving gender equality. By individually challenging stereotypes, fighting bias, improving situations and celebrating women's achievements, we will be collectively helping to create a gender equal world.

### Regional News

## **Authentic New York Experience at LaGuardia Airport**

Hudson has expanded its presence in LaGuardia Airport Terminal B with the opening of two of its new localized travel convenience concepts: NYC Aglow by Hudson and Mad Ave Market by Hudson. With the addition of these two new stores, Hudson's total retail footprint in Terminal B reaches nine, and includes New York-based brands McNally Jackson and FAO Schwarz, which travelers know and love.

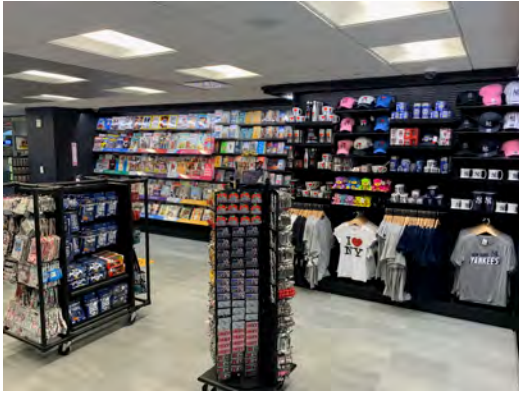


NYC Aglow, inspired by the New York City building skylines, welcomes travelers in with its beckoning storefront, providing a sleek and modern shopping experience. To pay homage to the history of New York City, Hudson's second concept, Mad Ave Market, is inspired by the golden age of advertising in the 1920s. Complete with art-deco inspired designs, and boasting Hudson's self-checkout capability, the concept creates nostalgia around one of New York's most iconic streets, Madison Avenue.

Both stores feature the iconic brands and products Hudson is known for, while also providing travelers with an opportunity to shop local with a selection of locally-sourced gifts and snacks.



The opening of these two new stores is part of the new, seven-year contract with LaGuardia Gateway Partners ("LGP"), the private operator and developer of Terminal B. With its first store opening in 1987, Hudson has delivered numerous innovative store concepts to LaGuardia's 30 million annual travelers. For more than 30 years, Hudson has worked hand-in-hand with the Port Authority of New York and New Jersey's to evolve the travel convenience business and bring travelers the products they're looking for, including essential electronics, healthy grab-and-go food offerings, health and beauty products – and most recently, a broad assortment of Personal Protective Equipment (PPE) products – keeping travelers safe, connected and comfortable.



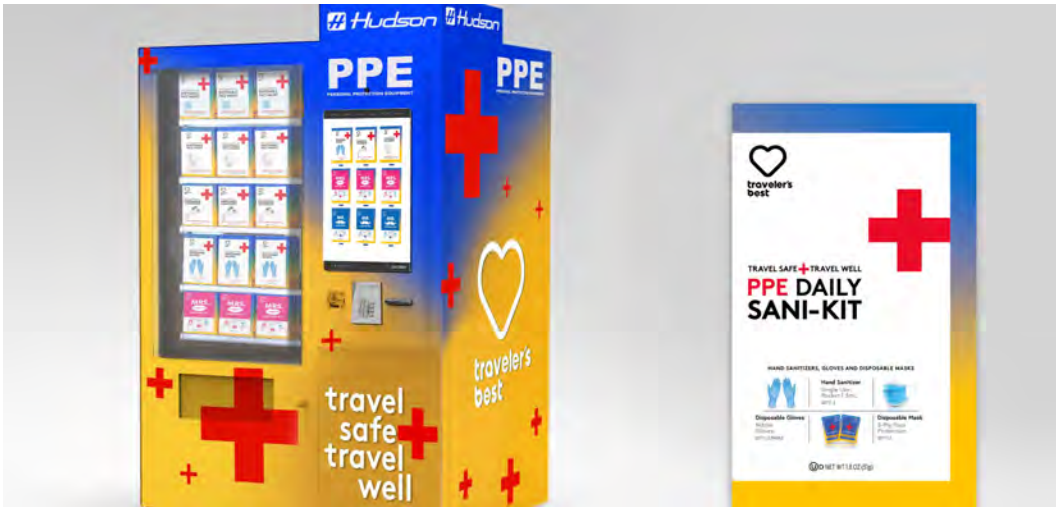
NYC Aglow



Mad Ave. Market by Hudson

📍 Regional News

## Prioritizing Traveler Health & Safety



Over the past few months, the travel industry has experienced an unprecedented disruption as a result of the novel coronavirus (COVID-19). To adapt to changing traveler behaviors and an increased expectation of health and safety, Hudson has developed an innovative solution that will allow for 24/7 retailing within its North American markets.

Starting at the end of June, Hudson will introduce Personal Protective Equipment (PPE) vending machines to 27 leading airports across the U.S. and Canada. All vending machines are scheduled to be installed by the end of the summer.

The vending machines will be located in pre-security locations, and will feature an anti-microbial film coating that helps eliminate germs on the machine's surface.

As part of the vending machine offerings, travelers will find a tailored selection of health and safety products, including:

- Individual and bulk packaged face masks, including disposable, KN95, and cloth options
- Individual hand sanitizers, and bulk hand sanitizer wipes
- All-in-one hygiene kits
- Nitrile gloves and multi-use thermometers
- Portable and rechargeable UV-C sanitizers for mobile devices and personal items

The products offered in the vending machines are part of Hudson's proprietary "Traveler's Best" brand line, which can also be found in its travel convenience concepts.

# El Barrio, the Central Element of Alicante Duty Free



El Barrio (in Spanish “The Neighborhood”) is the centre piece of the recently renovated Alicante Duty Free on the Spanish Mediterranean shore. Alicante, with over 15 million passengers, is Spain’s fifth busiest airport and the entry door to many of Spain’s preferred holiday spots for northern Europeans.

Inspired by the winding streets of Alicante’s historic El Barrio, this part of Alicante’s New Generation Store brings the alluring streets, brightly colored houses and cozy plazas and cafes of this vibrant city to the heart of the store, giving a very strong sense of place to the entire shop. Souvenirs and local food – where the nougat (Turrón is the king!) – coupled with local wines and spirits, complete the offering, making of El Barrio the passenger’s best opportunity to take a bit of Spain home with them.



# Suggestions

Dear colleagues,

Feel free to send us your stories, **news and any other contributions to [suggestions@dufry.com](mailto:suggestions@dufry.com)** so that we can continue to develop Dufry World as a magazine from employees for employees.

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