

# DUFRY WORLD


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
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 The Uptake of Sustainable Shopping **9**

 Interview with Luis Marín **3**

 Emporium **23**

# Ready to Leverage Increasing Signs of Recovery



Julián Díaz, CEO Dufry Group.

In the second half of May and particularly since the beginning of June, we have seen an increasing number of travel restrictions and quarantine regimes being lifted across many European countries and other geographies. This has immediately led to a growing number of flight bookings within Europe in general, to the typical summer holiday locations in the Mediterranean as well as to some trans-continental destinations.

This evolution is a positive step forward as compared to the first quarter 2021, in which we were still seeing a business environment characterized by only minor improvements and within which Dufry achieved a turnover of CHF 460.3 million, resulting in an organic growth of -73.9% compared to 2019.

Encouraging signs also come from our landlords and brand partners, with whom we can now see a more forward looking and proactive mindset. If you browse through the stories in this Dufry World magazine you will notice an increasing number of contract wins and extensions such as the Cayenne Airport in French Guiana, Teesside Airport in the UK, and in Martinique in the Caribbean. In April and May, we completed important refurbishments in several regional airports in Greece, perfectly timed for the summer season and serving the many tourists. Refurbishments have, among others, also been completed as planned in Pulkovo airport in St. Petersburg and in Las Vegas.

In line with our digitalization strategy, we have also launched new shop technologies such as the Hudson Nonstop concept, which is powered by Amazon's Just-Walk-Out technology and is in our stores at the Dallas Love Field and the Chicago Midway International airports (MDW). We have also introduced an automated retail concept, which was first presented at Myrtle Beach International Airport (MYR) and has now also been rolled-out at Chicago Midway. All these developments show that Dufry, together with our partners, is ready to deliver the latest retail technologies to positively surprise our customers and to welcome them into attractive shopping environments.

## **Changes in the Global Executive Committee**

In May, we announced several changes in the Global Executive Committee, as well as within the leadership team of our North America cluster effective July 1, 2021. Roger Fordyce decided to step down as Chief Executive Officer North America and member of the Global Executive Committee on June 30, 2021, and to continue supporting Hudson in an advisory capacity. I thank Roger on behalf of our Board of Directors and the management team for his long-lasting career and dedication to our Group, which he has served for over thirty years. We look forward to continuing to benefit from Roger's valuable support in his advisory role.

Jordi Martín-Consuegra has been appointed Chief Executive Officer of the North American cluster as of July 1, 2021 reporting to Eugenio Andrades, Chief Executive Officer Operations of the Group. I am pleased that Jordi will be leading our North American business, as he has both an in-depth understanding of our company strategy, organization and business model at a global level, as well as valuable experience of the specificities of the local market and our organization in North America - skills which will support him in his new role.

Brian Quinn, currently acting as Executive Vice President and Chief Operating Officer has been appointed Deputy CEO of Hudson effective July 1, 2021. He will support Jordi through the day-to-day general management of our North America cluster as he has successfully done so far, with his in-depth experience of the complete operational value chain.

Sarah Branquinho has been appointed Chief Diversity & Inclusion Officer and member of the Global Executive Committee, effective July 1, 2021 and will be reporting to myself. In her role, Sarah will foster and further develop the group-wide implementation of the Dufry Diversity & Inclusion Strategy, with her wealth of experience and building on the best diversity & inclusion practices from our industry. Sarah has over 30 years of experience in travel retail and joined Dufry Group in 2015 through the acquisition of World Dufry Free Group.

Please join me in wishing Sarah, Jordi and Brian all the best for their new roles and responsibilities. I am pleased that we can fill these important positions with highly skilled colleagues, who have a deep understanding of our industry and the company strategy.

## **Continuing to evolve our company**

In May we have continued with our strategy of simplifying our organization and decision making processes by combining our Southern, Central and Northern American operations into the new financial reporting segment The Americas. Going forward we will thus have the three geographies consisting of Europe, Middle East and Africa; plus Asia Pacific and The Americas.

Throughout the first six months of 2021, we have fostered our commitment to sustainability in all its aspects. While I have just mentioned our goal to evolve our diversity and inclusion strategy, offering equal opportunities to all our employees, we have also developed other specific concepts such as substituting plastics bags as much as possible and we are ready to pilot a labelling system allowing customers to identify our newly defined sustainable product selection in the shops. We will share further details on these interesting initiatives with you in the next issue of Dufry World, as well as through our new internal communication channel Beekeeper, which we continue to expand throughout the company, to keep you all informed and updated on Dufry's evolution.



### Thank you for your support

I hope that all of you are and continue to stay in good health. Let's keep our focus and dedication at high levels as we are already doing, so that we can benefit as much as possible from the encouraging signs of recovery. I want to thank you all for your ongoing extraordinary efforts and motivation and for maintaining the cost consciousness, which remains a key concern to take us through the recovery. Let's tackle the important summer season as a strong team and with a positive attitude.

Sincerely yours,

**Julián Díaz**

Chief Executive Officer

 People

## Enablers and Service Providers to Operational and Customer Oriented Functions

**Luis Marín tells us which city he likes most – after Barcelona of course; gives us an insight into his daily interaction with various company departments, and tells us where local artists are best incorporated in airport architecture.**



**Luis, you are one of the people who has been with Dufry from the very early days as you joined in 2004 just before the company was publicly listed and initiated a remarkable growth period. You started as Business Controlling Director and you were then appointed Chief Corporate Officer in 2014. With your business and financial background, you have managed Business Controlling as well as M&A for several years and you are now responsible for the key support functions such as HR and IT, as well as Corporate Development and Indirect Procurement. How has your daily life changed with the new organization and your new scope?**

Yes, I was lucky enough to join Dufry at the beginning of probably one of its most exciting periods. In my previous area of responsibility, I had the opportunity to develop the Business Controlling department and contribute to growth from the M&A function. Now, the perspec-

tive has widened with a more internal focus, making sure that our internal resources are planned, developed and adapted to the needs of the company at any moment in time. So now I interact with different people and for different topics.

**You have now been in your new role since September 2020 and gained an in-depth view on the tasks and challenges. Did you experience any surprises?**

I have not experienced any particular surprises, because these areas were well managed and integrated in the day-to-day operation of the company. What I have gained are additional insights and perspectives.

**What are your current focus points?**

While Business Controlling was basically focused on analysis, monitoring, reporting, etc. and was mostly interacting with the Finance area and the executive team, and M&A is a more specialized function, the new areas have much more impact on the day-to-day operation of the company. If something in IT does not work, the impact can affect just one area of a specific entity, or the whole company! Likewise, HR interaction with other areas, especially Operations, is essential. Both areas need to respond to the needs of the company and provide solutions.

In parallel, within Corporate Development and Indirect Procurement we focus on the coordination and control of investments and expenses. As you well know, Dufry has been going through a major reorganization because of the impact of the recent pandemic on the business, with many valued colleagues and skilled employees unfortunately having to leave the company. This situation requires that we adapt to the new reality efficiently. Today, while we are still facing a challenging business environment, the newly created Organization and Transformation Department lead by Salvatore Aricò has facilitated an important step forward to ensure that we are ready for the recovery phase, as they have successfully switched to new procedures and the new ways of working.

The key focus points of the role itself, which mainly include the management and evolution of the HR and IT functions are still the same. IT and HR are key integrators of the different areas in any company. We see ourselves as enablers and service providers to the operational and customer oriented functions, who serve and provide solutions to other departments, making sure that they can focus on satisfying the needs of our customers.

More specifically, the overall topic of digitalization – and here I do not necessarily mean only the customer facing online-services and tools – does and will facilitate simplification, standardization and automation of processes and will continue to be a key element of our evolution as a company. In this context, IT plays a major role.

**Is the tight cost control a challenge or a hurdle for our digitalization process?**

Clearly, we have to be careful with all our investments given the current scenario, but Dufry has traditionally been very cost conscious. On the other hand, if the investments allow us to improve the customer experience, or to automatize and reduce complexity and costs going forward, it makes perfect sense to implement new solutions and invest in them right now. Dufry needs to go through this digital transformation and this is going to cost money, but we need to see it more as an investment in our future.

**Will we have to adapt the organization again once the recovery accelerates and we get “back to normal”?**

This is a question more for the Organization Department, but in my opinion, we will only need to fine tune a few aspects here and there, assess workload levels and needs for additional capacities and cover some skills we may not have in the company yet, but I would not consider this as a redefinition of the organization. One of the main changes out of the recent reorganization is that by taking out one operational decision making level – the former divisions – we got closer to the countries and the market. In the same context, we have also revised the back-office functions, with the aim of clustering repetitive tasks or duplications into centralized service departments and highly specialized teams, such as for example the Financial Shared Service Centers, which support the organization globally.

**Talking about back to normal. Assuming travel restrictions would be fully lifted tomorrow, what would be your first destination to visit?**

After so many months of restrictions, I need to pay a visit to my family!

**Recently, we have increased employee engagement through intensifying and adding new formats of internal communication. What are you planning going forward?**

Yes, we have launched what we call the re-engaging campaign to increase the engagement level with our employees in view of the recovery, but we also intend to maintain and evolve these initiatives going forward. I think it is important that the employees receive both corporate information, but also other kinds of communications, more related to development, wellbeing or other topics, given the times we are living in. With this in mind, several initiatives have been launched during the lockdown in different countries to re-engage with colleagues – even though mostly virtually for the moment. An important element is also the further expansion of Beekeeper, our internal communication APP. As well as our Basel headquarters, we have just added Greece, Hong Kong and Macau and we are currently launching it in other countries in The Americas. This is in addition to the other nine countries where Beekeeper is already implemented, and we want to continue to extend the roll out to enable us to reach all our colleagues around the world.

A new and important initiative we have also started to develop with a group perspective is the evolution of our Women@Dufry initiative and its transformation into a group-wide “Diversity & Inclusion” initiative. In this context, the recent appointment of Sarah Branquinho as Chief Diversity & Inclusion Officer and member of the Global Executive Committee is testament to Dufry’s commitment to promote diversity, which we believe represents a strong competitive advantage for our company.

**What is the purpose of and how will “diversity & inclusion” contribute to the companies’ growth and success going forward?**

As a global travel retailer, we serve customers from 150 nationalities every day, on top of which, we see many different cultural backgrounds representing different ethnicities, genders and religions. All these customers expect to be treated in exactly the same respectful and professional way. The same applies to our employees, and as a company, we want to make sure that internally they all receive this equal treatment. This means they need to have access to equal opportunities from the moment we recruit new colleagues and throughout their whole time at Dufry – including career evolution, remuneration and daily working envi-

ronment. While we are traditionally used to and strongly believe in the value of working with colleagues from different nationalities – we have employees from over 130 countries worldwide – we also still have opportunities to improve our diversity and inclusion profile. This will further enable us to provide all our colleagues with fair and equal treatment based on their professional skills. While our customers increasingly want to shop in a company fulfilling these expectations, we are convinced that with this initiative we will contribute to Dufry's success, by being able to recruit and retain the best people for the company.

In one of the next editions of Dufry World, we will present our "Diversity & Inclusion" initiative in more detail, but in the meantime all of us can begin right now to nurture its success by contributing every day to a respectful, pleasant and enriching working environment with colleagues from around the world.

### **IN A MINUTE:**

**A meal:** I enjoy trying local food whenever I travel

**A book:** "The man who exchanged his house for a Tulip" (F. Trias de Bes), describes how many bubbles have developed and burst since the middle age

**A city:** Being born there, Barcelona is at the top of the list. But Vancouver is ranked second.

**A film:** A good thriller

**A hobby:** It takes me too long to shoot a photo. So maybe this qualifies as a hobby.

**A leader:** Rather than leaders, this is the time to recognize all those front line people battling against Covid

**An airport:** Mumbai - Beautiful architectural design and intensive showcase of local artists' works all around the airport

# Twelve-Year Contract at Teesside International Airport

World Duty Free has won a new concession contract to operate the tax- and duty-free store at Teesside International Airport (UK) for a period of 12 years.

Teesside International Airport, located in Darlington North East England, was recently taken into public ownership and is targeting an additional 1.4 million passengers to pass through its doors by 2029,

adding to the 148,000 travelers welcomed in 2019. With the newly won concession, Dufry further consolidates its footprint in the UK, where we currently operate duty-free shops at 25 airports.



Work on the development of the new 173 m<sup>2</sup> walk-through store has begun and is due to be completed by July, ready to meet the demand as passenger numbers recover. Teesside International Airport has recently secured increased flights to several international destinations including Palma de Mallorca, Alicante, Corfu and Bulgaria, with operators such as Ryanair and TUI. Therefore, to maximize the opportunity presented from January 2021 with the Government's reintroduction of duty-free purchases for all passengers departing the UK, the retail focus in the new store will be on the core categories of liquor and tobacco, along with an extensive range of beauty brands and a selection of accessories.

Fred Creighton, Chief Operating Officer in the UK said, "The team at Teesside International Airport have exciting long term plans linked to the increased flight schedules anticipated, as well as the current overhaul of their security operations and other airport facilities. We are delighted to be part of this new chapter in the airport's story and will deliver a tax- and duty-free store that takes shopping to the next level for all passengers visiting the airport this summer."



# Hudson “Thinks Outside The Box”, Launching New Automated Retail Concept

Today’s travelers have high expectations for contactless retailing, seamless convenience, and digital innovation across all touchpoints of their travel journey – which is why Hudson is rolling out a first-of-its-kind, multi-brand automated retail concept.

Automated retail is a 24/7 specialty retail destination that’s reminiscent of a miniature shopping mall, leveraging Hudson’s and Dufry’s expansive brand portfolio. Clustered together in groups of two or more throughout the concourse, and conveniently located near a Hudson store in the event of needed assistance, automated retail makes it easier than ever for travelers to access and shop for specialty retail offerings.



Each automated retail concept is custom-tailored to the unique airport location, with the ability to swap out the global and local brands represented in each unit to best fit the needs, trends, and demographics of the airport region. The brands currently signed on for automated retail include:

- **Skincare:** Plexaderm and The Art of Shaving
- **Eyewear (featuring an interactive, virtual try-on experience):** Maui Jim and Revo
- **Electronics:** Apple, Beats, Belkin, Brookstone, and Sony
- **Toys:** Kikkerland Design and LEGO
- **Accessories:** Happy Socks and 47 Brand

More brands will continue to be added to the automated retail line up moving forward. Additionally, Hudson plans to use the concept as a brand incubator. This will enable Hudson to test brands before deciding to develop them into a standalone specialty store, as well as explore developmental opportunities with smaller airports where specialty retail offerings can be limited by space and enplanement levels.

The first automated retail concept is currently live at Myrtle Beach International Airport in South Carolina. Additional locations, including Chicago Midway International Airport (MDW) and William P. Hobby Airport (HOU) in Houston (Texas), will be introduced later this summer.

🔗 Key Story

## The Uptake of Sustainable Shopping



**By Jorge Muñiz**

If we were to run a survey to understand the reasons that have accelerated public concern about sustainability, we would discover a collection of events that may have catalyzed the move towards sustainability. Whilst Covid-19 would currently rank top of the list, the reality



is that the sustainability topic has been on the corporate agenda for many years now. With the 17 Sustainable Development Goals (SDGs), the United Nations themselves articulated 5 years ago that a worldwide collective effort is needed to secure a more sustainable world.

The topic however is now more mainstream than ever before, and consumers seem to have taken the lead. When it comes to our industry alone, and according to research from MInd-set, 84% of travel retail and duty-free shoppers think a greater focus on sustainability by manufacturers has a positive impact on their perception of a brand, whilst 74% feel that a greater focus on sustainability increases the likelihood of them purchasing a brand.



"Slow Fashion", which involves local artisans and the use of eco-friendly materials, aim to preserve crafts and the environment

The heightened visibility of sustainability efforts may well make a bigger impact compared to just a couple of years ago. However, before going any deeper, let's revisit the basics of sustainability.



Local produce not only reinforces the sense of place but supports local communities wealth development



Beauty brands are increasingly more committed to environmentally-friendly packaging and natural components



Store design is also being adapted to a more sustainability-influenced consumer



Initiatives, such as La Mer's movement to protect marine habitats, serve to identify a brand with sustainability at consumer's eyes

## Evolution of ESG

The story of corporate sustainability has evolved over the years, going from purely charity contributions, to a more comprehensive effort. The term ESG better encapsulates what is known as Sustainability and includes Environmental, Social and Governance issues.

- **Environmental** dimensions include a company's energy use, waste, pollution, natural resource conservation and treatment of animals, as well as the assessment of the environmental risks a company might face and how the company is managing those risks
- **Social** looks at the company's business relationships with employees (for example, offering fair working conditions as well as a healthy and safe working environment, promoting diversity and inclusive practices, etc.), suppliers (how the company works to ensure suppliers hold the same values the company claims to hold), communities (charity activities, relationships with the local community)
- Finally, **governance** includes issues related to the running of the company itself: accounting practices, governance bodies, shareholders rights, guarding against corruption and bribery, legal compliance... these are just a selection of the topics covered under this dimension.

## What does Dufry look like in terms of sustainability?

The short answer is "We look good!", but we also have scope to improve even more! Within our industry, Dufry holds a very advanced position. As indicated in [issue 37](#) of Dufry World, we have a clear ESG strategy which is embedded in our business model and that enables our company to consistently advance its sustainability commitment.



The iconic Dufry red plastic bag will shortly see a more sustainable alternative

## Engaging with the consumer

Dufry is by nature a consumer-focused company, and all we do has to be geared to giving our customers a superior shopping experience. It's true that an airport shopper behaves differently when it comes to impulse buying, gifting, or treating oneself, but not when it comes to sustainability. In fact, research shows that when it comes to sustainability related consumer behavior, 64% of consumers are willing to pay a premium price for more sustainable products.

This is something that's very much recognised by all manufacturers, who are making significant progress in enlarging their portfolio of sustainable products. The golden question is... what makes a product more sustainable than another? Continuing with the above-mentioned research piece from MInd-Set, the most important consumer concerns about sustainable consumption include:

1. Buying products that are sustainably sourced, respecting the environment (i.e. Environmental criteria)
2. Buying products that are ethically sourced, respecting social welfare in source markets (i.e. Social)
3. Buying recyclable products (environmental)
4. Buying products that use as little plastic and packing material as possible



L'Occitane en Provence put the stress in becoming more circular and is pushing a Three-R's initiative (Reduce, Recycle, React) towards reducing plastic consumption

### Dufry's plan

Beyond taking each and every opportunity to improve our corporate sustainability performance, as already described in Dufry World 37, Dufry continuously engages with both airport landlords and brand suppliers, joining forces to present customers with what they are looking for. In this context, there are a number of joint initiatives in place to improve in-store communication around sustainability matters and to make them more visible in our stores. We will present these initiatives to you in more detail in the next issue of Dufry World.

As reflected in the **2020 Annual Report**, Dufry has shared its short and middle term commitments to ESG, including the phasing out of plastic bags, training of our staff in the sale of alcohol products and the tracking of CO<sub>2</sub> emissions as a first step towards reducing our carbon footprint.

When it comes to products, industry powerhouses such as Estée Lauder, L'Oréal, L'Occitane en Provence, Diageo - and a long list of many others - are making big steps forward in this area and Dufry is determined to join



Estée Lauder Companies is another beauty powerhouse with a clear sustainability strategy



them on this journey. As the anticipated lifting of travel restrictions brings our customers back to our stores, it's a good time get all the elements ready and to continue adapting our offer and communication to this growing sustainable demand. Stay tuned and watch this space!

📍 Regional News

## Exclusive Gin for Dufry in Spain

Following the successful launch of Larios Provenzal in 2019, Beam Suntory and Dufry announced the launch of Larios Noches de Jazmín (Jasmine Nights), a travel retail exclusive available from 1<sup>st</sup> June only at Dufry's airport stores across Spain.

Showcasing the unique flavors of the Mediterranean summer night, Larios Noches de Jazmín has been jointly co-created by Beam Suntory and Dufry. The new gin fuses jasmine petals – reminiscent of the floral aromas of Mediterranean gardens – with the fruity flavor of white grapes. Unlike other gins, which use fermented grains, Larios is produced from corn, which gives the liquid a smoother profile. It also only uses the 'heart' of the distilled liquid to ensure a clearer drink with a sweet aftertaste of white grapes with floral undertones.

With this latest launch, Dufry continues a tradition of giving customers access to exclusive products which are not available in traditional retail.



TAKE HOME THE *Mediterranean* GIN  
Try New Larios Noches De Jazmín



# Dufry Takes the Stage at TR Sustainability Week

The Travel Retail and Duty Free Industry's first virtual event dedicated solely to sustainability, organized by Travel Retail Business took place during the month of April and had Dufry amongst its keynote speakers. The event aimed to take the pulse of the industry when it comes to sustainability and recognise the quick development of the topic in the last few years.



Renzo Radice presenting Dufry's ESG strategy

Under the name of "Lead by example: Sustainable investments from industry leaders", Dufry participated in an animated panel together with some of the industry powerhouses, such as L'Occitane en Provence, Nestlé Travel Retail, Lego, and ARI. The event helped to understand the major drivers of the participants' sustainability strategies and main lines of action, whilst confirming the industry's move towards a more sustainable business model and increased transparency in the main components of sustainability: Environment, Social & Governance – ESG.

Represented by Renzo Radice, Head of Corporate Communications and Public Affairs, Dufry shared the major improvements made by the company in the last couple of years, including the affiliation to the United Nations' Global Compact principles and the Sustainable Development Goals (SDGs), as well as the creation of a multidisciplinary ESG Committee chaired by Dufry's CEO, Julián Díaz, and with the participation of C-level representatives of the related company departments – a best-practice within the travel industry.

Renzo also took the opportunity to introduce other major highlights of Dufry's ESG engagement, such as the creation of a Sustainability Strategy, fully embedded in our business model, the development of Dufry's Supplier Code of Conduct – to encourage sustainable business practices amongst our suppliers – and other major environmental developments, including the newly implemented carbon emissions tracking, a necessary first step towards implementing a carbon footprint impact reduction target.

## **Sustainable products**

The panel also addressed an industry hot topic: the appetite of customers for more sustainable products. Whilst it was agreed that what makes a product more or less sustainable can be defined in many ways and does not have a clear definition – not just in travel retail, but in the retail industry in general – there was a certain consensus around different elements that make products more appealing for an increasingly environmentally and sustainability-biased consumer, such as environmental friendly packaging, use of organic components, impact on communities, etc.

In connection with this topic, Renzo shared with the audience that Dufry has designated a dedicated team who are closely collaborating with brand partners to assess sustainable products and to increase their exposure or display in store.

If you are interested in learning more about this panel, the event is accessible by clicking on the video link below.



 People

## Changes in North America Leadership

Effective June 30<sup>th</sup>, Roger Fordyce will step down as CEO of Hudson and the North America region. Jordi Martín-Consuegra will then take over the role of Chief Executive Officer of the North American cluster reporting to Eugenio Andrades, Chief Executive Officer Operations of the Group.

Roger has been with our North American organization since 1988, when he joined Hudson as District Manager. He has served Hudson and the Dufry Group for over thirty years and held several management positions, strongly supporting the development of the company with his extensive experience in the travel retail business. Before being appointed as Chief Executive Officer North America and member of the Global Executive Committee in 2019, he served as Vice President and Senior Vice President of Operations of Hudson from 1992-2008 and as Executive Vice President and Chief Operating Officer of Hudson from 2008-2018.



Roger Fordyce (left) and Jordi Martín-Consuegra (right).

With Roger's experience and deep knowledge of the North American travel retail market, he has made an important contribution to the expansion of Dufry's footprint in North America. And while he steps down from his CEO role, Roger will continue supporting Hudson in an advisory capacity.

Roger's position as CEO of Hudson and the North American cluster will be taken over by Jordi Martín-Consuegra, whose in-depth understanding of our company strategy, organization and business model at a global level will help continue to drive growth in the key North American market. Jordi has served as Chief Administrative Officer & Deputy CEO North America since January 2018. During his time in this role, Jordi has gained valuable experience in the specificities of the local market and our organization in North America – skills which will support him in his new role.

Jordi joined Dufry Group in 2005, where he served in several management functions such as, among others, IT and Corporate Resources Director and also Chief Resources Officer until 2017.

Brian Quinn, currently acting as Executive Vice President and Chief Operating Officer, has been appointed Deputy CEO of Hudson effective July 1<sup>st</sup>, 2021 and will support Jordi through the day-to-day general management of our North America cluster, as he has successfully done for many years now. Prior to his current role, Brian was Vice President of Operations at Hudson from 1992 to 1996 and previously served as General Manager of Hudson's LaGuardia Airport operations, which gave him in-depth experience in the complete operational value chain.

# Hudson Delivers Two Hudson Nonstop Store Powered By Amazon's Just Walk Out Technology



Following an exciting announcement in January 2021 celebrating the new collaboration between Hudson and Amazon, Hudson has now opened two Hudson Nonstop stores powered by Amazon's innovative Just Walk Out technology. The first store opened at Dallas Love Field Airport (DAL) in March (see story published in [issue 38](#) of Dufry World), and the newest store opened at Chicago Midway International Airport (MDW) at the end of May.

Each store allows travelers to enter the store with their credit card, pick up the products they're looking for, and then exit the store, all without waiting in checkout lines or stopping to pay.

In the 46 m<sup>2</sup> Dallas store, travelers can find food and beverage offerings, electronics, health and beauty products, and a selection of locally-inspired merchandise. With the Chicago store having a store footprint nearly double that of Dallas, the store has more space for additional products, including fragrance, accessories, and toys.

Since their opening, the stores have been performing well, both financially and based on traveler acceptance. Travelers have quickly adopted this new store concept and are very pleased with the full product range offered, reaffirming that Hudson is directly and successfully meeting an untapped need of travelers.

Moving forward, Hudson will continue to work with Amazon to introduce new product categories to the stores, as well as expand the concept to other airport locations in North America, while balancing the need for the traditional Hudson travel convenience store model.



# Lancôme's Beauty-Tech Lands in São Paulo with Dufry

In partnership with Dufry, French luxury perfumes and cosmetics house Lancôme inaugurated the brand's largest duty-free shop in South America in Terminal 3 of São Paulo International Airport. Lancôme's flagship store in Brazil's busiest airport features prominent digital elements that meet consumer's new needs and behaviors that have developed as a consequence of the global pandemic, including the increased focus on health and safety issues.

Some of these elements include more flexible, digitalized and personalized alternatives to traditional product testing experiences, such as the virtual try-on tool powered by AI (Artificial Intelligence) algorithms, which enables shoppers to test Lancôme's full range of make-up products virtually and therefore safely.

The store also features large eye-catching screens where fragrance and skincare best sellers including La Vie Est Belle and Advanced Génifique are highlighted on 'iconisation' tables. Meanwhile, make-up pillars such as Hypnôse Mascara, Teint Idole Ultra and l'Absolu Rouge are displayed on tech-powered sharing tables. Throughout the store, customers will also discover an exciting selection of novelties and exclusive offers such as travel retail sets.

Finally, customers can also enjoy creating a bespoke gifting experience with an instore engraving station for selected products and a gift wrapping station.



# Hudson Expands Presence in Hotel Space



In late March, Hudson announced the opening of six new stores inside the Virgin Hotels Las Vegas, a new casino resort located just off the famous Las Vegas strip in Nevada. As the only retailer currently operating there, Hudson's stores are prominently located right on the casino floor or are situated by the residential towers, and span a footprint of more than 4,000-square-feet (over 370 m<sup>2</sup>). The new stores are:

**5th & Sunset:** Hudson's proprietary sunglass and accessory store, offering guests a wide variety of premium, fashion-forward, and athletic performance eyewear styles.



**Brookstone:** Operated under an exclusive travel retail agreement, Brookstone delivers the best-in-class brands in audio, entertainment, travel essentials, and wellness products as well as gadgets and toys.





**Chill by Hudson:** A locally-inspired sundry shop offering in-room necessities, including over-the-counter medicines, grab & go snacks and beverages, books and magazines, and a selection of electronics.



**Dunkin':** The iconic quick serve Food & Beverage brand known for its signature coffees, baked goods, and healthy breakfast options.



**Hudson:** Known as the quintessential one-stop-shop for all travel needs with four clearly-defined primary categories – Media, Essentials, Marketplace & Destination.



**SWAG:** A testament to all things Las Vegas, offering branded apparel and locally-inspired souvenirs. SWAG also boasts an elevated selection of resort-ready swimwear and other accessories, including jewelry and fragrance.



For ultimate convenience, each store offers “charge to room” capabilities, and in select stores, there are state-of-the-art self-checkout kiosks available. The opening of the new stores at the Virgin Hotels Las Vegas marks Hudson’s latest venture into the hotel space. In 2016, Hudson debuted The Atrium, a luxury multi-brand concept at The Venetian Resort Las Vegas.



# Sarah Branquinho Appointed Chief Diversity & Inclusion Officer

Sarah Branquinho was appointed Chief Diversity & Inclusion Officer and member of the Global Executive Committee, effective July 1, 2021 and will be reporting to the Group's CEO, Julián Díaz. In her role, Sarah Branquinho will foster and further develop the group-wide implementation of the Dufry Diversity & Inclusion Strategy.

Sarah has a keen interest in furthering the education and careers of women. Besides leading our women@dufry initiative, she is a founding member and **Chair of Women in Travel Retail**, which offers networking and professional development opportunities to women across the global travel retail industry. Her wealth of experi-

ence will support her in further evolving our diversity & inclusion strategy, building on the women@dufry initiative and including best diversity and inclusion practices from our industry. Being present in 64 countries and employing people from a wide range of nationalities, ethnicities, genders and cultures, diversity and inclusion is a success factor of growing importance.

Sarah has over 30 years experience in travel retail and previously worked for BAA and its retail company World Duty Free, extending her remit to handle business relationships and external affairs for its sister company Aldeasa. With the acquisition of World Duty Free Group by Dufry in 2015, she was appointed Director of External Affairs, a position she held until her retirement from full-time employment in July 2018, and she then continued to serve as External Affairs Advisor to Dufry. She is also currently president of the Duty Free World Council (DFWC), is the World Business Partner observer on the board of directors of ACI-Europe (Airport Council International Europe) and has held several other management and board positions in industry organizations such as the European Travel Retail Confederation (ETRC).





## New Duty-Free and Duty-Paid Contracts at Porto Alegre, Brazil



Dufry won two new concession contracts at Salgado Filho International Airport in Porto Alegre, Brazil, to operate two new duty-free shops covering a combined retail area of 935 m<sup>2</sup> and one duty-paid shop with 704 m<sup>2</sup> of retail space. The concession contracts have a six-year duration. The duty-paid shop started operations during March 2021, with the duty-free shop opening in May 2021.

Both of the duty-free stores have walkthrough formats; one is located in the International Arrivals area and the other in the International Departures area. The product assortment in both stores include all the typical core categories such as perfume & cosmetics, spirits, food & confectionery and tobacco, complemented by watches & jewelry, accessories, electronics, toys and souvenirs.

Salgado Filho International Airport handles eight million domestic passengers every year and 500,000 international passengers. With the opening of these two stores, which join the existing four Hudson stores in operation since December 2019, Dufry consolidates its footprint in this airport and delivers a completely new level of the airport shopping experience, featuring a high quality assortment of products and the WorldClass customer service Dufry is known for.

 World Class

## Emporium – Exclusive e-Shop for Dufry Employees

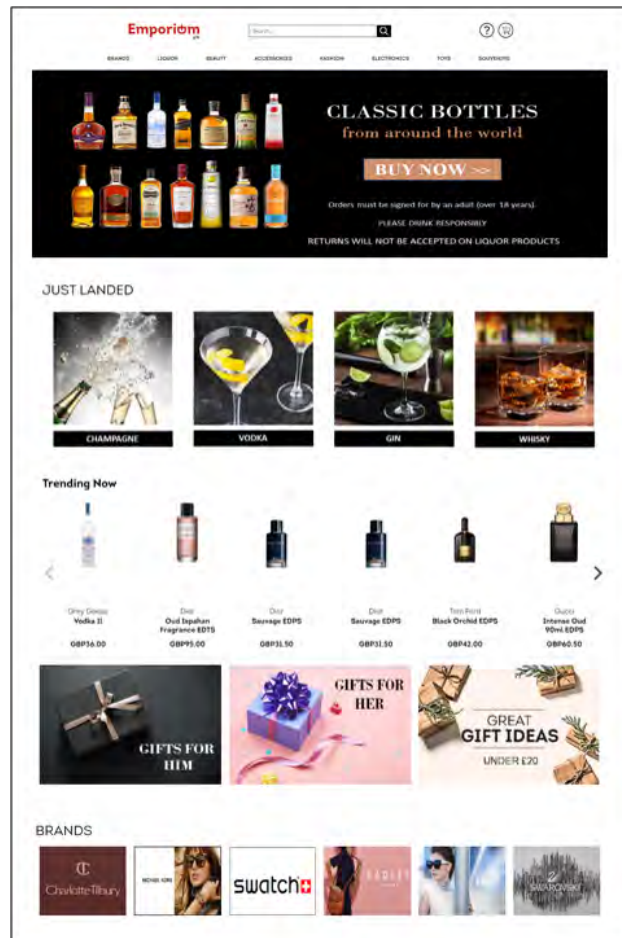
Have you heard about Emporium? If you haven't, this short article aims to change that! Emporium is no more – and no less – than an exclusive e-shop for Dufry employees and a place to find, at very competitive prices, a wide range of the products we sell in our stores including exclusive products (both Travel Retail exclusive and Dufry exclusive products).

Dufry is currently making this service available (exclusively to Dufry employees) in a number of countries, including the UK, Spain, Switzerland, Greece, Hong Kong, Mexico and the USA, with more countries expected to follow in the coming months.

### What can I find in Emporium?

Emporium is a web-based shop with thousands of products from all our core product categories: perfume and cosmetics, wine and spirits, food and confectionery products, accessories, but also exclusive campaigns from luxury brands such as Bvlgari, Bally and Burberry for example. Depending on the country the product offering is varied, but both global and local teams are working to ensure that there will always be great and exclusive offers available and will continue to focus on expansion. The first focus however are great prices and great deals, which are very – and often extremely – competitive. An affordable way to enjoy some treats and self-indulgence!

Due to local regulations, especially custom requirements, products available at Emporium may change from one country to another. Likewise, there is a cap for purchases that each individual can buy in a year – although you'd have to buy hard to reach it!



Home page of Emporium in the UK

### Home Delivery, Red By Dufry and much more!

Home delivery is an additional service of Emporium. From the comfort of your sofa you can place your order and get it delivered in a short period of time.

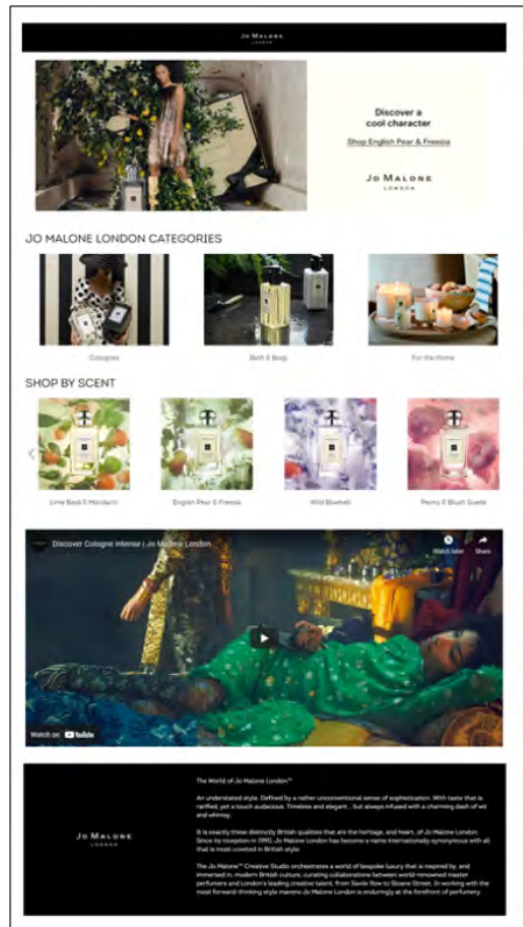
And there's more! Promotions, flash offers, novelties... there's always something new in Emporium and it's worth checking from time to time to get the best at a great value price.

### Exclusive benefit for Dufry employees...

Emporium is a Dufry-employees exclusive service and only employees can access this platform – an employee number is requested at registration. However, Emporium allows third parties to benefit from this very special service through the "Friends and Family" program. Each Dufry employee has a limited number of invitations that give access to Emporium. Friends and Family members will then enjoy the same benefits and features, including their own buying cap.



Friends and Family can also benefit of Emporium

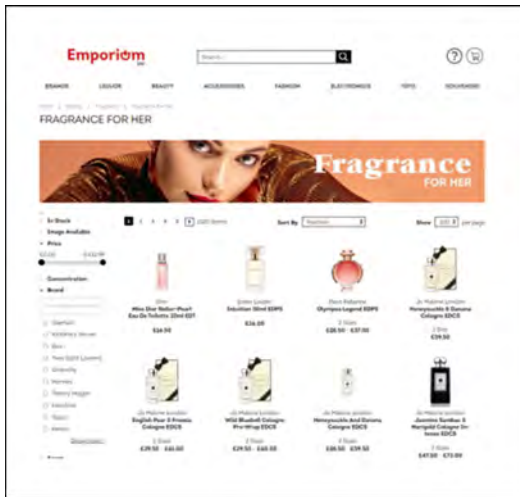


Emporium also features brand-boutiques

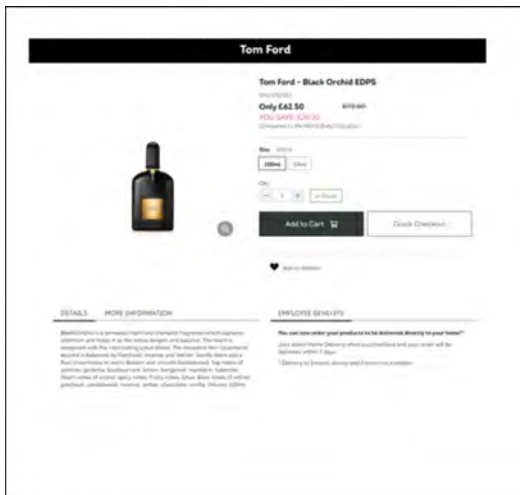
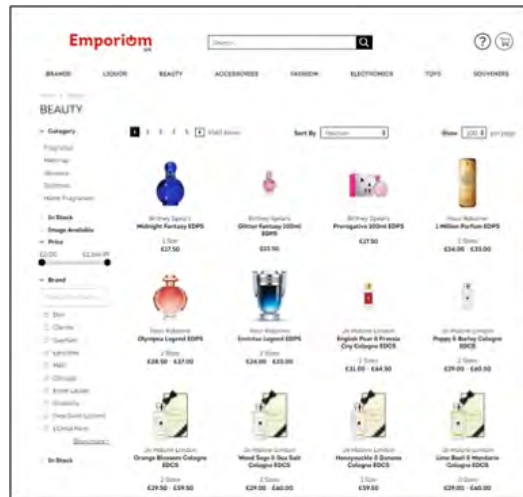
### When and where is this available?

As already explained, Emporium is gradually being rolled out across all geographies and, if not already available in your country, it soon will be! If you want to learn about the plans for Emporium roll-out, please get in contact with your local HR team to find out more.

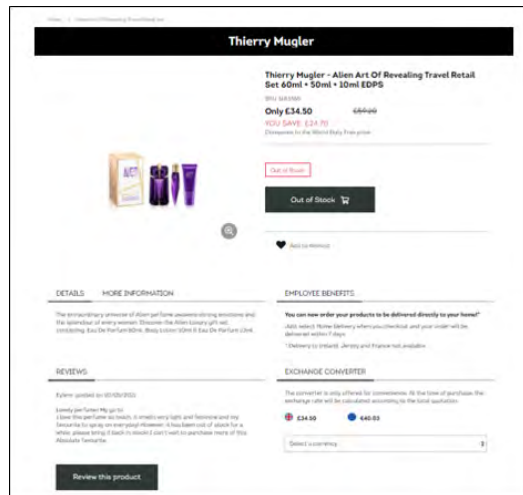




A screenshot of the beauty category



Full product description available



Emporium also feature customer reviews and opinions

## Bigger and Newly Renovated Space in Thessaloniki

In time for the much awaited summer season, Dufry inaugurated its renovated Hellenic Duty Free shops stores at Macedonia International Airport in Thessaloniki, Greece's third busiest airport after Athens and Heraklion international airports.

The new stores have enlarged the retail space by 65%, delivering a total area of 1,526 m<sup>2</sup> distributed across three main shops. The new stores are part of a full-scale refurbishment of the airport's passenger flow, including a change in the configuration of the two terminals, as well as passenger and security control areas.



Thessaloniki's main store is a 625 m<sup>2</sup> walkthrough store showcasing the Perfume & Cosmetics category. With the refurbishment, new brands, such as Armani Privé, have been introduced to the Perfume and Cosmetics space, to offer a curated selection of brands and products which cater for the needs and preferences of the passenger profiles that travel through this busy airport. In addition, the offer has been enriched with a wide variety of Greek natural perfumes and cosmetics, including products from the brands Korres and Apivita, which are popular amongst consumers thanks to their use of natural herbs, honey, vanilla, fig and other indigenous Greek products in their formulations.

A large collection of luxury items and accessories from international brands such as Swarovski, Rado, Tissot and Ray Ban are available in a dedicated space within the main store. In the 617 m<sup>2</sup> walkthrough 'Cava' section of the store, passengers will find a huge variety of liquors, confectionery, tobacco, electronics, travel accessories, souvenirs etc.

The cherry on the cake is a gourmet concept corner-store, which offers travelers a final taste of Greece in the form of traditional and contemporary Greek foods, wines and spirits. Dufry carefully selected producers from all over the country whose products represent the best that Greece has to offer.



The Greek team has put special emphasis on staff training, ensuring sales assistants really understand the products and convey a sense of passion and pride when offering them to customers. "Kerasma" – a Greek treat – is offered each time product promotions take place, giving people the opportunity to enjoy a last taste and sip of one of Greece's delicious treasures before they fly. Terkenlis, a bakery also located in the 'Cava' area, offers a range of freshly baked Greek pastries and treats including Tsoureki (a popular Greek Easter sweet bread), cakes, tarts and syrup sweets made to traditional Greek recipes. The smell of the freshly baked products is an irresistible invitation for passengers to visit the store!

The 284 m<sup>2</sup> "All Greek To Me" store completes the offer. This new themed-store offers passengers a unique Greek experience, with traditional food and drinks from well-known and specialized Greek producers and suppliers, all over the country. At the same time, a variety of Greek jewelry and refined souvenirs are available for passengers who want to take a beautiful memory back home with them.





# Dufry to Operate at Cayenne Int. Airport



Dufry has won a new, five-year concession contract to operate the duty-free shop at Cayenne - Felix Eboué International Airport in French Guiana, the French overseas region located in the North of South-America.

Cayenne airport served 550,000 passengers in 2019, and Dufry will start operations of the duty-free shop covering 120 m<sup>2</sup> on August 1, 2021. With the newly won concession, Dufry further consolidates its footprint in Central and South America, a geography, which also includes the Caribbean and is considered as one of the most important tourist destinations worldwide.



The new shop at Cayenne International Airport will offer customers a comprehensive assortment of all the core duty-free categories including perfume and cosmetics, confectionery, tobacco, jewelry and travel accessories. Travelers will also enjoy discovering a refined selection of local food, rums and souvenirs which provide tourists with a great sense of place and authentic memories of this enchanting tropical region and its culture.

By adding French Guiana and the Cayenne airport operation to our portfolio, Dufry further strengthens its footprint in South America as leading international operator. The team is currently working towards developing the Cayenne airport duty-free shop to international standards to offer all its travelers an attractive shopping experience.

# Official Opening of Pulkovo Airport Stores



Left to right: Alexander Baev, Chairman of the Board of Directors of RegStaer, Leonid Sergeev, CEO Airport Pulkovo, Maxim Sokolov, Vice Governor of St. Petersburg, and Julián Díaz, CEO Dufry

Dufry and RegStaer held an official inauguration for the fully refurbished 2,670 m<sup>2</sup> duty free walk-through store and 235 m<sup>2</sup> KIDS store at Pulkovo International Airport in St. Petersburg, Russia. The official opening follows the contract extension announced in November 2020 as reported in [issue 37](#) of Dufry World.





Long and ample walkthrough



Kids-store, space devoted to our youngest customers

The opening event was attended by Maxim Sokolov, Vice Governor of St. Petersburg; Leonid Sergeev, CEO Airport Pulkovo; as well as Julián Díaz, CEO Dufry, and Alexander Baev, Chairman of the Board of Directors of RegStaer.

The design of the new walk-through store conveys a sense of summer gardens, creating an airy and open space, while bionic décor elements reflect the beautiful and majestic city of St. Petersburg with a modern twist. The duty-free shop offers customers a wide range of products from the world's most renowned brands across all major categories, including perfume and cosmetics, spirits, confectionery and fashion accessories.



Official ribbon-cutting ceremony to mark the inauguration of the renovated stores

The KIDS concept store, which is conveniently located just after the main duty free store welcomes both adults and children alike to explore its bright and inviting space. Designed with a strong aviation theme, brightly colored toy planes hang from the ceiling and product gondolas resemble helicopters! The product mix combines toys, confectionery, children's sunglasses and clothing from major brands including Lego, Kinder, Ray-Ban, Polaroid and Gulliver.



# New, Ten-Year Duty-Free Contract at Martinique

Dufry has been awarded a new ten-year concession contract at the Martinique Aimé Césaire International Airport starting January 1<sup>st</sup>, 2023, for the new duty-free shop covering 750 m<sup>2</sup> of retail space. It will be located in the new airport extension area currently under construction next to the existing terminal. Alongside the new contract, the current concession for the existing 340 m<sup>2</sup> duty-free shop, which Dufry has been operating since 2011, has also been extended until December 2022.



©AIA / SAMAC

The planned airport extension and the enlarged duty-free shop will serve the growing number of passengers visiting the island of Martinique, which is a French overseas department and region located in the Caribbean, which in 2019 welcomed over 2 million travelers.

The new walk-through store is expected to be opened in December 2022 and will feature two distinctive features. The central eye-catching installation will be a rum tasting bar created as a tribute to the island's rum tradition and it will present a unique selection of high quality rums from leading producers. A Hit-the-Beach corner will be a testimony to the heritage and strong beach culture of the island and will allow for the further promotion and showcasing of local products. The increased retail space will also enable the offering of a larger product mix from global brands covering all typical duty-free categories, such as perfume and cosmetics, confectionery, tobacco, spirits, jewelry and travel accessories. A refined selection of local food and souvenirs will complete the product assortment and provide a distinctive sense of place for this tropical island.



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# Dufry Thomas Julie Korea Shop in Busan



Busan is known for its renowned international film festival which is held each fall. But aside from this celebrated annual event, Busan's beaches, hot springs and nature reserves are some of the standout assets of South Korea's second largest city and largest seaport. This special connection with nature and the sea is brought into the store operated by Dufry and its South Korean partner, Thomas Julie Korea, which is situated in the Departures terminal at Gimhae International Airport in Busan.

When the customer enters this 687m<sup>2</sup> shop, all eyes are drawn to the ceiling, with its artwork inspired by the beautiful light of the ocean, its marine life and its ships. The Dufry Thomas Julie shop in Busan includes a special focus on an attractive mix of Korean products, showcasing the best of Korea's heritage and culture to all departing passengers – such as the world-famous Korean Ginseng. The offer also includes top Korean and international brands from the alcohol, food, fashion, sunglasses and tobacco categories, including the top local cigarette brand Esse.

The Gimhae store underwent an extensive refurbishment which was completed in early 2020, following the five-year contract extension granted in 2018 and now offers a WorldClass shopping experience to all passengers visiting the airport.

# 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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