

DUFRY WORLD

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**CORPORATE
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Seizing the Improving Recovery Momentum



Julián Díaz, CEO Dufry Group.

We are currently seeing an improving momentum of the business environment with many countries lifting or at least easing restrictions related to the pandemic. Obviously, we will continue closely monitoring the evolution in the Ukraine with the most important focus for us being the health and safety of our employees and their families in the Ukraine and Russia. Nevertheless, the travel industry is already noting positive increases in bookings for the upcoming spring and summer season, and nearly all players of travel related businesses are hiring new employees. This is the strongest sign of recovery we have seen in the past two years – let's seize the opportunity! As a company we are in a strong and well organized position, allowing us to further accelerate sales and benefit from these encouraging trends.

2021 – a year of positive operational developments

Throughout 2021, we have already seen positive developments in terms of our performance. Our customers have started to come back to our stores and in many cases have spent more than before the crisis. Our turnover has increased by 52.9% reaching CHF 3,915.4 million and organic growth has accelerated by 53.2% as compared to 2020.

From May through to October we have generated positive cash flows which peaked in the third quarter, reaching almost the same high levels as in third quarter 2019 – our record year – when sales were more than twice as high. This confirms our inherent capability to generate resilient positive cash flows and shows that the efficiency measures and organizational initiatives implemented in the past two years work well. At the end of the 2021 our equity free cash flow (ECFC) came in at CHF -33.4 million – a strong improvement as compared to CHF -1,027.3 million in 2020.

I also want to highlight the very solid liquidity position of CHF 2,243.9 million we reached in 2021. This is the combined result of the comprehensive cost saving, efficiency and reorganizational measures as well as the successful financing transactions executed in 2020 and at the beginning of 2021.

Through attractive refurbishments, contract extensions and new concession wins, we have further increased the attractiveness of our shops and widened our footprint to attract new customers in the future. Some of the most important ones, to name just a few, are the new concessions at Teesside Int. Airport in the UK for twelve years, the ten-year contract at Martinique Aimé Césaire Int. as well as the ten years contract at Cayenne Felix Eboué Int. Airport in French Guiana. We were awarded important extensions at Santiago Int. Airport in the Dominican Republic for ten years, at Cardiff Airport in the UK for twelve years and for three airports in Cambodia (Phnom Penh, Siem Reap and Sihanoukville) for over five years. Amongst the most important refurbishments we have rebuilt our shops at Milano Linate Airport in Italy, Pulkovo Airport in St. Petersburg in Russia, the Dufry Shopping Megastore at Rio Galeão Airport in Rio de Janeiro in Brazil, as well as also implementing a complete redesign of the Brookstone shop concept in the US.

With all these achievements and the solid financial structure, Dufry is in a very good position to seize the opportunities of the recovery and to return to a resilient growth mode.

Extended ESG engagement

In 2021, we have also considerably extended our engagement within environment, social and governance (ESG) matters. We have accomplished important steps in all our four focus areas – Customer Focus, Protecting Environment, Employee Experience and Trusted Partner – which proves that we look at ESG from a holistic perspective. In this context, we have launched the plastic bag substitution in 15 countries and we have implemented the sustainable product identification initiative in 171 shops across 128 airports. To help protect the environment we have also defined emission reduction targets, which in different stages will contribute to reduce our CO₂ footprint.

We have also made important progress in our employee experience through our strong engagement to foster Diversity & Inclusion. Shortly after setting up of the respective internal D&I steering committee we were able to conduct the first D&I survey. Having approached 70% of our employees across all regions and cultures the results have provided us with important insights, which will support us in defining a relevant D&I strategy and in making Dufry a better place to work. A considerable achievement, which should also be mentioned, is the successful Equal Salary Certification confirmed in Switzerland. You will discover more about our ESG achievements in this edition of Dufry World.

Xavier Rossinyol appointed as new CEO

As you know, we have recently informed you that Xavier Rossinyol will be my successor as of June 1, 2022. He has been a colleague and worked with Dufry for over ten years before. Besides his wide experience and professional skills, I appreciate Xavier's qualities as a good hearted person. I wish him lots of success and kindly ask you to support him as much as you have supported me over all these years. In the coming weeks Xavier and I will work together to secure a smooth transition.

After 18 years of leading this team of incredibly strong and dedicated professionals, I am very proud and thankful to have had the opportunity to be part of this company and share this adventure with you. For me, Dufry has always represented a fascinating family consisting of a large variety of cultures and ethnicities.

Thank you for all your support

I would like to thank all of you for the immense support and dedication you have given to me and the company over all these years. I have enjoyed working with all of you and building on our values of excellence, personal commitment, life-long learning and team spirit.

I wish the Dufry family a prosperous future and for you each of you personally, all the best for a rewarding career and happiness in your private life.

Kind regards,



Julián Díaz
Chief Executive Officer

 Regional News

Supporting Child Cancer

For the next three years, Dufry in the UK will support the not-for-profit organization **Children's Cancer and Leukemia Group** (CCLG) through fundraising and awareness campaigns.

There is a story behind the selection of CCLG which is worth sharing with the whole Dufry community. Traditionally, our Dufry colleagues in the UK collectively select the charity the company supports for a three-year period. Our UK colleagues have the chance to nominate a charity, but it is the vote of the employees that decides which one will receive the support for that period.

The last charity to receive support was Mind – a mental health charity – for which our UK colleagues managed to raise £ 175,000 (equivalent to CHF 220,000) in the last three years.

Julie Grange, Customer Service Leader working nights in Manchester Airport Terminal 1, nominated CCLG. Julie has a special understanding of CCLG's important work as her daughter Jessica (aged 12) is currently undergoing treatment for acute lymphoblastic leukemia. It



was when Julie and her family started Jessica's hospital treatment that they realized how many children and their families are affected by childhood cancer.

CCLG works towards raising awareness of childhood cancer and finding better and kinder ways to treat them. The organization also supports the ongoing wellbeing of whole families during and after treatment, understanding that the emotional health of everyone involved is an imperative part of dealing with cancer.

The work CCLG does in terms of raising awareness of childhood cancer and helping to raise much-needed funds for research makes it a very good fit for World Duty Free in the UK and staff are already planning lots of fund raising activities.

Please read "Generational Diversity at Dufry" article in this issue of Dufry World to learn more about Julie's story.

 Regional News

Dufry Strikes 8-Year Concession Contract in Recife



Dufry has won the tender to operate for eight years the duty-free and duty-paid stores at Recife International Airport in Brazil, where it has been operating for more than 26 years. Under the new contract, which lasts until November 2029, Dufry will deliver four new stores totaling 1,374 m², including a 431 m² walkthrough duty-free store in the departures area and a 595 m² duty-free store in the arrivals area. Both shops will offer a comprehensive selection of the core duty-free categories including perfumes & cosmetics, liquor and confectionery.

For the duty-paid offer, two redesigned shops will be located in the departures area, including an 80 m² store landside and a 268 m² store airside. Both will feature a Hudson convenience shop-in-shop concept and will offer a selection of the core product categories including perfume & cosmetics, liquor and confectionery.

The airport, managed by Aena, welcomes almost 9 million passengers each year and operates domestic and international flights 24 hours a day, thus playing an important role in supporting the economy of the city and the entire Northeast Region of Brazil.

Xavier Rossinyol Appointed CEO of Dufry as of June 2022

Xavier Rossinyol has been appointed as the new Chief Executive Officer of Dufry effective June 1, 2022, succeeding Julián Díaz, who will step down from his position as Chief Executive Officer on May 31, 2022 and will not stand for reelection as a member of the Board of Directors at the 2022 Annual Shareholder's Meeting.

In order to ensure a smooth transition, Xavier joined on March 1, 2022 as Designated CEO and member of the Global Executive Committee and, together with Julián Díaz, will closely coordinate the transition over the next 3 months.

During this period, and building on the work done and the strengths of the group, both Julián and Xavier will work with the management teams on the definition of the strategy for the next five years, as well as the definition of a joint vision to re-energize growth considering the long-term challenges. The focus will be to captivate our customers and generate sustainable value for all our stakeholders, working with our landlords, suppliers and other key partners.

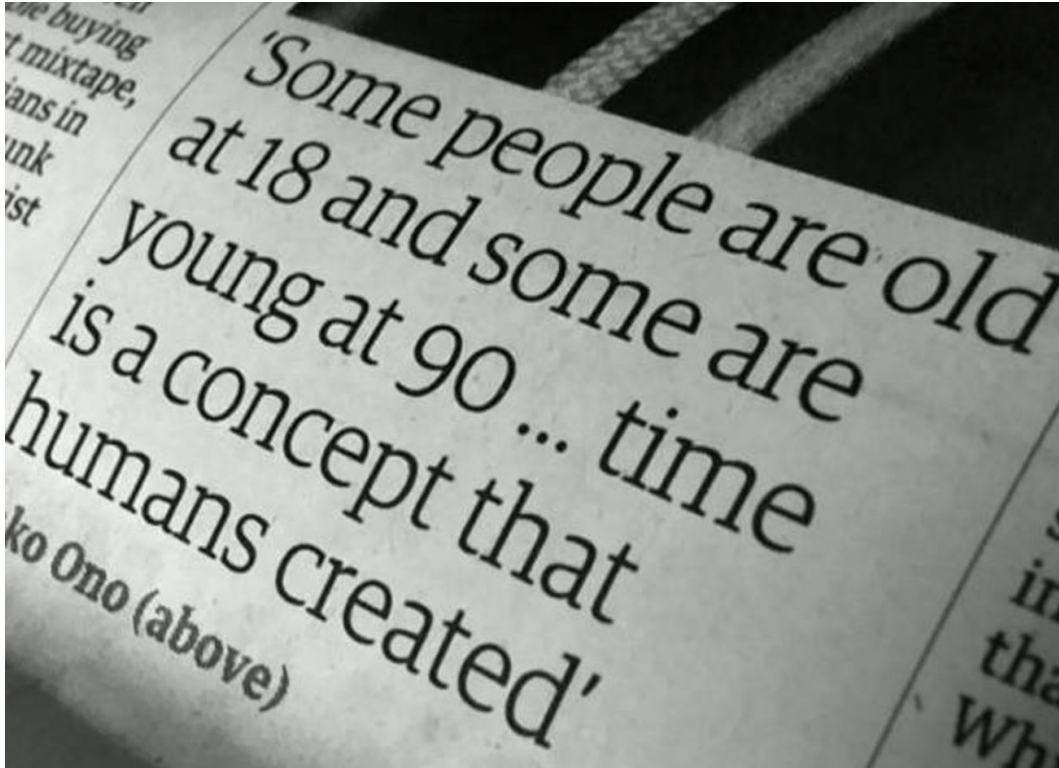
Xavier was already part of Dufry's Global Executive Committee from 2004 to 2015, firstly as Chief Financial Officer until 2012, and then as Chief Operating Officer EMEA and Asia until 2015. In the past seven years, he has been the CEO of gategroup, the leader in airline catering and on-board retail.



Xavier Rossinyol

Generational Diversity at Dufry

The benefits and responsibilities of a multi-generational workforce



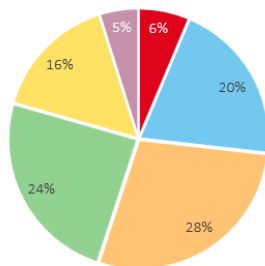
By Sarah Branquinho

As many of you will know, Dufry invited colleagues in 14 countries, representing 70% of our workforce, to respond to Dufry's first Diversity and Inclusion survey, and over 7,000 colleagues did just that. We hope to invite all our colleagues, in every country, to take part in our second survey later this year.

One of the striking revelations from your responses was the spread of ages of colleagues working at Dufry, and the HR team told me that this is fairly representative of the whole Dufry population. The responses also showed overwhelmingly (74%) that respondents don't feel that age discrimination exists at Dufry.

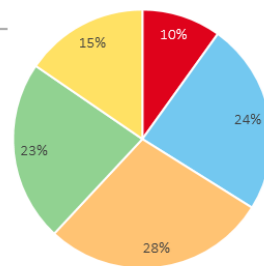
Dufry D&I Survey 2021
Age Profile - Global

- 25 years or younger
- 26 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 years or older
- Prefer not to say



Dufry Employees 2021
Age Profile - Global

- 25 years or younger
- 26 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 years or older

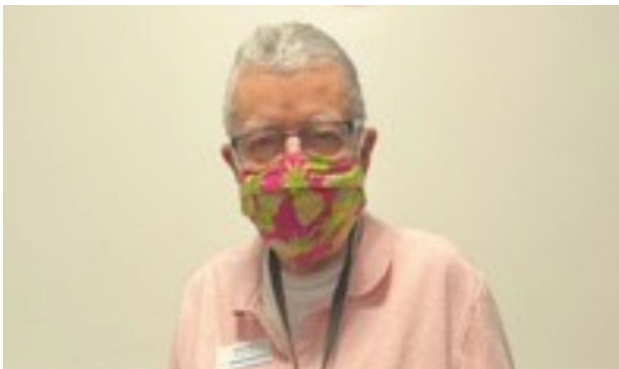


Become friends with people who aren't your age. Hang out with people whose first language isn't the same as yours. Get to know someone who doesn't come from your social class. This is how you see the world. This is how you grow.

Unknown

Well, I guess I am living proof of that! I joined the Group Executive Committee in July at the ripe old age of 64! But I'm far from being the oldest employee. In the USA, Charles Davis is our most senior employee. Charles works in several stores in our duty-paid operation at Tucson Int. Airport (Arizona), but typically in the specialty kiosks or the Ink bookstore.

We asked him to share what inspires him to keep working; and you can read his answers here:



Charles Davis, Tucson Int. Airport, Arizona, USA

"Working at Hudson helps me to stay healthy, young and active, and I really enjoy learning about the new merchandise. "Over the years, I've made friends with a number of employees and even after they left, we've kept in touch. I still work full time, 5 days per week and I haven't had a sick day in years other than scheduled surgery on my foot."

- Charles Davis

In a time where diversity is a hot topic, being a multigenerational employer is definitely a plus, not just for Dufry but for all of us. Here at Dufry we have a five generation workforce: Charles's 'Silent Generation', Baby Boomers and Generations X, Y and Z.

A study by Forbes Insights among more than 300 large, global companies shows that age diversity is a key driver of innovation. A diverse set of experiences, perspectives, and backgrounds is essential for innovation and the development of new ideas.

Every generation brings a different set of skills, beliefs and competencies to the table. Baby Boomers used to make phone calls and write letters to build relationships and this strengthened their interpersonal skills. Younger generations tend to have stronger digital skills. Mature talents can share their knowledge, experience, and skills with younger generations and vice versa.

Thanks to their different ways of thinking about the world – and the workplace – each generation will have a distinct thought process. A multigenerational workforce will, therefore, be a source of various perspectives on every subject and idea that comes up.

It also helps us to better serve customers in our stores: from the digital natives, for whom the smartphone is an indispensable tool that amplifies every aspect of their lives, through families travelling with excitable young children, to the 'silver surfers', with time and money to travel but who are perhaps more traditional in their shopping habits and primarily use their smartphones to keep themselves connected to friends and family.

There are many ways, therefore, that Dufry benefits from having colleagues across such a wide age range. But it also brings its responsibilities.

I think it's awesome to see people of all different ages from all kinds of backgrounds come together for the love of music.

Miranda Lambert, American country music

How can, and does, Dufry support colleagues who, at different life stages, have varying demands on them both inside and outside the working environment, from caring for elderly relatives or supporting family and friends with long-term conditions, to caring for their partners or children. I am sure that you, like me, will know colleagues who have been impacted by receiving their own cancer diagnosis or by caring for other family members faced by cancer and other devastating illnesses or long term conditions.

Meet Julie Grange, Customer Service Leader working nights in World Duty Free's store at Manchester Airport Terminal 1 in the UK. World Duty Free has a long-standing record of charity work, raising six figure sums. Colleagues across the UK have just voted to support Children's Cancer and Leukaemia Group (CCLG) for the next three years (see article in this issue of Dufry World). CCLG was nominated by Julie, whose daughter Jessica (12) is currently undergoing treatment for acute lymphoblastic leukaemia.

"From when Jessica was first diagnosed with leukaemia and throughout her treatment so far, World Duty Free has been amazingly supportive and especially through the difficult times during 2020. A different shift pattern allowed me the time I needed to be with Jessica, my Line Manager took care of all the practical HR



Julie Grange, Customer Service Leader, Manchester T-1, UK

issues, my colleagues rallied around and made me still feel part of the team. It's something I would never have had from my previous employer. That combination of still having a work structure, and the many messages and kindnesses from my colleagues were so important to me. Jessica has shown incredible courage and resilience, and her treatment has just finished. To now have World Duty Free continuing to support, by way of fundraising for CCLG, is truly wonderful."

- Julie Grange

Having colleagues aged from 17/18 (just starting their careers) and in their 80s - who have seen so much change in their lives, from travel to communication and everything in between - is a real bonus. Dufry can draw on the energy, enthusiasm and digital know-how of youngest colleagues as well as capitalising on years of experience across multiple fields gained by older staff members. That wealth of insight brought by multigenerational diversity, coupled with the multi-cultural, multi-ethnic, multi-lingual (and many more 'multis') characteristics of the Dufry community mean that we are well placed to understand the wants, desires and needs of the global customer base that we serve. With near full employment in many countries, we all have choices. Part of the attraction of Dufry as a place to work is, for me, the joy of coming to work and meeting so many people of different backgrounds and ages, working with them, learning from them, sharing some fun moments with them. But it's also knowing that when the tough times come, I'll be able to count on the support of my colleagues and the company - as Julie has experienced - to help see me through the tough times. We hope that's your experience too, whatever life stage you are at and whatever you may be facing.

P.S. If you think you are the youngest in the company, or perhaps you're older than Charles, or you're somewhere in-between and want to share your experience, we'd love to hear from you sarah.branquinho@dufry.com

THE FIVE GENERATIONS WORKFORCE

- **The Silent Generation**, also known as the Traditionalists, refers to people born somewhere between 1925 and 1945. This generation is being referred to as 'silent' because back in the day children were expected to be seen rather than heard (in other words, to do as they were told and be good). Although Charles certainly has plenty to say for himself!
- **Baby Boomers**, born between 1946 and 1964, who had more opportunities than previous generations in terms of education and finances. Baby Boomers tend to be very hardworking and often define themselves by their professional accomplishments. Their cell phone and tablet use is often more about productivity than connectivity.
- **Gen X**, were born between 1965 and 1980, at a time when women increasingly joined the workforce, creating a generation of 'latchkey' kids so they tend to be pretty independent, resourceful and competitive. However, while work is important, they prefer working to live rather than the opposite.
- **Gen Y**, or the Millennials (born between the early 80's and mid 90's) tend to value collaboration and teamwork. They change jobs (often) as the most efficient way to advance, but also to find a company that fits their personal values and offers them the 'right' job. Salary isn't everything - the total package is more important.
- **Gen Z**, born between 1996 and 2012, is also known as the iGeneration or Digital Natives. They are tech-savvy, taking naturally to using the latest apps, technology, or platforms. Whenever a Digital Native encounters a real-life issue, they search for a solution online. With the help of a YouTube or other guide they tend to solve a lot of issues themselves.

5-Year Contract Extension at Helsinki Airport

Dufry has extended its contract to operate the duty-free and duty-paid stores at Helsinki Airport in Finland for a further five years. The contract applies to eight stores operated by Dufry – covering a total retail area of 3,624 m² – , of which five are duty-free stores located in both the Schengen and Non-Schengen areas, one duty-paid arrivals store and two specialty stores – Max Mara and Burberry – located in the Non Schengen area.

Finavia – operator of the Helsinki Airport – is currently undertaking a considerable restructuring and extension of the airport and will accordingly reorganize passenger flows going forward. Taking advantage of this development, Dufry will refurbish its Schengen main duty-free store and build a new arrivals store as part of the extension agreement.

Helsinki Airport, thanks to its unique geographical location – the shortest route between Europe and Asia – is one of the most important European gateways to Asia as well as an attractive location in the Nordics. The successful partnership already established between Dufry and Finavia spans nine years.



To Serve and Protect

Miguel Ángel Iglesias, Chief Compliance Officer, is relatively new to Dufry, but not to the retail industry. With a long history in retail distribution, he leads an area that is critical to the reputation and corporate governance of our company. A very family oriented person who enjoys escapes to the north of Spain and good food with family and friends.

By Jorge Muñiz



Can you briefly explain the role of the compliance function and how it is structured at Dufry?

The main mission of the Compliance function is to transform compliance from a mere administrative and bureaucratic task into an element that brings added value to the company.

And this is only possible by building a business culture of integrity and ethical behavior that is built with awareness, training and collaboration across all levels of the company. In fact, the motto of our function is Compliance starts with "C" and ends with you.

The Compliance function has three fundamental pillars:

- Rigorous and strong corporate governance that complies with international standards and best market practices.
- Proper risk management, which involves the correct identification of risks - understanding their real impact on Dufry's business - and the establishment of plans for their management.
- Fraud prevention and detection, regulating what is strictly necessary, training and establishing simple and accessible communication mechanisms for all the company's stakeholders through which unethical behavior can be reported.

Could we say that you are Dufry's internal police?

Not at all! I don't think we are Dufry's internal police. While we share their mission of serving and protecting, our duty is proactive rather than reactive. I am a firm believer my department must render preventive counseling and have a service-mindset in its mission to support operations, and in developing responsible and ethical leaders.

This does not mean that we do not sometimes have to carry out surveillance and control of certain unethical behaviors that have no place in this organization.

However, I insist that our work must be proactive. I believe that training is fundamental because it allows us to shape the behaviors and ways of acting that we expect from our employees. In our day-to-day lives, in the different areas of our work, we all face situations that may raise doubts. There are certain questions that we must ask ourselves at that moment: is what I am doing sustainable in the long term? Is it ethical? Is it good for the customers and rest of stakeholders? And, if I have ethical doubts that my line manager may not be able to answer, who do I turn to?

It is this approach that we want to imbue in Dufry's culture.

Reputation is a key element in a concession industry like ours. How does Compliance contribute to building that corporate reputation?

In an industry like ours, where the differentiating aspects between the proposals of one company and another hardly show any differences, Compliance can be a differentiating element and therefore a lever for generating added value.

There are more and more non-financial or technical elements that weigh in the decisions of airports, brands, investors and employees. Just as there are analysts who value financial and business performance, there are analysts – with increasing importance – who value other factors, encompassed under the acronym ESG (Environment, Social and Corporate Governance) and whose assessments of non-financial performance weigh in decision-making processes.

A strong compliance culture impacts corporate reputation; is critical to attract and retain talent; and reduces a company's risk profile and exposure to litigation.

Who are Compliance's main stakeholders? What is the relationship like?

All of Dufry. Although the relationship is closer with the operations managers and with certain global functions of the company: Human Resources, Legal, Finance, Sustainability (ESG) and of course with Internal Audit for its surveillance and control work.

Isn't compliance a function of the legal department?

It should not be seen as a sub-function of legal. There are of course many synergies between one team and the other, but a good compliance team must have autonomy and independence to be able to do its job well.

You come to Dufry after a great track record – including the recent award for the best score in the Compliance Certification exams. What is the development plan for the function?

A lot of good work has been done, both in terms of structure and resources, as well as training and communication tools. The work carried out by Tobias Meyer and Alex Soto, as well as Karina Adriani and Solange Zanotti, is fantastic and has laid very firm foundations in the company.

We are currently working on redefining the Compliance model we want. Tailor-made for Dufry it will define the main roles and action plans in the short and medium term.

We are also working on reaching out more and in better ways to all Dufry employees. And we will leverage the tools that Dufry already has at its disposal, such as Beekeeper, which, due to its capillarity, will allow us to reach more people and in a more efficient way.

IN A MINUTE:

A meal: Paella, Spanish omelette, Iberian ham... I'm a good eater.

A book: I like historical novels. If I have to choose one: The Pillars of the Earth, by Ken Follet.

A city: Two. Istanbul and Florence.

A film: A classic: Alfred Hitchcock's North by Northwest.

A hobby: Puzzles and street markets where you can buy vintage things and antiques.

A leader: Nelson Mandela.

An airport: Adolfo Suárez Madrid Barajas. Always happy to be back home.

 Regional News

Equal-Salary Certification

Dufry has once again been equal salary re-certified in Switzerland in 2021. This certification is awarded to companies that prove granting of equal pay to men and women with the same qualifications and positions in the Company.

The accreditation attests to Dufry's commitment to create an inclusive and diverse working environment, while fostering career development for all. Equal-Salary is an independent non-profit foundation, which aims to promote equal pay for men and women around the world. In collaboration with the University of Geneva, the foundation has developed a robust methodology for objective pay analysis.

The accreditation process includes four steps - which require the action of an external auditor:

- **Step 1: Statistical Analysis** - Company employee data is provided to the Equal-Salary Foundation for analysis. All data is made anonymous prior to analysis and compensation



data is destroyed after the audit report has been transmitted.

- **Step 2: On-site Audit** – An on-site audit is carried out by an external auditor (Price Waterhouse Coopers (PwC)). The PwC Equal-Salary team then assesses: Management commitment to equal pay for men and women; Integration of equal pay strategies within the HR processes and policies and; Employee perception of the company pay practices.
- **Step 3: Certification.** Depending on a successful outcome from the PwC audit, the company is awarded the Equal-Salary Label from the Equal-Salary Foundation. A milestone achieved by Dufry in early 2019 for the first time
- **Step 4: Monitoring Audits.** The Equal-Salary Certification is valid for three years. During this period certified companies complete audits, which monitor their fulfilment of the assigned actions to apply a fair, non-discriminatory wage policy between men and women.

All phases of the certification and re-certification processes were performed at the Basel Headquarters and the Zurich airport operation and gave proof on how management systems, HR policies and processes integrate the dimensions of equal remuneration.

 Regional News

10-Year Contract Extension in the Dominican Republic

Dufry has extended for another 10 years its duty-free concession at La Romana International Airport & Seaport (AILR & CPLR) in the Dominican Republic, where it has been operating for more than 14 years. La Romana welcomes more than 700,000 passengers through both the airport and seaport and caters for upscale private jets and golf players.



The new contract extends from January 2022 through to December 2032 and includes improvements to the air terminal, as well as the installation of its much-awaited theme pool and complementary water amenities. With respect to the airport, the contract extension will allow Dufry to continue developing the 305 m² retail space to best serve the 400,000 travelers

coming mainly from the US, Canada and the Ukraine, by offering a vast assortment of exceptional products and attractive price offers.

Within the expansion of the seaport, Airport Management Services Ltd., a subsidiary of Central Romana Corporation Ltd., plans to invest around USD 4 million to further extend the cruise port; creating new attractions for cruise guests visiting La Romana and transforming it into an attractive leisure and cruise destination. Dufry will closely cooperate with the port authority to deliver a high-level design and shopping experience with 500 m² of retail space to the 300,000 cruise visitors and elevate La Romana to a major attraction for all Caribbean cruise lines.

Besides La Romana International airport and seaport, Dufry's presence in the Dominican Republic also includes duty-free operations in other international air and sea ports such as: AILA (Santo Domingo), Santiago, Puerto Plata Port & Airport, as well as at Samana, Amber Cove and Taino Bay cruise port in Puerto Plata.

 World Class

Dufry Dominican Republic Obtains the RD Incluye (Inclusion) Seal



Dufry Dominican Republic has been granted the *RD Incluye* (Dominican Republic Inclusion) 2021 seal, a hallmark that recognizes and consolidates Dufry Dominican Republic as one of the 62 companies in the country who are successfully implementing initiatives that contribute to the full inclusion of people with disabilities and to the promotion of their rights. The RD Incluye seal is an initiative developed by the Dominican Republic Ministry of Labour, the National Disability Council (CONADIS) and the United Nations Development Program (UNDP).

This local initiative contributes towards the achievement of one of the Sustainable Development Goals (SDG number 10 - Reduce Inequalities), as it relates to people with disabilities, thus promoting their development and participation on equal terms, leaving no one behind and is aligned with Dufry's other activities linked to this objective.



Left to right, Inka Mattila (UN Develop. Program - UNDP); Jardín Rojas (Dufry HR Manager Dominican Rep) and Osvaldo Canario, Exec. Director (CONADIS - National Disabilities Council of Dominican Rep.).

Inclusion at Dufry: Dagoberto Veras

One of the main risks in the Diversity and Inclusion (D&I) topic is that of simplifying this quite broad issue to just numbers or quotas. Equality of opportunity and treatment is a fundamental principle of D&I and giving options for everyone to develop professionally and personally is key to ensure an inclusive working environment. This is what Dufry has been recognized for in the Dominican Republic with the granting of the RD Incluye Seal.

An example of one such case that played a part in Dufry achieving this recognition, is that of Dagoberto Veras, Country Financial Control & Accounting Manager for the Caribbean and it underlines the importance of creating a work space in which everyone can develop. Dagoberto joined the Dufry family 7 years ago after finishing his bachelor's degree in business administration and while completing his undergraduate studies in Public Accounting. During his career at Dufry Dominicana he specialized in the area of finance, obtaining a master's degree in financial management, gaining other complementary diplomas and participating in workshops in the area of administration and finance.



Dagoberto Veras

The uniqueness of Dagoberto's story goes back years. Without many resources to fall back on, he managed to complete his primary education thanks to an SOS Children Villages education program - which Dagoberto wouldn't have known was in fact funded by Dufry, until he joined our company!

This allowed him to access secondary education and continue his path towards higher education and further training programs until 2014, when he became an asset to the Dufry team in the Dominican Republic.

"During these 7 years at Dufry I have had the opportunity to continue to grow - personally and professionally - and I have always felt the support of the company, which has pushed me to continue my training and to complete my education."

Dagoberto is now tempted to take another step and look into an international position - although he reckons he will need to work a little more on his English! What we touch on last of all when looking at Dagoberto's journey, is that he has a physical disability. But, as he says, he often has to be reminded of it, because it has never been something that has prevented him from achieving his goals. A great example of overcoming challenges and celebrating diversity and inclusion for everyone!

Key Story

Our Pledge to Fight Global Warming

Dufry continues delivering on its Environmental, Social and Global (ESG) strategy. During the first part of 2022, with the announcement of the definition of emission reduction targets based on the recommendations of the Science Based Targets initiative (SBTi), the company accomplished a major milestone of this strategy.

Establishing emission reduction targets is never an easy task. But in the case of Dufry it is a bit more complex. Due to the nature of our business - we operate spaces that are owned and managed by third parties - the ability Dufry has to influence or reduce emissions is therefore more limited and requires an extra effort to partner with third parties to achieve this goal.

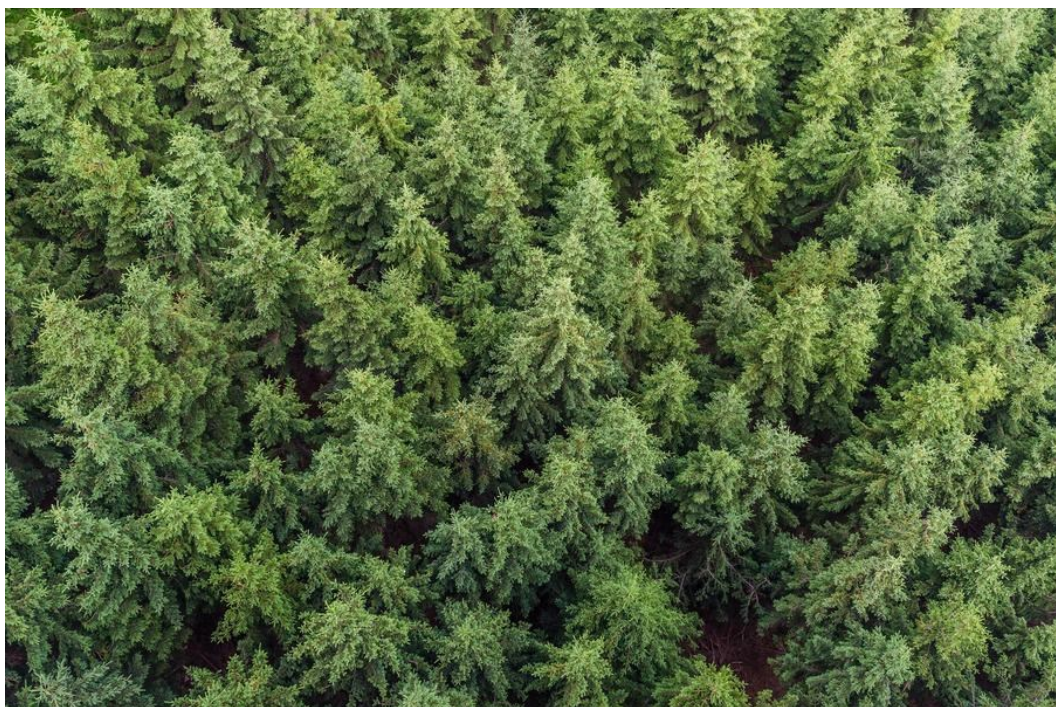
Where our emissions are coming from

The first part of the exercise is understanding our emissions profile and, in this regard, there is a globally accepted and systematic approach to measure them - the Carbon Disclosure Protocol (CDP), which establishes three "origins" or "scopes" to classify emissions:

- **Scope 1 emissions** - include all emissions derived from activities of an organization or under their control. Including fuel combustion on site. In the case of Dufry, this is limited to the fuel used for the transportation of goods in a handful of locations and fuel or gas used for heating.
- **Scope 2 emissions** - are emissions from electricity purchased and used by the organization. This comes from the utility bills of our premises and from our stores.

- **Scope 3 emissions** – include indirect emissions from activities of the organization, occurring from sources that they do not own or control. In the case of Dufry, this is mostly third party produced goods (meaning the products we buy from our suppliers) and logistics and business travel to a lower extent.

After intensive and comprehensive work, Dufry has managed to establish its emissions inventory and profile, thus establishing how many emissions we generate for our activity and, most importantly, where they're coming from. The outcome shows that most of our emissions are on scope three, with emissions related to the manufacturing and delivering of the goods we sell in our stores accounting for over 80% of our global emissions.



Science Based Target initiative (SBTi)

Once the mapping of all emissions is completed, the next step is establishing a reduction target. But how many tons of CO₂ emissions can we commit to take out? That's where the Science Based Target initiatives comes in.

The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), which shows companies how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change.

Based on scientific research, SBTi helps companies establish how many tons of CO₂ emissions a company has to reduce, to contribute to the collective effort to limit global warming to 1.5°C (or at least to well below 2°C) above pre-industrial levels.

After that first step of mapping emissions, Dufry established objectives for Scope 1 and 2 emissions and outlined a plan to achieve the reduction target. The Scope 3 emissions however require a different approach and action plan to be achieved.

These objectives, defined with the support of a third party, will now be submitted to SBTi for revision and approval

Our objectives and the plan

For Scope 1 and 2 emissions of its own operations, Dufry follows the SBTi's 1.5°C pathway and aims at achieving climate neutrality by 2025. These emissions will be eliminated by implementing energy efficiency measures at different levels, by using green electricity and by compensating remaining unavoidable emissions (those that are required to have the business running) with carbon offsetting initiatives. The latter, which will be defined later this year, include a variety of options: from funding the planting of trees to financial support to build solar energy plants or windmills to generate electricity.

For Scope 3 emissions, Dufry will follow the well below the 2°C SBTi's pathway with two separate sets of initiatives and objectives. Through supplier engagement programs, Dufry aims at ensuring that by 2027, its procurement volume will be covered by 50% through suppliers having SBTi validated emission-reduction targets. At the same time, through collaboration with its logistic partners, Dufry plans to reduce its logistics carbon footprint by 28% by 2030. The latter can be achieved through different alternatives such as selecting more environmentally effective means of transportation with our logistics partners, by our logistic partners themselves by using cleaner fuel or by compensation plans.

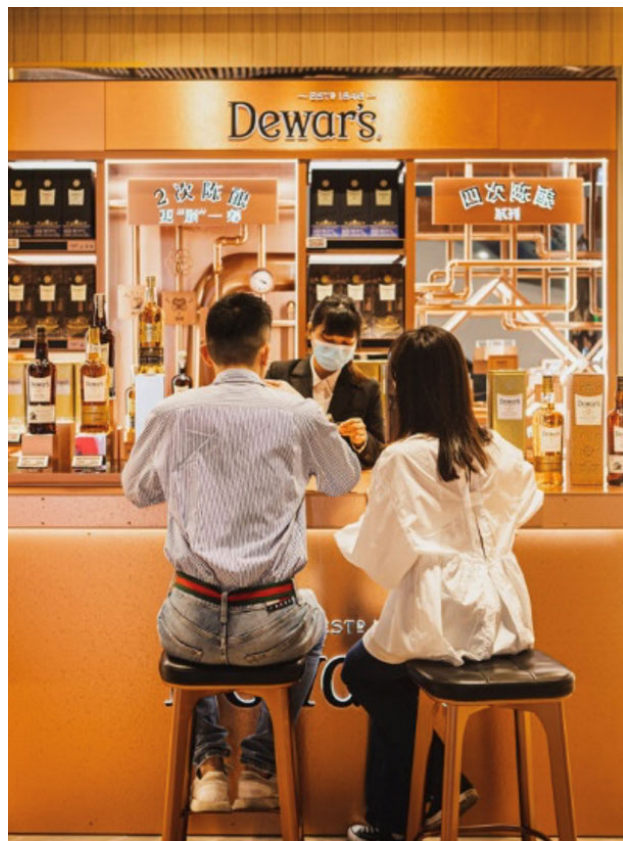
We will keep you posted on the specific solutions identified for Dufry.

📍 Regional News

The Whisky Experience Takes Over Hainan

It's been one year since Dufry and Hainan Development Holdings opened their first shop at Haikou's Mova Mall in Hainan (China) and the store has just continued to grow, both in terms of customers and the product offering.

During the last quarter of 2021, Bacardi Travel Retail inaugurated three shop-in-shop whisky boutiques. The stores, one each for Dewar's, Aberfeldy and the global travel retail-exclusive Glen De-



veron, have been individually designed as an omnichannel experience, where customers can enjoy in-store tastings and personalized gifting options. Supported by digital technology, customers can explore and discover the brand stories, their provenance and craftsmanship.

Double ageing is a strong focus of the 17 m² Dewar's boutique, and the in store journey educates customers about the craft involved in creating the blended Scotch. Digital engagement also includes the Dewar's Double-Double range with a detailed explanation of its four-stage ageing process.



In the 19 m² Aberfeldy boutique, shoppers are drawn to a golden waterfall interactive screen, with the touchscreen transporting customers to the home of Aberfeldy and its renowned water source known to contain deposits of alluvial gold. The in-store journey then leads customers to the bar for guided tastings and the opportunity for purchases to be dipped in gold wax and embossed with initials for a more personalized gift.

The 19 m² Glen Deveron boutique evokes the brand's home and gives customers a virtual escape from the "hectic real world to the calming serenity" of the Glen Deveron distillery location, with animated visuals that accompany the liquid sampling and an audio experience that opens up a new multi-sensory discovery of the Glen Deveron Royal Burgh Collection.

Herrera Frozen Campaign

Dufry and fashion and fragrance house Puig Travel Retail Americas partnered to roll out Carolina Herrera's Christmas campaign, taking the 'Herrera Frozen' promotion to 27 doors across 12 airports in South America, including Buenos Aires Ezeiza International Airport, Lima Jorge Chávez International Airport and São Paulo Guarulhos International – among others.



Nutcracker soldiers, polar bears, snow-covered fir trees and red gift boxes were the perfect companions for Puig's most popular fragrance lines – Carolina Herrera Good Girl and Bad Boy, 212 Heroes, 212 VIP Black, 212 VIP Rosé, and CH.

The nine-meter tall Christmas tree placed landside at the main check-in hall of Ezeiza International Airport was probably the most striking installation and was decorated with snowflakes, lantern baubles and two polar bears dressed in Carolina Herrera uniforms. The tree was also surrounded by nutcracker soldiers holding Carolina Herrera's bright red gift boxes serving as an excellent festive photo opportunity for travelers.



9-meter tree installed in Ezeiza Int. Airport's (Buenos Aires, Argentina) check-in hall welcomed customers.

The installations were supported by additional promotional activities, including fragrance sampling and a 'spin the wheel' game, which gave customers the chance to win festive gifts with purchase.

Ritter Sport Joins Dufry to Showcase Sustainability and Exclusivity in Zurich



German chocolate manufacturer Ritter Sport has partnered with Dufry to introduce two lines – Choco Cubes Strawberry Yoghurt and Choco Cubes Whole Hazelnut – in a newly designed paper-based pouch format which is available as of March 2022 and demonstrates Ritter Sport’s commitment to sustainability and the travel retail segment.

With a walk-through pop-up located on the main passenger walkway between the store’s main entrance and the till points, the activation helps to build awareness of the brand’s new packaging and range of products and features interactive, traveler-focused elements to encourage passengers to sample the flavors.

Promotional staff explained Ritter Sport’s new paper-based packaging designs to customers, which showcases the brand’s sustainability mindset.

Ritter Sport has also introduced new-look packaging for its exclusive travel retail editions, as it looks to increase brand visibility in the channel and underline the brand’s sustainability mindset and its commitment to travel retail.

Ritter Sport and Sustainability

Sustainability has traditionally been a key component of the Ritter Sport's philosophy for the last 30 years and the company aims to increase awareness of its sustainability purpose. A QR code is included on all packaging, offering customers the opportunity to learn about Ritter Sport's sustainability engagement via a quick scan. Core topics are 100% certified sustainable cocoa supply chain (including the new Rainforest Alliance logo), as well certified packaging material FSC, climate neutral company and a lot more.

By 2025, the brand aims to complete its updated packaging journey from plastic to paper.

📍 Regional News

A Roman Temple is Created at London Heathrow in Partnership with Dufry



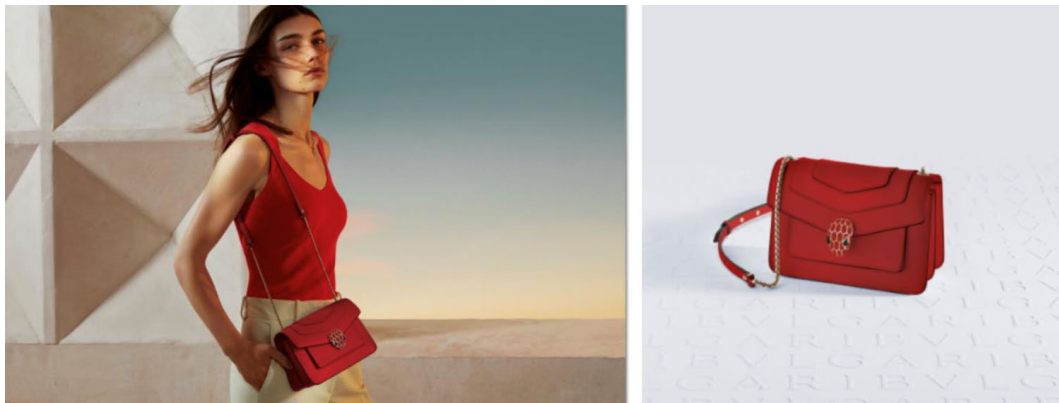
Dufry and Roman luxury house Bvlgari opened a new boutique at Heathrow Airport's Terminal 3 in December 2021.

The 91 m² store has been designed by Italian Interior Designer Peter Marino and celebrates Bvlgari's rich Roman heritage. One of the boutique's key features is a private VIP room where guests can try on the house's fine watches and jewelry pieces. The VIP lounge was designed to mimic the 'Il Salottino Taylor' or Elizabeth Taylor Lounge - which was the famous American actress's lounging room in the Bvlgari boutique in Via Condotti in Rome, where she would escape from the paparazzi and shop Bvlgari's collections.



Il Salottino Taylor' or Elizabeth Taylor Lounge, the VIP space of the Boutique.

To celebrate the opening, Bvlgari released a limited-edition Serpenti Forever bag exclusively at Heathrow Airport. The cross body bag is crafted in calf leather and features a Carmine Jasper colourway. Bvlgari's signature snakehead clasp has been reimagined with a full Carmine Jasper matt head with black onyx eyes. Only 50 pieces of the limited style has been produced exclusively for Bvlgari's boutiques at Heathrow Airport.



It had to be red for Dufry! Bvlgari's iconic Serpenti Forever bag received a red makeover to celebrate the boutique opening

Snapshot of Dufry's Diversity and Inclusion



Dufry keeps delivering on its Diversity & Inclusion (D&I) plan, which was briefly outlined by our Chief Diversity & Inclusion Officer, Sarah Branquinho in her interview in the [Dufry World issue 40](#), and in the last quarter 2021 employees completed the D&I survey. Reaching over 70% of Dufry's headcount, this first survey is a critical part of the plan as it serves to better understand the perception of D&I amongst our staff. As the survey reached out to 70% of the employee population the feedback gives a good representative picture of the company's demographic employee structure.

The input obtained with the results of this survey will help Dufry to further evolve in terms of being more inclusive and equal for all employees by identifying opportunities and developing targeted initiatives. The responses have generated a significant amount of information, which will enable the company to focus on specific areas to achieve our ultimate goal in building a better place to work.

Across all countries, the responses reveal that overwhelmingly (over 80%) our employees find that Dufry is a diverse workplace, with diverse leadership teams and that people are treated fairly regardless of gender, sexual orientation, age, ethnicity, disability and religion. Furthermore, most of the respondents indicated that they feel comfortable to be 'themselves' at work and feel that colleagues care about each other, and that they feel part of a team.

The engagement with the company seems to be clear, with most of the respondents stating they want to progress in their careers at Dufry. However, our staff don't always feel that they have the opportunity to do so. And this is an important outcome that the company will be taking seriously.

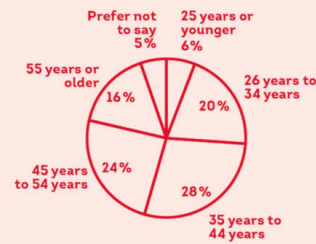
The appreciation of good work came as another topic to put on the watch list. This also applies to being open to listening to new ways of doing things, celebrating when new ideas work and using those ideas that are not practicable as a constructive learning experience.

All these findings, together with the on-going work of the **D&I Core team** headed by Sarah Branquinho, give reliable and front-line information, which is instrumental in helping to outline the status of D&I in Dufry and to define the areas of focus and priorities for the near future.

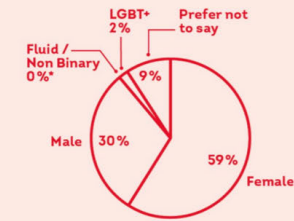
DEMOGRAPHIC INDICATIONS OF D&I SURVEY RESPONDENTS

As part of Dufry's anonymous D&I survey conducted in 2021, employees who responded to the survey provided the demographic indications shown here. As the survey reached out to 70% of the employee population the feedback gives a good representative picture of the company's demographic employee structure.

AGE PROFILE OF RESPONDENTS



GENDER DIVERSITY



*24 Persons

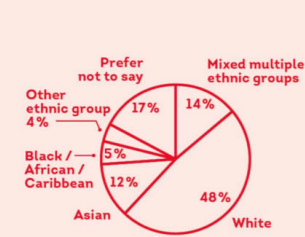
TENURE



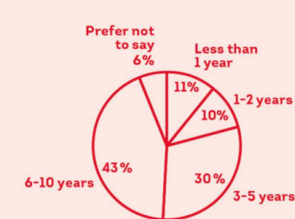
JOB FUNCTION OF RESPONDENTS



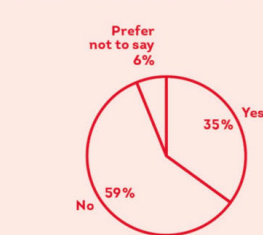
ETHNIC DIVERSITY



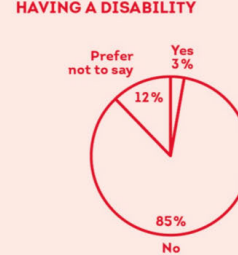
TENURE IN CURRENT JOB



CARE GIVING RESPONSIBILITIES



THOSE WHO DEFINE AS HAVING A DISABILITY



In the Palm of your Hand



Amazon One registered customers only need to hover their hand over the device to enter the store.

Dufry's affiliate Hudson became the first retailer in the travel industry to offer Amazon's palm recognition service, Amazon One, strengthening the company's position as an innovative, digitally powered retailer. Amazon One is available at Hudson Nonstop – powered by Just Walk Out technology – at Dallas Love Field Airport (DAL).

The Hudson Nonstop store at Dallas now offers two different options to enter and pay – either by inserting their credit or debit card, or by hovering their palm over the Amazon One device at the store's entry gate.

First-time Amazon One users can sign up at the dedicated Amazon One enrollment kiosk located outside of Hudson Nonstop to securely associate a credit or debit card with their unique palm signature before entering the store.



Hudson Nonstop store in Dallas Love Field Airport, equipped with Amazon's Just Walk Out and Amazon One technologies.

If a customer has previously enrolled in Amazon One, they will not need to visit the enrollment kiosk – they can simply hover their palm over the Amazon One device at the entry gates to enter this Hudson Nonstop. Once customers have completed their shopping, the card linked to their Amazon One ID will be charged for the items they selected and left the store with.

The introduction of this technology responds to consumer’s increased demand for greater convenience, more automated and speedier shopping in the airport. This innovative concept however co-exists with the traditional Hudson store model, hence catering for an amplified range of customer needs and service preferences.

The deployment of Amazon One at Hudson Nonstop at DAL expands on the successful collaboration between Amazon and Hudson while building on Hudson’s continued investments in its digital offerings. This includes launching automated specialty retail, introducing additional checkout options such as mobile point of sale (POS), offering 24x7 duty free omnichannel shopping, and adding new payment methods like “Tap To Pay” and now Amazon One.

 World Class

One Toblerone, One Tree

Mondelez and Dufry partnered to support the reforestation non-profit organization One Tree Planted, with activations during the last quarter of 2021 in several Dufry locations, including Athens, Lisbon, Zurich, London, Barcelona, Madrid, Stockholm and Glasgow.

The call to action was a simple, yet attractive one: One Toblerone-One tree. The donation value of each Toblerone purchased from select Dufry stores will fund the planting of one tree in the Andes Mountains

in South America with the support of the above-mentioned non-profit organization.

Supported by targeted digital advertising and point-of-sale promotions, Mondelez included a QR code tag on popular Toblerone products such as the 360 g. bar and the Toblerone Tiny bag.

Upon scanning the QR code, customers were led to a microsite with comprehensive information about the campaign and allowing tracking One Tree Planted’s reforestation efforts in real time. The campaign was close to reaching the USD 50,000 goal established, which will result in nearly 50,000 trees being planted.



Tags with the QR code were attached to some of Toblerone’s most popular formats.

The design of the Toblerone and One Tree Planted activations included repurposed retail units as well as recycled plastics and reclaimed metals to limit the environmental impact.



Madrid Barajas Terminal 4S devoted the central space of this New Generation Store to Toblerone.



Welcome to Turkey!

And welcome to Antalya, one of Turkey's most popular holiday destinations. Serving over 20 million passengers every year, Dufry has a total retail space of over 4,000 m² spread across 20 stores in the two terminals of this airport. With an unparalleled selection of premium local and global brands ranging from everyday cosmetics and confectionery to fine wine and local food, fragrances, rare whiskies, authentic Turkish souvenirs, and high-end fashion straight off the catwalk, Antalya's main walkthrough stores in both terminals combine a modern and spacious retail space. The store also features space devoted to local products to give a strong sense of place and of the Anatolian spirit. The area and its decor highlights Turkey's cultural heritage and specialties and further enhances the shopping experience.

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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