


DUFRY WORLD


WorldClass.WorldWide.

**CORPORATE
MAGAZINE**
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Focusing on Strengths and Values to Achieve our Goals



Julián Díaz, CEO Dufry Group.

In the third and fourth quarters, we have successfully completed several financing initiatives to secure the resilience of the company and we announced some important cooperation agreements, whilst at the same time winning and extending important contracts. These initiatives are major and encouraging steps towards the recovery of the business and beyond.

Our values are key success drivers

The key success factors which have allowed us to achieve these valuable goals, have once again been our characteristic strengths and company values, which helped us to develop Dufry in the past and which have once again proven to be the drivers of success: determination, execution, delivery and resilience.

In the business year 2020, we have seen a permanent alteration of our business environment forcing us to repeatedly adapt the company and the way of doing business on a location-by-location based approach, whilst at the same time shaping our new organization to be ready for the recovery and the years to come. The short-term implementation of all these initiatives would not have been possible without our values, which focus on the delivery of goals with a high level of determination. They will remain highly important in the coming quarters to help us achieve our targets and ensure we are ready to seize opportunities as soon as travel restrictions are lifted.

In recent weeks, we have finalized our organizational structure with the completion of the full Hudson reintegration, which allows us to further simplify our internal processes going forward. Whilst we will continue to focus on developing our duty-paid, duty-free and airport F&B operations in North America, the closer collaboration and the further integration of process-

es will benefit the whole company. At the same time, the collaboration with Alibaba, the new concession won in Turkey at the Sabiha Gökçen airport and the extension of our Pulkovo operation prove that – amongst others – there are excellent opportunities to be seized in the market and to be proactive in shaping the future of our resilient business.

Increasing number of open shops

Even though uncertainty remains and visibility on the recovery time-line is still low, there has been increasingly encouraging news with respect to the deployment of vaccines, as well as the re-openings of travel routes and tourism destinations in several locations. So let's stay alert and make sure we have all our initiatives in place allowing us to best serve our customers. The next few months will require us to continue with our determination and ability to quickly adapt to external events and implement local adaptations of the business; we can however assume that things might become more stable as the new year evolves. By the end of November, we had over 1,300 shops open serving our customers, which represents a sales capacity of more than 60% of the Group, and we have a clear trend for the opening of additional shops and locations towards the year-end. Sales are still low as compared to a normal environment, but the upcoming holiday season is a good opportunity we need to seize.

I hope that you and your family are all in good health and keeping well, and I would like to wish you and your families all the best for the coming year. Let us all enjoy some relaxed moments during the forthcoming seasonal holidays, clearing our minds and gaining a positive spirit and renewed confidence to tackle the New Year, which we expect to be tough, but probably better than the one we are just about to close!

Kind regards,

Julián Díaz

Chief Executive Officer

tion of operations. Alibaba's various digital platforms, ranging from e-commerce to digital payments (such as Alipay - which should also help Dufry's physical stores, as air travel slowly recovers), feature an enviable base of more than 800 million consumers in China alone.



Alibaba: Exclusive Products for their Client Base

Regulations in the Chinese duty-free market have recently been relaxed on an unprecedented scale, including the tripling of purchase quotas in some provinces. This recent decision by the Chinese government could eventually quadruple

the market in the next three years according to analysts' expectations. With an agreement with Dufry, and access to both Dufry's operational skills and supply chain capacity as well as access to top-class luxury goods, Alibaba will be in an unrivalled position to serve this enlarged market and have a significant advantage over its competitors.

The industry is setting high expectations on this agreement - and so are we - and we're all excited to see how this collaboration evolves. Stay tuned!

The Modern Marco Polo

It was September 2016 when Andrea Belardini, Dufry's Chief Commercial Officer, shared with Dufry World his excitement about moving to Hong Kong to lead the Asian and Middle East Division. Four years later he is back in Europe with a backpack full of learnings and experiences and a great new challenge ahead of him: leading the integration of all commercial activities, from shop design, trade and digital marketing, category management to supply chain.

By Jorge Muñiz



Welcome back to Europe Andrea! With the experience you've had you could be considered a kind of modern day Marco Polo, who's travelled across Asia in the 13th century and in return brought a wealth of knowledge about that part of the world translated into innovation.

Comparing myself with Marco Polo could be very pretentious! But, to some extent, the comparison quite describes my experience. These past four years in Asia have been an enriching experience, both personally and professionally and I've learnt a lot, not just about our business, but also about lifestyle and behaviors of customers in Asia and the Middle East. It's a vast region with a huge variety of cultures, expectations and shopping preferences – probably the most diverse Dufry region in this sense.

However, as you may expect, it's not just about cultural differences. The sophistication of tastes, with Chinese travelers being increasingly discerning customers, the higher proportion of millennials and the intensive use of technology are all trends which seem to be more accentuated in this region and are clearly showing the direction the retail world is heading in.

What's your view about the deal with Alibaba? What do you think this will bring to Dufry?

There is no doubt that joining forces with Alibaba is a great opportunity for both Dufry and Alibaba. Their unparalleled expertise in the digital domain, paired with our consolidated position in the more 'traditional' channel of travel retail will permit us to introduce innovative solutions for our customers, affecting both the in-store and online experiences.

In the middle term for Dufry, this will mean more great opportunities beyond that of developing travel retail in Hainan, which we are currently focused on, including an acceleration of the digitalization of our stores and processes; the improvement of our online consumer experience and digital marketing in general; the expansion of our available range across many more of our touch points; an improved ability to target travelers outside the shops; and finally a more personalized offer.

Now back in Europe, you arrive to find quite a challenge ahead of you as the new Chief Commercial Officer...

It is indeed a challenge, particularly considering the disruption brought by the pandemic. My new role combines several single elements of areas of responsibility I had in my past life, combined into one new role that now is scoped at global level and gives me the opportunity to stay very close to our three main industry stakeholders – our customers, the landlords and the brands. It's of course a change – a big one. But life is about change, and all the more at Dufry!

The new organization integrates the 'vertical' functions (such as category management, shop development, digital etc.), where we hold key competencies and leverage our global influence, with the 'horizontal' market coordination. The latter is part of the responsibility of regional commercial directors, who are fully integrated with the global team.

In addition, new and streamlined processes allow timely and more effective coordination between the commercial teams and Eugenio Andrades' teams who manage the operations.

We are going through unprecedented circumstances in the travel industry. How do you see Dufry getting through this crisis?

Covid-19 has taken the whole world into the unknown. And the uncertain component that the pandemic has brought to our lives, with very little or no visibility of what it is to come, even in the short term, is the most unsettling feeling current generations have had to go through – both at a business and a personal level.

But the capacity to deal with the uncertain is what makes a better or worse leader. In this sense, Dufry has taken the necessary steps to overcome the situation and emerge as a stronger player in our industry. Our new organization, aimed at simplifying procedures, increasing our business agility and shortening the decision-making process, has created efficiencies at all levels, and putting Dufry in the best possible position to face the current situation and to recover. It gives us the necessary flexibility that any business requires in such extraordinary times as these.

I strongly believe in the resilience of the business, so it's up to us to adapt to the new requirements. I think that with the new set-up of our company we've created the right conditions to drive performance going forward.

The online sector has emerged stronger during the pandemic as customers couldn't visit traditional stores. Do you think these online shopping trends will remain as strong once we leave Covid-19 behind?

The online retail sector came into our world years ago and is most definitely here to stay. During the pandemic, restrictions on our movements and retail businesses, as well as – for some people – the fear of interacting with others has worked in favour of the online world,

helping it to attract new customers that previously may have had little or no contact with this retail channel. For many companies in the retail industry this phenomenon has been a call to action to accelerate their online strategies. Dufry is no exception to this, and we are now accelerating the journey towards digitalization which we started years ago.

On the other hand, I'm optimistic about the role of our stores going forward. Based on research we recently carried out at 45 airports, we can see that our customers are generally feeling comfortable browsing the shops and interacting with staff. I believe this also boils down to the significant and coordinated efforts that all stakeholders have made to build and maintain a safe environment across all the points of the travelers' journey in the airport. We have implemented significant changes in our shops to create a safe environment with the highest levels of hygiene.

Moreover we have seen that the appetite for travel remains, and as soon as government restrictions have been lifted, and flights have been made available, customers have resumed travelling. This is a key element and most important news, as it underlines the resilience of our industry.

In your last interview, you mentioned you were a sports fan and making inroads into kite-surfing. However, Switzerland, a great country for many reasons, does not look like a kite surfer's paradise...

There are plenty of sports to be enjoyed in Switzerland and as far as kite surfing goes (hopefully soon), plenty of flights to experience!

Andrea, what's your favorite hobby? What do you like doing during your free time?

Spending time with my three wonderful kids: Eleanor, Margherita and Giorgio

Your years in Hong Kong may not have changed your preferences since the last time we interviewed you... but the "Minute" questionnaire is one of the most popular sections of Dufry World... even if they are your second choices this time around, I'm sure our readers would love to know!

IN A MINUTE:

A meal: Spigola al Sale

A book: Homo Sapiens

A city: Rome - Caput Mundi! Or Hong Kong... still trying to decide!

A film: The Gladiator

A hobby: Photography

A leader: Nelson Mandela

An airport: Zurich

Dufry ESG Charta

This is not the first feature about sustainability that we've put together for Dufry World. Over the last few years, several topics around sustainability – or ESG (Environmental, Social and Governance) – have been covered in this publication. However, the latest corporate development in connection with this is worth sharing as it's an important one, impacting the whole company. This development is the creation of Dufry's ESG Strategy Charta. But what it is exactly an ESG Strategy Charta? By definition, a Charta is "a formal document from the sovereign or state incorporating a city, bank, college, etc., and specifying its purposes and rights". And to some extent, this is exactly what Dufry's ESG Strategy Charta is about. It's a definition of how ESG sits within our company, how it's governed and which areas it influences.



The development of this Charta isn't Dufry's first step within the ESG arena. This journey started several years ago with many different initiatives carried out by the company under the Environmental, Social and Governance domains. The Charta is the consequence of a maturing process that Dufry has gone through when it comes to sustainability and that has resulted in the definition of a strategic and long-term approach to sustainability.

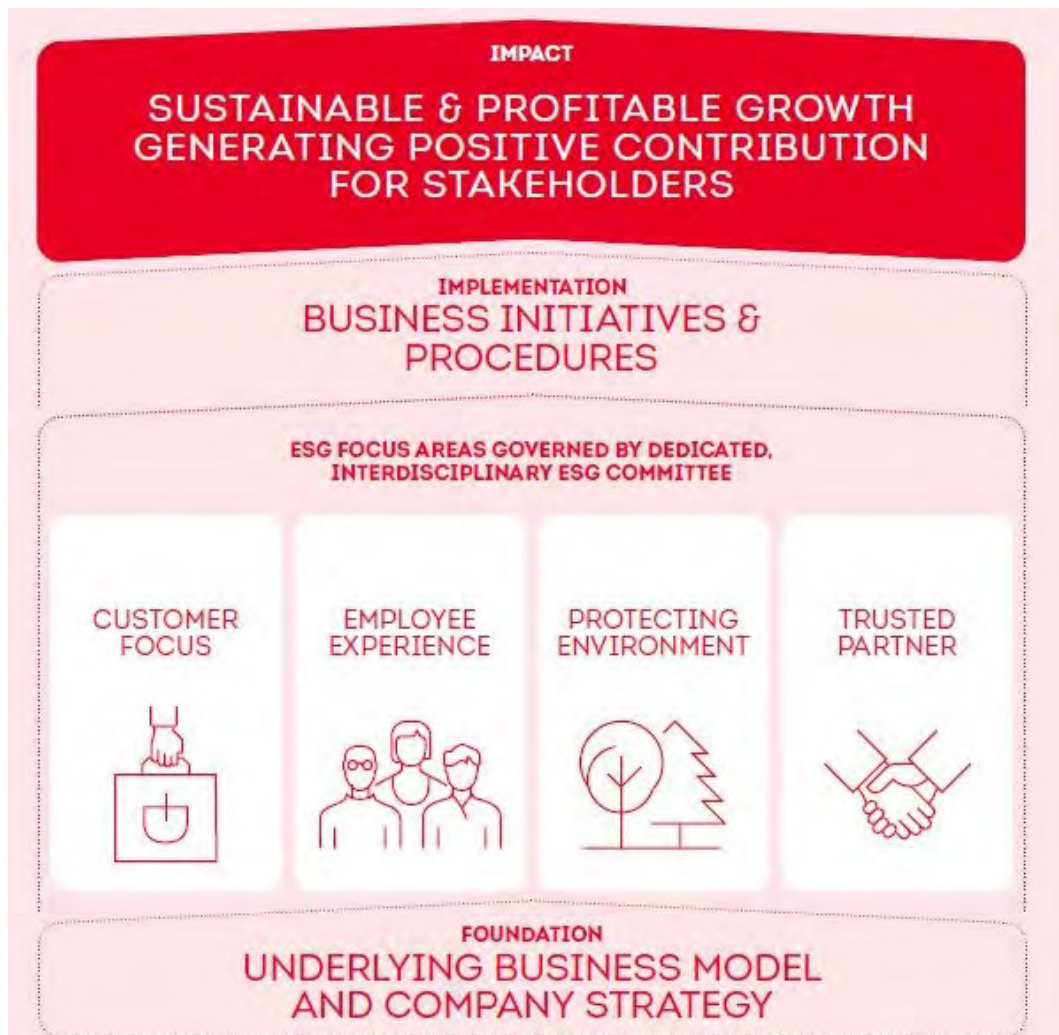
Integration of Sustainability and Company Strategies

As a large multinational and multicultural company, with operations in 65 countries and employees representing over 130 nationalities, Dufry is aware that the impact of its operations goes beyond its financial goals. The traditional growth and profit-maximization corporate model gave way years ago to a corporate sustainability model, which recognizes that growth and profitability are important, but corporations also need to pursue societal goals relating to sustainable development, environmental protection, social justice and equity, and economic development. This requires synchronization and alignment of all the sustainability-driven initiatives with Dufry's underlying business model and strategic focus, with the aim of ensuring that both strategies deliver on the ultimate objective of generating sustainable growth.

Introducing the Focus Areas

These high-level goals have to be somewhat simplified or "brought down to earth" to enable them to be transformed into concrete actions. For this purpose, Dufry's ESG Charta therefore identifies four main areas in which the company can actively generate positive contributions to maintain high standards of environmental stewardship and social equity. These four areas are the result of a careful assessment of our stakeholder ecosystem and include:

- **Employee Experience** - As ambassadors of the company and the first point of interaction with our stakeholders, this focus area is of critical importance for Dufry. Initiatives towards employee recruitment, wellbeing and retention, training and professional development, rewarding employee health and safety, and actions geared to promote a diverse and multi-cultural work environment are all under this agenda.
- **Customer Focus** - Dufry monitors all interactions at all stages of the customer journey, from the sourcing of products from our brand partners, to the point at which these are handed over to the customer in the shops, or at home in case of home-delivery and the post-sale services. The scope of this area of focus includes specific initiatives related to product safety, appropriate marketing and communication practices (especially important for the liquor and tobacco product categories), customer privacy and data protection, and customer feedback, amongst others.
- **Protecting Environment** - Despite the fact that Dufry operates stores in highly regulated, third-party owned premises, such as airports, where our power of influence over environmental factors is limited, there are opportunities for Dufry to have a positive environmental impact. These include, amongst others, collaborating with airports, airport associations and other Dufry stakeholders to reduce the CO₂ footprint, monitoring our emissions, reducing material consumption and optimizing our logistics.
- **Trusted Partner** - The long-term sustainability of our business relies on our capacity to build trusted relations with all our stakeholders. For this reason, we place our focus on building a strong Group governance, robust compliance and risk management systems and active engagement with our stakeholders, to remain on top of existing and emerging issues impacting the business.



ESG Governance

The deployment of Dufry’s ESG strategy is a joint effort involving many players within the company. The Corporate Communications & Public Affairs team, in close cooperation with the Legal and Compliance teams, are responsible for ensuring the day-to-day implementation of the defined initiatives.

The initiatives are driven by the interdisciplinary ESG Committee, which includes members from Dufry’s Global Executive Committee, as well as other functional heads representing their areas of operation across the company, whilst the overall supervision of the strategic implementation is within the scope of the Board of Directors.

The result: a well-oiled machine that will enable the company to make the necessary steps forward to take sustainability in Dufry to the next level.

Selam Istanbul!

Dufry has been awarded a new concession contract at Istanbul Sabiha Gökçen International Airport to operate a total of 3,900 m² of duty-free and specialty shops until 2032. The airport is the closest hub connecting Istanbul's City Center with 137 international and 37 domestic destinations and ranks as the second busiest Turkish airport, welcoming more than 35 million passengers per annum. The new concession further consolidates Dufry's footprint in Turkey, where it will now be operating in four locations.



The new concession includes 2,800 m² of duty-free retail space in the departure area and 1,100 m² of shops in arrivals. In November 2020, Dufry took over the 8 existing shops and is gradually upgrading the retail space to best serve customers in the current Terminal 1. The product assortment comprises the core travel retail categories, such as liquor, tobacco, perfume and cosmetics as well as accessories and confectionery. A refined selection of local food and souvenir brands helps to create a strong sense of place, showcasing Turkey's cultural heritage and specialties and further enhancing the shopping experience.



Commenting on the new concession awarded, Cengiz Iman, General Manager Turkey, said: *“Dufry Group is proud to have been awarded this new important concession in Turkey. We will honor the trust given to us by our partners at Malaysia Airports Holding Berhad (MAHB) and Istanbul Sabiha Gökçen International Airport (ISG) by providing passengers of Sabiha Gökçen Airport with a state-of-the-art shopping experience. This will be further evolved in the context of the opening of the new terminal where our shops will feature a complete new design, incorporating the latest digital technology and setting the scene for a vast assortment of renowned international and domestic brands.”*

Sabiha Gökçen International Airport has accelerated the completion of a second runway by 2021 and the planned Terminal 2, with completion expected for 2024. Once fully operational the airport's capacity will increase to 65 million passengers from today's 41 million. This will additionally extend Dufry's footprint in Turkey where the company has been operating since 1993. Our business currently manages duty-free and specialty shops at Antalya Airport, serving the famous tourist resorts lining the Mediterranean coast of Southern Turkey, as well as at Kayseri airport in the Cappadocia region and Zafer airport at Kütahya.



Captain Dufry Debuts in our Stores



Captain Dufry in a till in Barcelona

He's here - and he's quickly becoming very popular! Captain Dufry finally made his debut in Dufry stores across many countries. The first stores to feature Captain Dufry on their shelves include Hong Kong, the UK and several other European countries. However Captain Dufry will gradually make his way to a larger number of countries in the coming weeks, in good time for the Christmas season that's about to start.

Although we shared the details of this global initiative with you in the last issue of Dufry World (you can check the story [here](#)) we just had to share again with everyone, the excitement of Captain Dufry landing in our stores. This global project is the result of close cooperation by a large number of individuals across the company - from marketing, to commercial and to the operations teams. We didn't want to miss this opportunity to congratulate everyone involved for a great piece of teamwork and celebrate the success of this initiative!



Nice display in one of our UK stores

René Riedi Appointed Central and Latam Executive Advisor

René Riedi has been appointed as Central and Latam Executive Advisor. In his new function, René will be reporting to Julián Díaz and will cover two main areas of responsibility.

He will represent the Dufry Group and act as the company's ambassador in Central and Latin America fostering the relationships with regulatory stakeholders and our business partners. This includes industry associations such as the International Association of Airport Duty Free Stores (IAADFS), which René has been Chairman of since July 2019 and which represents the interests of the American and Caribbean duty-free and travel industry, with more than 300 member companies. In this context, he will also be responsible for maintaining high-level contacts with airport operators, as well as identifying business opportunities outside of our traditional channels, thus contributing to the further development of the Group.



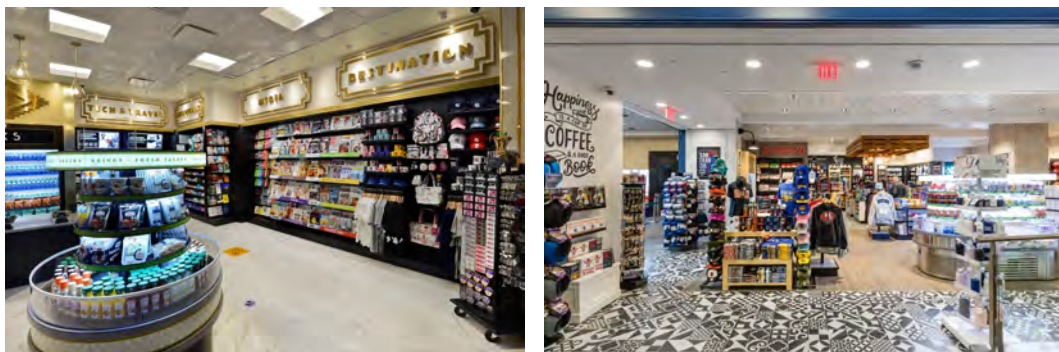
René will also assume management responsibility for the Miami Office for all administrative tasks related to the operation of the facility, including cultivating necessary relationships with local authorities.

René has been within Dufry since 1993 when he joined as Sales Manager Eastern Europe. From 2000 to 2012, he had responsibility for Eurasia as Chief Operating Officer for the region. In 2012, René crossed the Atlantic after having been appointed Chief Operating Officer for the America I Region, which at that time included all countries in Central and South America, except for Brazil & Bolivia (America II). With the introduction of the new Group structure in 2016 implemented following the integration of Nuance and World Duty Free, René was appointed Executive Officer Division Central and South America and successfully managed the region until August 2020.

Dufry Completes Hudson Re-Integration



As part of Dufry's plan to reduce costs and simplify its structure, the company has completed the acquisition of the Hudson shares it didn't own in Hudson (42.6%) and Hudson has become an indirect, wholly owned subsidiary of Dufry. Following this transaction, Hudson Group has been delisted from the NYSE in December. The integration and delisting of Hudson will further simplify Dufry's corporate structure and will permit the company to eliminate the costs and complexities of the separate listing. Consequently, Dufry is expected to realize annual cost savings of at least CHF 20 million, thereby further supporting its comprehensive set of already announced cost saving measures, and to improve cash flows going forward.



The integration of Hudson within Dufry however will not change the plan to continue with the successful execution of our strategy for the North American travel retail market, which focusses on operating duty-free and duty-paid convenience shops, as well as the further penetration of the food & beverage market. The closer alignment with headquarters and with other global operations will support the North American business during the recovery period, and the fast implementation of the full re-organization will help Dufry to focus the business on the re-opening and growth acceleration.

Update on Hudson Next – Hudson’s Expansive Digital Transformation Project



Nearly two years ago, Hudson embarked on an ambitious digital transformation journey known as Hudson Next. While Hudson has been pursuing business transformation and operational model enhancements for years, such as the continuous reinvention of retail concepts, product assortment and operations, there was a need to systematically improve technology, organization, processes and procedures to keep up with business needs and growth while continuing to align with the Dufry Group.



Mission accomplished: SAP migration completed!!

Designed to maintain leadership in the market and elevate the team member experience while building on current strengths, Hudson Next focused on three key areas of development:

- **Innovation** – Through the integration of new, cutting-edge technologies, Hudson can evolve with the changing customer demographics, drive sales and transform its back-end information architecture.
- **Engagement & Communication** – In order to invest in the growth and success of its diverse team member demographic, Hudson needed to focus on maximizing team member engagement and productivity while improving HR processes in the areas of recruitment and learning.
- **Collaboration** – The development of a unified way of working collaboratively between both corporate teams and locations, supported by data-driven processes, will allow Hudson to work more effectively.

During the past two years, Hudson has achieved significant success within the Hudson Next umbrella. In September 2019, Hudson rolled-out Beekeeper to its entire North American operations, strengthening the communication and collaboration between frontline team members, corporate teams and executive leadership. Additionally, the digitalization of HR processes, including the launch of Dufry Connect and Travel Experience University, allowed the HR team to develop the strategy to improve the team member experience.



Toronto team celebrating kick-off of Beekeeper

However, the biggest digital transformations came from a collective Hudson team effort, engaging all departments and leveraging the support of the Dufry global organization, in the form of two significant project roll-outs: Flooid (previously known as PCMS) and SAP. These projects laid forth the foundation that will run Hudson's business processes for the future by creating a new, integrated way of working for the entire business, including Finance, Operations, Merchandising, Marketing and Master Data.

Flooid, the new point of sale (POS) system, streamlined the way Hudson handled everything from product and assortment, to taxes and promotions. In only ten months, the Hudson team rolled-out Flooid to 940 duty-paid stores or the equivalent of more than 2,000 registers, all in the midst of the COVID-19 pandemic. This significant undertaking was extremely important for Hudson's continued pursuit of digital innovation, as it will allow Hudson to seamlessly and agilely roll-out new technologies that drive sales and meet changing retail trends - from self-checkout, to vending machines, to the Hudson Blue app (the Hudson version of Red By Dufry).



Atlantic City team celebrating successful Flooid migration

The SAP project is also on track to be completed by the end of the year. The implementation of SAP, an enterprise resource planning tool (ERP), will allow for all aspects of management of vendors, operations, financials and products. With SAP in place, Hudson will obtain better data to make the right business decisions and have overall leaner processes to more quickly adapt offerings to changing customer preferences and business needs. In a similar token, additional automation across the business will allow team members to spend more time focusing on customer and landlord needs.

The Hudson Next project has been an extremely large undertaking, all of which would not be possible without the hard work and dedication of all Hudson team members both in the field and in the corporate

offices. When faced with the difficulties caused by the COVID-19 pandemic, the implementation team quickly accelerated the projects, developing innovative implementation solutions that avoided onsite activities and embraced virtual training as much as possible. As 2021 approaches, Hudson looks forward to celebrating the achievements of the Hudson Next project as new digital innovations are rolled-out in-store to better serve the customers - a true testament to what it means to be the Traveler's Best Friend.

Data Leak Prevention Program

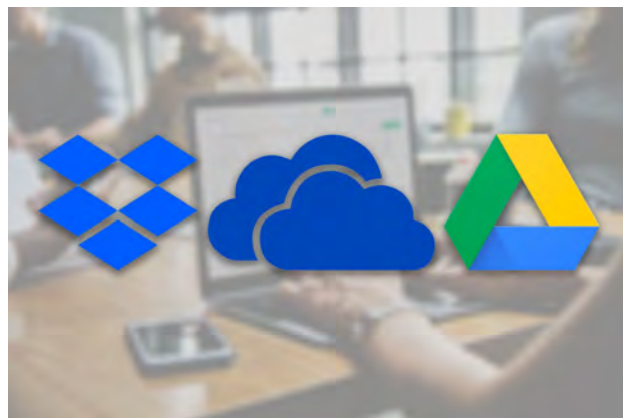


By Ángel Gálvez, Global IT Security Head

As part of the IT Security Awareness program which advises employees about potential IT risks, the Dufry IT Security team recently communicated the Data Leak Prevention program (DLP) supported with relevant training within the business.

The Data Leak Prevention program is a comprehensive set of initiatives set up by the IT Security team to mitigate legal and reputational risks that may affect our business in the event that any Dufry internal, confidential or sensitive information is leaked, either by accident or negligence.

In our day-to-day working practices, most of us use free storage and file transfer services that makes our lives easier. These, amongst others, include Google Drive, Dropbox, iCloud, Google Photos... and the very popular WeTransfer. These services however lack the security, control and backup measures that corporate information require, hence, the increased risk of losing sensitive information. There are certain liabilities and responsibilities related to the leak of information.



These are both reputational, but also legal. Thus, they may affect both Dufry and the individual responsible for the data leak. The company has very clear guidelines in the handling and classification of information, covered in the ITH-9 procedure available here and on the company's intranet, Dufry Gate.

The DLP program therefore, is not so much to act as “data leak police” within Dufry, but is designed instead to protect both Dufry and its employees from the risk of accidentally leaking or losing sensitive information.

In order to stay safe, here are some recommendations:

- If you need to store or transfer Dufry-related information, use the current resources and environments Dufry provide.
- DO NOT create private accounts in public cloud sites like Dropbox, Google Drive, Google photos, Wetransfer etc. to store or transfer Dufry information.
- DO NOT share files containing Dufry information with third parties, through public and unsecure networks and public cloud storage solutions.
- DO NOT upload application code developed at Dufry into public sites like GITHUB or similar as this information is proprietary.
- Check any information before sharing or sending out to make sure there is no unauthorized exfiltration of data.

Finally, please remember that Dufry has alternative solutions for file transfer and cloud hosting of sensitive information that are compliant with Dufry’s IT Security policies. The Dufry IT Security team invites anyone that needs to share this kind of information with third parties to get in contact with them using this email address itsecurity@dufry.com.

📍 Regional News

World Mental Health Day

Earlier this year on 10th October our colleagues from the UK joined the NGO Mind (UK’s charity partner for the 2019-2021 period) for the World Mental Health celebrations, which included a number of activities organized to raise awareness, connecting with colleagues and raising funds. Under the 'Do

One Thing' theme, to boost wellbeing or the mental health of others, Mind invited everyone to take on a new and simple activity as a first step to improve mental healthcare. Whether it was going for a walk, learning a new skill or doing something creative, the objective was taking the first steps towards getting support for yourself, or reaching out to someone else.



The charity made some useful resources available on their [website](#) – including calendars with suggested activities and a number of templates to be used on social media – which our colleagues from the London Heathrow T5 main store – and teams in other airports and terminals across the UK – used to get involved in the celebration. These served to start conversations with each other and to highlight the selected tips for keeping well.

Many of these were later shared with the rest of the UK business – the photos in this article show the team proudly getting involved in raising awareness on this very important day.



Collage of many of our UK colleagues pictures celebrating World Mental Health Day

Prioritizing mental health on a challenging year

According to research conducted by Mind with over 16,000 responses across the UK, the uncertainty created around the pandemic has negatively affected mental health, and more than half of adults (60%) and over two thirds of young people (68%) said their mental health got worse during lockdown. That made 2020's Mental Health Day a particularly special one to raise awareness around mental diseases and to help highlight that these can be as common as other more "visible" illnesses.

Being aware of the issue is the first step towards reaching a solution. And whilst taking a first step can be hard – and probably most of us won't know where to start – campaigns like this one, backed by our UK colleagues, help many to take the first steps towards improving their mental wellbeing and supporting those around them.

Dufry Debuts at The Circle in Zurich



On 5th November, Dufry inaugurated ANECDOTE, a duty-paid store concept in the newly opened lifestyle and business complex The Circle at Zurich Airport. The Circle is the new district and place to be at Zurich Airport featuring two hotels, as well as shopping and convention center facilities, where business meets lifestyle providing inspiring moments, lively encounters and infinite possibilities for local and international visitors.

Within its 600 m² of retail space, ANECDOTE offers customers a great brand experience with fantastic prices and professional advice for all our core categories – from fashion and accessories, to perfumes, cosmetics and skin care products; to wines and spirits, food and confectionery, as well as tobacco, jewelry, watches, sunglasses and travel bags.

As part of the Zurich Airport customer experience, ANECDOTE aims to serve both travelers and local customers from the Greater Zurich Area, which is one of Europe's economically strongest areas, with around 3.8 million inhabitants.





📍 Regional News

Hudson Spotlited in CNBC Broadcast Television Documentary on Air Travel & COVID-19

In mid-October, Hudson was featured in the CNBC television program, "Shepard Smith Reports: Air Travel in Turmoil." The segment, filmed at LaGuardia Airport Terminal B, focused on the impact that COVID-19 has had on U.S. air travel and the millions of people who rely on it, including essential airport workers. Hudson was the only



concessionaire featured in the segment, which gave Hudson the opportunity to talk about how business was impacted by the pandemic and how health and safety has been prioritized in-store for both customers and team members alike. Members of the Hudson team featured in the segment were Senior Vice President of Operations, Joseph Landolfi; General Manager, Renea Verdi; Operations/Customer Service Manager Carly Berg; and Associate Dylan Sonysingh. The videos are available on the links below (click on the images to see them).



📍 Regional News

Ice Shop Installation in St. Petersburg's Pulkovo Airport

Earlier this year in September, APC Group unveiled a complex 38.5m² installation for Baikal Vodka in Dufry's main airside duty-free store at St. Petersburg's Pulkovo Airport.

The Baikal Ice Shop evokes Siberia's Lake Baikal, from which the water for the vodka is drawn. All Baikal vodka products use water gathered from a depth of 400-500m in the Baikal Lake, known as the 'Pearl of Siberia' and the world's deepest and largest freshwater lake by volume. Baikal ultra-premium vodkas claim the water used in its elaboration have unique prop-

erties, distinguished by a constant composition and oxygen saturation, plus ultra-light mineralization. This composition and the triple distillation give the Baikal Vodka products its extreme smoothness and appeal.



Beyond targeting sales growth, this special activation aims to educate consumers about the history of the Baikal Lake and its water – one of the main distinguishing elements of this vodka – by using trained sales consultants and special imagery representing the Siberian lake. The latter was achieved with the central digital element of the installation: a 65-inch monitor in the activation’s bar



area featuring real footage of Baikal Lake that helped immerse travelers in the magic of the lake and highlight the natural origin of the product.

Contract Extension at St. Petersburg Pulkovo Airport



Dufry has successfully extended for another seven years its duty-free concession contract at Pulkovo Airport in St. Petersburg covering a total retail space of over 3,100 m². St. Petersburg is the most visited tourist city in Russia and Pulkovo airport welcomes 19.6 million passengers per year, representing an attractive mix of domestic and international travelers.



Dufry has operated the Pulkovo operation since 2014 in cooperation with RegStaer and, as part of the contract renewal, Dufry will redesign the current departure area by refurbishing the walk-through concept featuring all core categories including Perfume & Cosmetics, Liquor, Tobacco and Food & Confectionery, covering close to 1,900 m². The refurbishment, in addition to delivering a very innovative design, will also allow a better connection between the duty-free store and the stunning central lounge area of the terminal.

The revisited specialty store area with 13 shops across 1,100 m² presents renowned global brands, as well a refined selection of local brands and souvenirs in the Spirit of St. Petersburg destination store. Overall, the refurbishment will increase the flexibility to arrange the retail space to suit changing customer requirements and passenger profiles. The concession

also includes a last-minute shop with 100 m² of sales space, presenting a snapshot of the attractive product assortment and providing a final opportunity to buy some gifts.

📍 Regional News

Salt Lake City Welcomes Four Hudson Stores

During the month of September, Hudson celebrated the opening of four iconic and locally inspired stores at the Salt Lake City International airport (SLC). The opening of these stores coincided with the completion of the first phase of “The New SLC”, the airport’s ambitious redevelopment program that will provide passengers with an entirely new experience compared to the previous setup.



Hudson’s first four store concepts at The New SLC include classic concepts Hudson and Salt Lake City Dufry Shopping and two new localized concepts that celebrate the history and the spirit of the city:

- **Central Pointe Market:** A travel convenience concept inspired by Salt Lake City’s iconic Trolley Square which pays homage to the rich transportation history of the city, complete with self-checkout capabilities.
- **Land Speed Depot by Hudson:** A travel convenience concept inspired by the Bonneville Salt Flats in Utah, home to the land speed record, complete with local favorites and essential travel necessities.



The following month, Hudson opened up two additional stores in the terminal, which included another locally inspired travel convenience concept, The Salt Lake Tribune, and the proprietary technology concept, "Tech on the Go".

Once the airport redevelopment project is completed in 2022, Hudson will operate 13 stores in total in the new Terminal, which represent a customized portfolio of popular local brands and iconic national and international concepts. These concepts, awarded as part of an eight-year agreement back in 2018, will expand Hudson's footprint at SLC by nearly 6,000 incremental square feet – around 600 m².



 Regional News

Destination Beauty: Best Marketing Campaign Award

What does a Frontier Award winning marketing campaign look like? We can tell you, as the winner of the 2019 edition was on the home team! The UK Retail Marketing Team, in partnership with London Heathrow Airport, were again this year's winner of the Best Collaboration of the Year. These awards, known as the "Oscars" of the duty free and travel retail industries, celebrate the very best of innovation and creativity within the travel retail sector. And yes, this year we were amongst the winners. If you want to know all the details... keep reading!

Destination Beauty

That was the very appropriate title of a campaign that spanned for five weeks and consisted of an extended beauty event encompassing London Fashion Week and Chinese Golden Week. The event highlighted five exclusive destination themed make up looks created by five leading global beauty houses specifically for this campaign.

With this as the basic concept, World Duty Free UK and the London Heathrow teams worked closely together to maximise the campaign across all possible touch points. Heightened beauty service offerings, delivery of experiential activation for passengers to interact with, special promotions with the long established Heathrow Rewards loyalty program – featuring double points on beauty spend – as well as providing the opportunity for passengers to get hold of an exclusive campaign “gift with purchase” when meeting the qualifying spend – constituted the key elements of the campaign.

Campaign elements

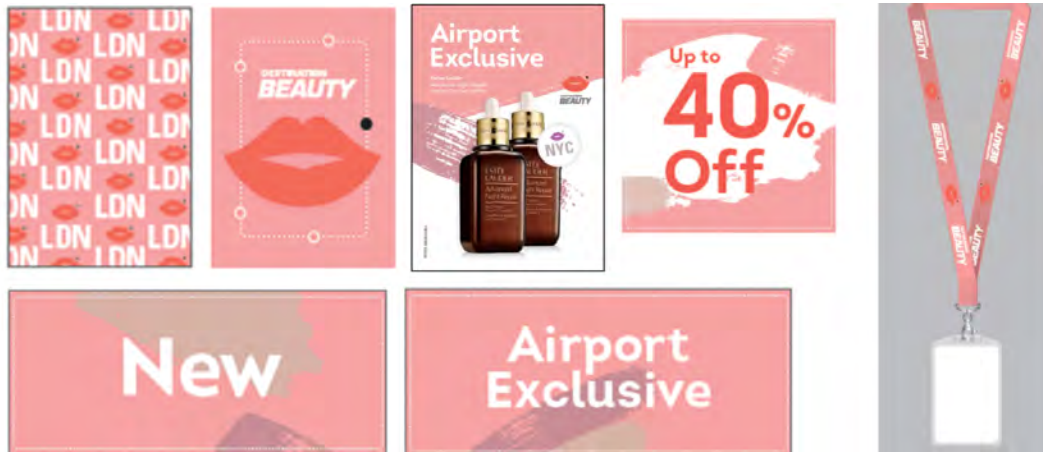
5 looks from 5 brands inspired by 5 destinations.

With the help of the Global Beauty Team, we identified and contacted five Global Beauty Houses that were represented across all 4 terminals at Heathrow and asked them to create and own a specific Destination Beauty style. All five looks were created by the brands at an exclusive photoshoot for the Heathrow Select Magazine Destination Beauty edition which showcased the five styles inclusive of skincare, makeup and paired fragrance products as recommended by the brands, which were available for customers to buy both in our airport stores and on Reserve & Collect and Heathrow Boutique shopping sites.



Generic Beauty Point of Sale Takeover

As part of the activation, generic beauty “Point of Sale” space was taken over in our World Duty Free stores in all four Heathrow terminals, including our main, transfer and arrival shops.



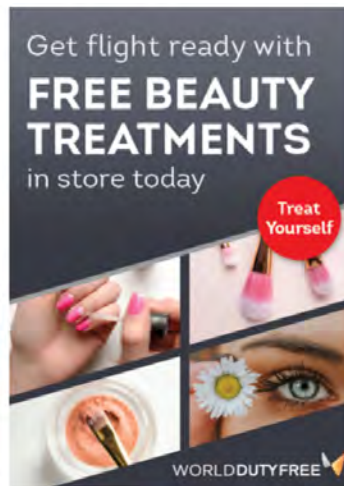
Communication Landside

Communication also took place outside our stores with the airport promoting the campaign via advertising content on the digital screens across the airport - both landside and airside - as well as on screens situated at the Information Desks.



Beauty Services Focus

The Heathrow “Services Brochure” was redesigned to help drive foot-fall and interest amongst passing customers. With up-to-date details of beauty services offered by all brands across all four terminals, this brochure content was communicated on In Store digital screens, online and through the Heathrow Select Magazine



In Store Activation

Along with a strong line-up of brands set to take centre stage throughout Heathrow in September, the Experiential Marketing Team developed a multi-site activation campaign, led via the Terminal 5 liquor space, to try and drive people into store through with the offer of experiential beauty activities from brands including GHD, YSL and Estée Lauder. GHD conducted hair styling for passengers and YSL promoted both their new Libre fragrance and The Slim lipstick range complete with demos and colour pairing.



Heathrow Select Magazine Destination Beauty Edition... and much more!

Heathrow dedicated their entire Autumn Select Magazine Edition to Destination Beauty shooting the models made up with the five looks, alongside shots of the in-store product displays. They also highlighted several brands' beauty service menus as well as the gift with purchase that was available and a £10 off £150 voucher offer.

There was much more activity that we cannot cover in this one article, but it included activations on the World Duty Free UK Reserve & Collect website and Heathrow Boutique website, Social Media support with key influencers and specific Chinese social media. All in all, this is the perfect case study of a multi faceted 360° marketing campaign.

Behind the scenes

As you can imagine, a campaign of such dimension cannot be attributed to an individual, but rather to an extraordinary team of professionals. Nicole Watkins, UK Marketing Manager, commented on the activation: *"Never before has World Duty Free UK worked on a beauty specific campaign of such scale with any other airport partner. After seeing heavy competition in the market, we felt that there was strong opportunity to deliver a joint campaign with one of our closest airport partners to drive category sales and ATV among our top destination passenger groups."*

"After ongoing talks and deliberation around the campaign to agree on a key period during which we could both give it our full support, Destination Beauty was born. For the first time, World Duty Free and Heathrow Airport would collaborate to bring passengers an exclusive beauty event during the September 2019 key trading period."

Congratulations to the UK and LHR teams for a WorldClass campaign!

Charlotte Tilbury in Heathrow Airport



It's rather unusual for us to feature in this section of Dufry World a specific retail "corner" – or a "shop-in-shop", but this concept is becoming much more common within our stores. It's a real first as well, that a certain Charlotte Tilbury, known as the makeup artist to the stars, chose the World Duty Free store in London Heathrow Terminal 5 to debut her eponymous, award-winning brand, Charlotte Tilbury Beauty, in a global beauty takeover.

What in June 2019 became a world first, as Heathrow was the only airport location globally to feature Charlotte Tilbury Beauty products, quickly became a huge hit and, for many, a reason to spend plenty of time in the store catching up with latest make up and beauty trends and sampling the highly acclaimed products.

Situated at front of the World Duty Free Beauty Hall, this bespoke space brings Charlotte's expert Hollywood, red carpet and backstage secrets to life in Heathrow Terminal 5. The counter, designed with the instantly recognizable rose gold, night crimson and old Hollywood inspired decor, which customers have come to know and love, showcases Charlotte's makeup and skincare products, including her famous Charlotte's Magic Cream and the legendary Pillow Talk, alongside Charlotte's iconic wardrobe of 10 make up looks which is at the heart of the brand. Another great reason to pay a visit to our store when you're next in London!

Suggestions

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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