

# DUFRY WORLD

WorldClass.WorldWide.

**CORPORATE  
MAGAZINE**

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 SBTi targets  
validated **11**

 Interview  
with Fernando  
Perez-Peña **6**

 From a Store to a  
Story **21**

# Our Journey Together Has Begun



Xavier Rossinyol, CEO Dufry.

We have now all been “traveling together” for eight weeks. Dufry and Autogrill, hand in hand, towards our Destination 2027 – our first step as we radically revolutionize our guests’ travel experience. And in this issue of Dufry World, you will see that our ambitions rely on a concept, our commitment to *#TravelTogether*.

As I sit to write this message to you all, I see our people. We are now in 75+ countries, with more than 60,000 people, and new faces, new connections, new sets of expertise, are all starting to intertwine across the business. Building these new relationships, tapping into these new skills and learning about each other’s business is what makes us strong and gives us a competitive edge in the market. Whether you have been with us for the long-haul, or if you are just finding your seat, I want to thank you for the part that you will play in our mutual success.

## **Strong 2022 results power our ambitions**

From an operational perspective, Dufry and Autogrill have both delivered on their targets and we can all be proud of our common achievements. Dufry’s **results** exceeded our expectations across the board, which is all the more remarkable when set in the context of a business environment heavily impacted by inflation and travel disruptions. Driven by the recovery of international airport traffic in core geographies, Autogrill’s **results** showed impressive growth. These results underline our collective ability to overcome challenging markets, and put us in a healthy starting position for our 2023 targets.

## ***#TravelTogether* is gaining momentum**

After successfully closing the Autogrill transaction in early February, and as part of our new strategy Destination 2027, I am pleased to see the new high-level organization is now well in place, representing skills and representatives from both legacy businesses. Full integration is already underway.

For myself and all the members of new Global Executive Committee (GEC), the opportunity to personally meet – or virtually speak with – so many of you through our five town halls has been invaluable. In Basel, Milano, Amsterdam, Bethesda and New Jersey, the open discussions, hearing firsthand the personal feelings, concerns, ideas, and suggestions all underlined the engagement of all our colleagues and a general positive buzz across the company. On behalf of the management team, I thank you all for your participation in the meetings, and your commitment to *#TravelTogether* as one team.

### **Behind the scenes with our IMO Team**

Our Integration Management Office (IMO) is working at full steam, mobilizing multiple colleagues across functions and geographies to contribute to the success of the integration journey. These teams are working hand-in-hand to outline a coherent integration plan, mapping interdependencies across functions to make sure the integration runs as smoothly as possible with no disruption to business. In parallel, the IMO is collecting and preparing to launch a number of 'quick wins', initiatives that will generate value (e.g., savings, process simplification) by the end of Q2 2023. We are preparing a broad communication plan to keep you up to date on progress made.

You will have seen that our collective internal vacancies are now fully transparent to both companies, with internal applicants given direct access before roles are advertised externally. This will help us to reduce external hires and build our talent pool through development and promotion opportunities.

### **Campaign for Turkey and Syria**

Around the world, we have been rocked by the tragic impact of the earthquakes in Turkey and Syria, and I would like to reiterate our deepest sympathies for the communities affected. In addition to our thoughts being very much with the people and their families, I am proud to share Dufry's commitment to support them through significant company and customer **initiatives**.

### **Keep the day-to-day in focus**

I hope that you enjoy the rich collection of impressive initiatives, events and achievements that the team have covered in this issue of Dufry World. The articles are a great reminder that on an operational level it continues to be business as usual. Even in the context of our business combination, we remain fully focused on our daily operations and continue to meet the needs of our guests. Even more important when considering the wider geopolitical and economic uncertainty, which we continue to monitor carefully. The fundamental willingness of our customers to travel and to spend in our stores, across both travel retail and F&B, remains resilient despite challenges, and I challenge you all to seize this opportunity and reminder!

So much has happened in eight short weeks since I spoke with you all at the Town Halls. What were we going to be called again? Was it Autofry? Or Dugrill? Humor aside, it is my earnest wish that you recognize the goal of true integration, of taking the best of both companies, as the essence of our combination. We are building, not destroying; we are creating something new and something better. We are driving the travel experience revolution.

I remain proud of your strong commitment and continued drive for performance seen across the whole company; your enthusiasm to work and achieve together is already very encouraging for myself and the wider GEC. Let's continue onwards, as we work together and *#Travel-Together* towards Destination 2027.

Warmest regards,  
Xavier Rossinyol



# Continued Collaboration Between Alibaba Group and Dufry



Alibaba B2C Business Group President Liu (Alvin) Peng and Dufry CEO Xavier Rossinyol

In the context of the ongoing collaboration of Alibaba Group and Dufry to develop growth opportunities in China's duty-free and duty-paid business and support Dufry's digital development globally, a high-level meeting took place in Dufry's headquarters in Basel in December. Attended by Alibaba's B2C Business Group President, Liu Alvin Peng, and Dufry CEO, Xavier Rossinyol, the teams from both of the company sat together to assess the progress done and explore new opportunities.

As part of the collaboration between the two companies, Alibaba has designed and developed a new mini-App for Dufry, which provides the functionality of an e-commerce platform, allows Dufry to engage with Chinese travellers through key Chinese digital ecosystems such as Alipay and to connect them to its preorder system Reserve & Collect, as well as Dufry's customer loyalty platform Red By Dufry.

The App, launched at Dufry's operations in Macau, is planned to be available in Hong Kong operation coinciding with the celebrations of the 2023 Lunar New Year 2023 and is expected to be further rolled-out across other Dufry locations with high levels of Chinese travelers.

This new mini-App is expected to accelerate e-commerce traffic generation and increase Dufry's perception within the Chinese traveller community. The app also serves the purpose of offering Dufry's brand partners an additional media channel to target travelers effectively.

## Digital Multi-Brand Eyewear Concept in Zurich

Eyewear manufacturer Kering and Dufry have partnered to open a digital multi-brand concept store at Zurich Airport. The boutique store, located on the second air-side level, is the first store in Europe travel retail fully dedicated to Kering Eyewear's brands. The immersive retail environment is created using digital content and features extensive screen walls which are incorporated into tailored design fixtures.



The store features adaptable screens which show brand videos and content and can be updated in real-time, delivering a digitally-driven, yet experiential shopping experience.

Main Kering Eyewear brands available in this new store include Gucci, Cartier, Saint Laurent, Chloé, Bottega Veneta, Balenciaga and Montblanc brands.

The store was officially inaugurated in December with the attendance of top executives from Kering Eyewear, Dufry and Zurich Airport.



Left to right, Apolonia Vargas, Kering Eyewear Travel Retail EMEA Area Sales Manager; Michael Bruderer, Dufry Operations General Manager; Manuela Facheris, Dufry Global Category Management Director; Isabel Zarza, Dufry Chief Operating Officer North & Central Europe, Russia & Africa; Emanuele Lasagna, Kering Eyewear Head of Global Travel Retail; Anja Joos, Zürich Airport Head Retail Airside; and Heidi Köppler, Zürich Airport Head of Commercial Centres

## Hitting the Target

*No two airports are the same and no team knows this better than our business development team. Fernando Perez-Peña is responsible for leading this team which strives to convince our airport partners that Dufry is the best partner for them. He tells us how the professionalization of airport management has changed the way we approach tenders, how innovation is taking over and the expected effect that Dufry's business combination with Autogrill will have.*



### **How is the relationship with the airport operators today?**

The relationships with our airport partners across all our operations are very good and reflect the spirit of partnership that has developed through the pandemic. The unprecedented crisis and challenges faced by our industry in these past 3 years placed both airports and retailers in a position which enabled us all to establish a very open, continuous and frank dialogue aimed at finding solutions and agreements to the problems that our industry never thought would impact us with such strength and global reach.

I have to say that we have seen a very positive, understanding and flexible response from most of our airport partners, agreeing to temporary arrangements that have been key for both parties to help overcome the financial and operational challenges created by the pandemic. The good relationships and fantastic team work developed by our colleagues across all airports and countries have made all the difference.

The pandemic proved that difficult situations requiring unprecedented solutions can be better managed if you have built good relationships with your business partners. As we are now leaving the crisis period behind, these positive relationships will provide a strong foundation on which to continue building our business development and growth.

### **And to what extent does the business combination with Autogrill position our company as a stronger player?**

There is no doubt that the business combination between Dufry and Autogrill strengthens our position in the market.

Airports are investing heavily in upgrading their facilities in the wake of the pandemic. And in this process of innovation and change in airport spaces, a clear hybridization of concepts is taking place.

The combination of Food & Beverage (F&B) and Retail concepts is something we have been seeing in recent years. If we take Hudson as an example, much progress has been made in offering mixed concepts that combine F&B, convenience and retail concepts. And it's working fairly well – as we have experienced with concepts like **Decanted and some other F&B developments**. This is a clear example that reinforces the idea of what airports are looking for today: experiences and innovation.

With Autogrill, we are taking another step in this direction, reinforcing our value proposition with one of the strongest companies in the F&B sector. The synergy is very clear, and it allows us to opt for proposals that previously would have been much more complicated for us to develop. Dufry now takes on the role of reference partner to manage the main source of non-aeronautical revenue for airports.

### **Can you elaborate a bit more on the above?**

Joining hand in hand with Autogrill, Dufry now takes on the role of a partner with sufficient capacity to fully plan the entire airport space - this includes retail and catering space. It opens the door for us to generate ideas that, based on our experience, the airport might not even have considered. And that brings a lot of value to them. Just think what it brings to the airport operator to have a partner who can not only plan all the space, but manage it in an integrated way, with a single digital platform and a unique loyalty program that brings together all the benefits that a passenger can have.

And it also allows us to pursue new opportunities, such as Master Concessionaire (essentially complete space management) that previously Dufry or Autogrill, on their own, did not reach - or did so in a more limited way.

### **Did you get any feedback from airport partners so far?**

Yes, and not only feedback!. We have already had many airports proactively approaching us to discuss master-concession projects, invite us to participate in tenders, talk about hybrid concepts and improve existing operations.

Autogrill is a market leader and a highly valued brand and this unique combination of our organizations makes our work in Business Development much easier, as it means we have the advantage of being able to offer a level of experience and credibility that no other company could have brought to Dufry.

To give you a couple of example, I was recently visiting and meeting with an important airport that will soon go to tender. As part of the submission, they will request that businesses present ideas and proposals to develop a terminal design proposition that includes the layout of retail integrated with F&B, seating and promotional areas. They were delighted to see that we would be able to tender with a concept that covered both retail and F&B. Similarly, there is another project in South America where we're in discussions to develop a master-concession operation.



**You've been in the business for over 20 years, so you have the chance to put things in perspective. Has the business changed much?**

20 years is a long time for nothing to change! But the truth is that the change has been accentuated in recent years. From the pandemic to the present day, business development activity has been frenetic and reflects a clear shift in what passengers - and therefore airports - are demanding from companies like ours. There has been a very strong professionalization of the sector, more accentuated on the side of airport managers. Many of the airports have been privatized, and this private management has brought in teams that have raised the technical - and economic - standards of the spaces they manage.

Change is driven by three factors. The first is the search for experiences, over and above the traditional concept of retail. This is something transversal, not only to our industry. It is a consolidated trend that has accelerated in the wake of the pandemic. It is no longer enough to visit a destination. It's more about what is experienced - and after all, it's these memories of experiences that last the longest.

The second factor is clearly innovation, the continuous search to surprise the end customer. To propose new things, but always in balance with the things that have always worked - and still do!

Finally, flexibility. Both in the concepts proposed and in the relationship between retailers and airport operators, to adjust to changes that have proved difficult to manage.

Today, we are dealing with highly trained teams, who want innovative and reliable partners. There is a continuous search for customization and for creating truly unique spaces.

**We read that consumer behavior is changing, with new demands and a more environmental mindset. Is this reflected in the demands coming from airport partners?**

Indeed it is! The expectations of consumers and of airports have definitely evolved. And in line with this, so have our proposals, which are bolder and more daring than in the past.

To find the WOW effect that the market demands these days, we play with emotions, innovation and engagement, in-store experiences, with surprising customers and, although it sounds obvious, with giving them what they want. The store of the future, shop in shop formats like Mind.Body.Soul. or Indi beauty, the search for the premium, immersive digital experiences and 360° campaigns... are all concepts that we have already launched and to which the market is responding very positively.

The sustainable product offer is one of the pillars that all airport partners are expecting to see in our proposals. Environmental aspects of our business are also high-up in the airports' agendas. All operators have ambitious plans and targets on ESG and are placing growing pressure on their business partners to support their ambition. Over the last 2 years, all tenders have included ESG as an important section of a the submission and subsequent scoring. Dufry's vision on ESG in its Destination 2027 strategy fits perfect with these expectations and we have been highly rated in all our recent projects, as we are able to offer a comprehensive approach covering products, packaging, logistics, store construction, utilities and so on.



## IN A MINUTE:

**A meal:** Arroz con bugre (A good rice with specialty local lobster).

**A book:** The Grapes of Wrath, a stark story of human survival

**A city:** Istanbul, a perfect combination of modernity-dynamism with culture-tradition

**A film:** Lord of the Rings (trilogy)

**A hobby:** Cooking and anything to do with gastronomy. And sports, with skiing and mountain biking as my favorites (I'm preparing to bike part of Camino del Cid!)

**A leader:** Winston Churchill, probably his leadership changed history

**An airport:** Asturias, is going back home

 Regional News

# Championing Wellbeing with Rituals



Dufry in partnership with Rituals Cosmetics, are expanding the wellbeing category in travel retail with five brand new standalone stores, which have been introduced in key locations across Europe during the final quarter of 2022.

To mark the completion of all five stores, an official launch was held in Barcelona, where the largest of the Rituals stores is located, and incorporates the brand's bed and bath range, as well as its deluxe home products. Representatives of Dufry and Rituals attended an official ribbon cutting ceremony.

The first store opened at Madrid Barajas Airport at the end of September 2022. Located in T4, it features Rituals' regular store concept and offers customers an extensive and accessible product range including both home and body care, making it simple to follow the brand's ethos: to transform daily routines into more meaningful moments. Subsequent store openings took place in mid-October at Barcelona El Prat Airport and Alicante Airport in Spain, with two more store openings at Palma de Mallorca Airport in November.

Three of the stores (Madrid, Barcelona, and Palma de Mallorca Main Departure lounge) are styled according to Rituals' regular travel retail store concept, while Alicante and Palma de Mallorca C Gates feature Rituals' boutique store concept, adapting the Rituals experience to the retail space and focusing on the best-selling core assortment.



Cutting the ribbon! Left is Romina Gabarró, Dufry Regional Category Management Head; and right is Adriana Salas, Rituals Area Manager, Partner Operated Stores, Travel Retail.



# Dufry, First Travel Retailer with Validated SBTi Objectives

The abbreviation SBTi most probably doesn't ring many bells with most of you? But in the context of Environmental, Social and Governance (ESG), SBTi - the acronym for Science Based Target initiative - is one of the most credible institutions.



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Without getting into technicalities, it is the most rigorous standard chosen by the world's leading companies when articulating their carbon footprint and emissions reduction strategies. What SBTi does, is to provide companies with science-based criteria to assist them in reducing the excessive emissions and, based on the company's activity, emission reduction targets are set to help keep global warming below 1.5° compared to the pre-industrial stage (Paris Agreements). And since February, Dufry has officially SBTi-validated emission reduction targets. Something we can be very proud of!

## Our commitments

Dufry has established an emission reduction strategy for Scope 1 & 2 emissions to eliminate emissions from its own operations through energy efficiency measures, and commits to increase annual sourcing of renewable electricity from 0% in 2019 to 100% by 2025. In addition, Dufry wants to achieve climate neutrality of its own operations (Scope 1 & 2 emissions) by 2025, by compensating unavoidable emissions with carbon offsetting initiatives to be defined in the near future.

For Scope 3 emissions, Dufry has established two separate objectives to be achieved:

- Dufry commits that 74% of its suppliers will have SBTi validated emission reduction targets covering their goods and services by 2027
- Dufry commits to reduce absolute Scope 3 GHG emissions of upstream transportation emissions by 28% by 2030

## Industry first

Retail powerhouses, including IKEA, Carrefour, Marks & Spencer or Walmart have SBTi approved targets. However, when it comes to the travel retail sector, Dufry is the first travel retailer to have such a commitment - making a difference with the rest our peers.

Within our industry, both brand partners - e.g.: Estée Lauder, British American Tobacco, Diageo, Mondelez - as well as some of our airport partners - have either approved SBTi targets or have committed to have them. If you are interested, you can look up who's involved by visiting this [website](#).

## The SBTi journey

Applying to be part of the SBTi is a five-step process:



1. **Commit** - First, a business or company seeking to reduce their emissions through the SBTi should write and send a letter illustrating their commitment to using science-based targets to improve their carbon footprint. Something Dufry did at the beginning of 2022.
2. **Develop** - At this point, the company starts developing an emissions reduction plan in accordance with the science based criteria provided by the SBTi.
3. **Submit** - Companies should apply for their new plans to be validated. A process that can last for months and on which a team of specialists review the submission to ensure the goals are in line with the science-based criteria of the Science Based Targets initiative. Dufry's SBTi target submission took place by the end of Q2 2022.
4. **Communicate** - Once the targets are approved by the SBTi, they are published on the Science-Based Targets initiative's official website, as well as on all of their partner pages for maximum visibility and accountability. At the same time, companies have six months to show their commitment by publicly communicating their targets.
5. **Disclose** - All companies that are approved by the SBTi are required to delineate their progress to the public.

 Regional News

## Helsinki Inaugurates New Dufry Store



In December Dufry and Helsinki's Airport operator Finavia inaugurated the a new 1,400 m<sup>2</sup> duty-free store at Helsinki Airport. This opening is a key element in a wider upgrade in the gate area at Helsinki Airport, which will be completed in 2023. Dufry's new store is located in the heart of the gate area of the airport, offering great visibility for passengers. The development of the new store has been carried out in close collaboration with Finavia and the two companies have jointly developed and extended the product assortment of the shop, which takes into account the preferences of both Finnish and international travellers. The new Helsinki store is also home to Europe's first Mind.Body.Soul. following on from the introduction of this new store-in-store concept in Brazil and Jordan (see [Dufry World 44](#)).



## Mexico City Inaugurates Refurbished Duty-Free Store



Dufry has inaugurated its fully-refurbished 1,138 m<sup>2</sup> main duty-free store in Terminal 2 at Mexico City International Airport (AICM – Aeropuerto Internacional de Ciudad de México).

The fully refurbished duty-free store offers all the core product categories of beauty, liquor, luxury accessories, tobacco and confectionery. An exciting new feature is the haute parfumerie area which showcases many sought after and niche fragrance brands. Visitors to the new store will also discover luxurious shop-in-shop boutiques for brands such as Hublot, Montblanc and Carolina Herrera.

A striking Tequileria tasting area also welcomes customers and invites them to sample the many exceptional tequila brands that are available. Dynamic, digital instore communication and strong promotional areas add an engaging and experiential element to the instore experience, taking the duty-free shopping experience to the next level for customers.

Dufry already has a strong presence in the airport's Terminal 2, with six duty-free shops and two Hudson convenience stores.



Left to right, José Luis Ramos, Dufry Mexico Country General Manager; Vice Admiral Carlos Ignacio Velázquez Tiscareño General Manager (AICM); Licenciado Alfonso Joel Lazo Valerio; Deputy Director of Commercial Services; Rodolfo Velasco, Dufry Mexico President Adviser; and Captain Abel Moreno Isidro; Commercial & Services Director (AICM).

📍 Regional News

## Ray-Ban and Dufry Partner to Celebrate Ferrari's 75<sup>th</sup> Anniversary



EssilorLuxottica – the eyewear company owner of the Ray-Ban brand – and Dufry have teamed up to launch a series of high-profile Ray-Ban for Scuderia Ferrari promotions to celebrate the luxury car brand's 75<sup>th</sup> anniversary.

The animations ran at Milano Malpensa, Linate and Bergamo airports in Italy and leveraged the buzz surrounding the Formula 1 Monza Grand Prix on 11 September.



The interactive animations highlighted the Ray-Ban for Scuderia Ferrari eyewear line with a special focus on the limited edition Scuderia Ferrari 75<sup>th</sup> anniversary Wayfarer style.



The 360-degree pop-up campaign was another great example of Dufry's Emotion+ digital strategy (see [Dufry World Issue 45](#)), combining several online and offline initiatives. Probably the most remarkable of these initiatives were a Formula 1 racing simulator at Malpensa Airport Terminal 1 and a dedicated online page on Dufry's Reserve & Collect Site. The online activities built awareness for the campaign, boosted pre-sales and incorporated both paid and organic social media content. It also included display media promotions on various external channels that are linked to travelling. A great way to engage our customers, surprise them and create a sense of fun.



The limited-edition Wayfarer by Ray-Ban for Scuderia Ferrari was the star of the pop-ups. The ultra-lightweight design mimics the bodywork of Ferrari's Formula 1 racing cars. It is made with carbon fibre and features yellow 'Giallo Modena' details. Giallo Modena is a specific shade of yellow used in Ferrari cars.

# Support Campaign for Communities in Türkiye and Syria

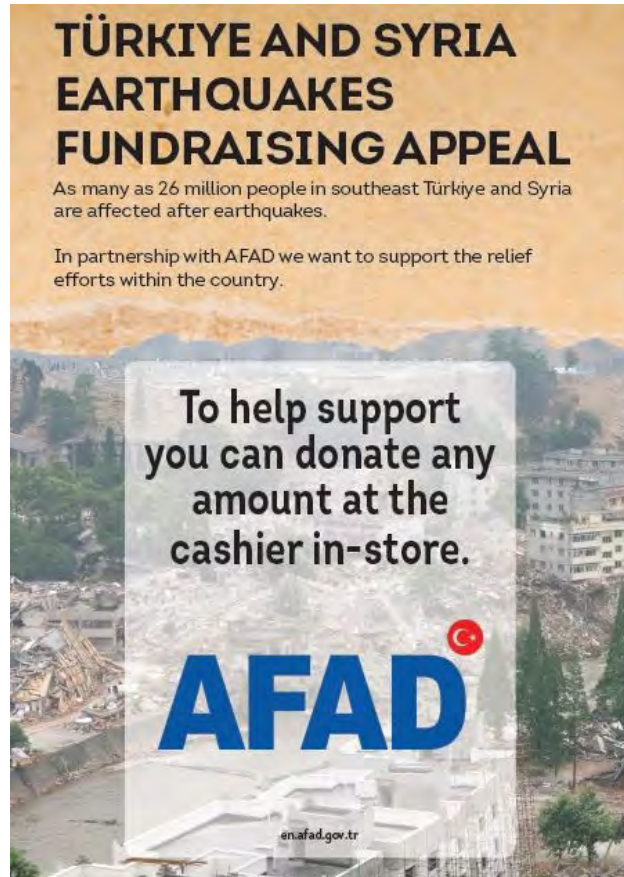
Dufry has initiated a Point of Sale (POS) Donation scheme across the Dufry shops in Europe, to support people and communities affected by the earthquakes in Southeast Türkiye and Syria. The mechanics of this humanitarian aid campaign are very simple. At the time of closing the ticket, customers will be asked if they wish to participate in the collection of funds to support people and communities affected by the earthquakes with a contribution of CHF/EUR 1, 3 or 5 - or the equivalent in local currency. The full amount of the donation will go entirely to the cause.

Two reputable organizations have been chosen to channel the aid. **AFAD** (Republic of Türkiye's Ministry of Interior Disaster and Emergency Management Presidency) - for aid in Turkey - and the International Federation of Red Cross and Red Crescent Societies (**ICRC**) to support the victims on Syrian soil.

This initiative has been launched in all Dufry stores across 13 countries, including: Bulgaria, Finland, France, Greece, Ireland, Italy, Malta, Serbia, Spain, Sweden, Switzerland, Turkey and the UK.

## You can play your part

Standing up, speaking out and being truly faithful to our corporate values, Dufry will also contribute with a significant donation to the International Federation of Red Cross and Red Crescent Societies to support the people in these regions that have suffered so much, and now begin a long and difficult road to recovery from this natural disaster. If you would also like to participate on an individual and voluntary basis, here is the [link](#) to the International Federation of Red Cross and Red Crescent Societies website to make your donation and your own contribution to the relief effort, following the terrible effects of this catastrophic earthquake.





# Herrera Beauty Makeup Debuts in Americas Travel Retail



Pictured left is Puig Global Travel Retail Vice President Kaatje Noens and on the right is Gustavo Fagundes, former Dufry Chief Operating Officer for South America, at the official ribbon-cutting ceremony and launch event.

Our operation in São Paulo was **again** selected for debuting in the Americas. On this occasion, Puig-owned fragrance and beauty brand Carolina Herrera selected our São Paulo store to launch its Herrera Beauty makeup line in Americas travel retail, with two new-look counters.

Located in Terminal 3 Arrivals and Terminal 3 Departures, the counters feature impactful new brand visuals from Carolina Herrera that express a stronger link with the fashion house and underline the brand's strong market share in the region.

The renovated spaces feature eye-catching striped flooring and fixtures in the brand's signature red hue. They showcase the new Herrera Beauty makeup collection which includes lip, eye and skin products in a range of textures and finishes, with some items available in refillable options.

Customers can personalize their lipstick and powder makeup with a range of vibrant cases, tassels, bangles and chains, and use them as jewelry! The print and pattern designs were inspired by the Carolina Herrera fashion house.

Puig hosted a launch event in the Terminal 3 shop to celebrate the opening and the launch of Herrera Beauty in Americas Travel Retail. The event was attended by key executives from Puig Global Travel Retail and Dufry, as well as top local key influencers, who shared the event with their followers on social media.



Key influencers invited to the inauguration event

# Longines e-Learning Contest Winners

As a part of Dufry's distribution agreement with luxury watch brand Longines, Dufry trains some of our sales colleagues through dedicated on-site sessions, as well as via the Longines Training platform – an application developed by the brand to provide training materials to all the shop associates.

As part of this learning initiative, 4 Longines watches were raffled amongst colleagues that had succeeded in obtaining the training certification from Longines and the lucky winners were:

- Cristian Contreras – Bogotá International Airport, Colombia
- Gianna Rompakitze – Athens International Airport, Greece
- Kelly Tang – Melbourne International Airport, Australia
- Michelle Freeman – Manchester Airport, United Kingdom



Product training is always important for our sales colleagues, as it gives them sufficient knowledge about the product and its features to enable them to make a sale. In the case of luxury watches such as Longines, this is especially critical, as this type of training provides trainees with the all-important detailed and technical knowledge of the products they sell.

Beyond congratulating the winners, we would like to thank everyone who participated in this training initiative and encourage everyone to join the product training sessions available in their locations.





Michelle Freeman - Manchester Airport, United Kingdom



Cristian Contreras - Bogotá International Airport, Colombia



Gianna Rompakitze - Athens International Airport, Greece



Kelly Tang - Melbourne International Airport, Australia



# From a Store to a Story



From a store to a story. That was the statement used during the presentation of the corporate strategy for the next 5 years – Destination 2027. A statement that encapsulates not just Dufry’s future, but a strategy focused on delivering a whole ‘travel experience revolution’. A big change for both our combined new company, and probably for the industry.

Much has happened since that presentation which came a few months after the announcement of the business combination with Autogrill. And although there is still quite a long way to go, today is a good time to put all the pieces in order and start to see how this great project is taking shape.

## **Changing customer habits**

Generation Y (those born between 1980-2000) and Generation Z (born in year 2000 onwards) are ageing. And if these consumer groups represented around 40% of our target customers in 2019, in 2025 – that is two years from now – they will take over 70% of the pie. This new mix of consumers comes along with new and different preferences and ways of behaving that clash with the traditional retailing approach.

On one hand, there is a clear shift towards experiences over products. Take the Apple stores as a reference. You can buy the same device online, or at any other store. So why do people still queue to get into the stores? For the experience! This is what makes the difference.

There is another battery of elements, among which the digital experience – before, during and after the sale – also has a clear influence on the way customers behave. While both digital and experiential connects with Gen Z and Y, the truth is that these elements are relevant for all generations, to a greater or lesser extent.



### Complementary offering

Dufry is the house of thousands of different brands. In many cases, we are the access point to products not available in our customers' home markets and offer an unparalleled showcase for brands in general. Needless to say therefore, that some of our stores in certain airports are chosen by the most powerful brands in the industry for their global launches, due to the international visibility they obtain.

Food & Beverage is a complementary offer that brings value to the combined Group's offering. Bearing in mind that passengers start their trip digitally before they get to the airport and before arriving at their final destination, by now also offering F&B services we have an additional opportunity to engage with them.

Moreover, and taking that experiential approach to the business, F&B and Retail are the perfect marriage and bring together many cross-sell and up-sell opportunities. For example, our customers will be able to enjoy a great glass of wine and then take a bottle of that same wine they just enjoyed back home with them. Or what about rewarding a VIP customer after a great sale with a voucher to enjoy a snack – or a glass of champagne – in the bar next door!



These are just a couple of examples of the broad variety of opportunities that this combination brings to our commercial offering. Discover more about this in the [interview with Fernando Pérez-Peña](#) in this issue.

### Our journey so far

The 3<sup>rd</sup> of February, when the company announced the successful closing of the business combination with Autogrill, was a very important milestone in this journey. Probably the most important one. After this announcement, we immediately started to work together as a strong team. That same day we made a very significant step change, both in terms of capabilities (as described above) and dimension – with around 60,000 employees, our new combined Group will address 2.3 billion passengers in more than 75 countries, in approximately 5,500 outlets across more than 1,200 airports, motorways, railway stations, cruise ships and many other locations.

The next development was the announcement of the high-level organizational structure, responsible for navigating this new combined entity – and for which you can find all the details in the dedicated articles in this issue.

### What's coming next

Internally, the integration team (Integration Management Office IMO) has started to work along several functional work-streams and focus on the integration during the next few months, with the aim of aligning the processes, seeking opportunities and driving innovation, by combining best practices, skills, know-how and expertise of both Dufry and Autogrill.

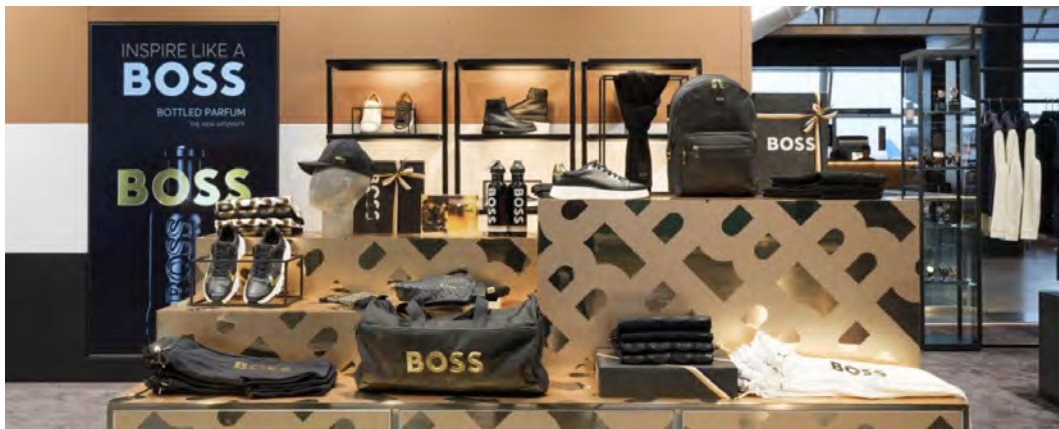


The outcome of the integration process involves taking the best of the new organization and shaping it into the future operating model and detailed organization. Communication in the various phases will be crucial and there is a strong commitment from top management to keep everyone closely updated on the developments.

From a corporate and legal standpoint, the company will launch a Mandatory Tender Offer (MTO) as required by Italian law to acquire the remaining 49.7% of the shares of Autogrill. We expect to close the MTO in the second quarter this year. The final step is to delist Autogrill from the Milan stock exchange.

### Regional News

## Boss Pop-up Store at Zurich Airport



Be Your Own Boss. With this empowering slogan, Boss, in partnership with Dufry, presented the new full menswear collection range, as well as the brand's newest product category - clothing and accessories for dogs - with a high-visibility pop-up store in Zurich Airport.

Building on the brand's refresh in early 2022, this space introduces the new "Boss DNA" with the message Be Your Own Boss, offering a curated product selection to travelling customers. The cherry on the cake was the addition of a Porsche to the stand - inspired by the shared passion for perfect design and innovation, the "Porsche x BOSS" capsule collection is released twice a year and made the perfect complement for this outstanding pop-up store!



Several digital touchpoints to show the latest collections and seasonal campaigns were also featured in this pop-up store which will remain until the end of March.



## People

# Vijay Talwar, New Chief Digital & Customer Officer



On March 1, Vijay Talwar officially joined Dufry as Chief Digital & Customer Officer, reporting to Dufry's CEO Xavier Rossinyol.

As a member of the Global Executive Committee, Vijay will promote the revolution of the travel experience, a key pillar of Dufry's strategy and he will be responsible for Digital, Marketing, Commercial, Category Management, Procurement, Store Design and Supply Chain.

Vijay joins Dufry after being Global Digital, Retail & Brand Senior Executive for Emerging, Premium and Luxury Consumer and Retail products. Vijay has been instrumental in the digital transformation at Foot Locker as President Digital and CEO EMEA, overseeing a \$2 billion omni-channel business with 825 own stores, over 200 franchise operations and a digital/online business. Prior to this Vijay held global responsibilities on customer experience for Blue Nile (global online Jewelry retailer) and also gained a wealth of experience in Nike's digital transformation. Vijay started his career at Bain & Company. He holds an MBA in Marketing & Strategy from the University of Chicago Booth School of Business.

## Debut in Jakarta



Located on the 4<sup>th</sup> floor of the Sarinah shopping center Jalan Thamrin in Jakarta, Indonesia, and with a retail area of 1,886 m<sup>2</sup>, Sarinah Duty Free was officially opened by the Minister of State-Owned Enterprises, Erick Thohir, in February.

As the first duty-free shop in downtown Jakarta serving travelers and the diplomatic community, this is a full-fledged duty-free shopping destination offering a wide range of products including cosmetics, fashion, watches and jewelry, food and beverages, and handcrafted items from global and leading Indonesian brands.



Third from the right, Mr. Erick Thohir, Indonesia's Minister of State-Owned Enterprises on the inauguration. Dufry's Pedro Castro (second from left), former Chief Operating Officer Asia-Pacific, also participated in the ribbon cutting.

Sarinah also offers a great opportunity for Indonesian Micro, Small and Medium Enterprises (MSMEs) to be introduced to an international customer base. 42 MSME brands are currently available at Sarinah Duty Free, offering a variety of products such as chocolate, coffee, fashion and textiles. Indonesian products at Sarinah Duty Free are presented within an area with



a "storytelling" concept, which is called House of Sarinah. It highlights six themes that tell stories about Indonesia's wealth: Taste of Spice, Bittersweet Memories, Embrace the Authenticity, Tailored to Perfection, Rejuvenate the Soul, and Heart Warming Gift to the One.

With Sarinah Duty Free in Jakarta, Indonesia has a duty-free shop in the heart of the capital city that not only serves the diplomat community and those with diplomatic status, but also local travelers and foreign tourists who are travelling abroad and already have a departure ticket. Travelers and tourists can pick up items that have been purchased from Sarinah Duty Free Jakarta at Gate 10 in Terminal 3 International Departures at Soekarno Hatta Airport, while the diplomatic community can take their items with them directly after making their purchase.

 Regional News

## The Water for Charity Project



Holding the "check" Stefan Gross, Chief Commercial Officer at Flughafen Zürich AG (FZAG) and Nicole Sami, Co-Managing Director Sternschnuppe Foundation. To her right Michael Bruderer, Dufry Operations General Manager Switzerland; Isabel Zarza, Dufry CEO Southern Europe; and Daniel Garcia, Dufry Commercial Director Switzerland. Left to Stefan are Isabell Joos, FZAG; Susanna Kopf, Sternschnuppe Foundation; Heidi Köppler, FZAG; and Lorenz Asch, Dufry

Zurich Airport and Dufry raised CHF 397,431 from their joint "Water for Charity" project. This year's collection was donated to Stiftung Kinderhilfe Sternschnuppe, a Charity Water project beneficiary from June 2021 until December 2022.



Since 1993, Stiftung Kinderhilfe Sternschnuppe has been working with disadvantaged children and young people suffering from illness and disability. The foundation listens to the wishes of the children and then organizes family outings and other leisure activities.

The Stiftung Kinderhilfe Sternschnuppe is the sixth organization supported by the project. Other beneficiaries include the Children's Hospital Zurich, Schweizer Berghilfe, Cantonal Children's Hospital Zurich Spitex, Smiling Gecko and Pro Juventute.

For 2023, Dufry and Zurich Airport have chosen a new partner, Sozialwerk Pfarrer Sieber, an organization that helps vulnerable groups such as the homeless, and those dealing with addictions, illnesses, domestic violence, and other distressed individuals.

 People

## Enrique Urioste Appointed President & CEO Latam and GEC Member



Enrique Urioste has been appointed as President and CEO of Latin America (LATAM) and as a member of the Global Executive Committee (GEC), reporting to Dufry's CEO, Xavier Rossinyol.

Enrique, who has been General Manager of Argentina from 2020 to 2023, has an extensive career spanning more than 20 years in the duty-free business in Latin America and the United States where his work was instrumental in achieving significant organic growth for the region. He participated in the reconfiguration of Dufry's operations at Miami, Boston, Washington and New York airports (LaGuardia and JFK) achieving a doubling, and in the case of Miami a quadrupling, of revenues.

Enrique's appointment complements the new Dufry Global Organization announced early February.

# Travel Together



On 7<sup>th</sup> February, Dufry's CEO, Xavier Rossinyol, hosted a new Town Hall Meeting in Milan – a special one that served to present to everyone the closing of the Dufry and Autogrill business combination, as well as the new organization announced that same day. With a similar setup as in previous occasions, via a live-streamed event, Xavier introduced the new members of the Global Executive Committee and the high-level organization – announced that same day.

It offered a great opportunity to put a face – and a voice – to our new management team, comprised of members from Dufry, Autogrill and HMSHost, as well as new external experts. The forum was also a great opportunity for all of us to raise questions and get insight directly from top management.

That event was followed by another four similar events. Another one in Milan on the 7<sup>th</sup> February, with all our new Autogrill colleagues in exactly the same format as the morning meeting. The day after, management flew to Amsterdam, home of HMSHost International.

The roadshow continued on the other side of the Atlantic Ocean, with two additional events – one on Friday 10<sup>th</sup> February with the HMSHost team in Bethesda (where the HMSHost main office is located), and another one on Monday 13<sup>th</sup> February with the Hudson community in New Jersey.

A new beginning for a company, and probably the best and most personal way in which to welcome the 34,000 new colleagues that are now part of Dufry.



## **Travel Together – our Integration Journey has just started**

The meetings marked the starting point for the major project on which we are now embarking: to create a new organization, a new business model and, ultimately, the structure that will enable us to make the most of this business combination. This work will be led by the Integration Management Office (IMO).

And under a single banner, Travel Together, this work has already begun. With a commitment to communicate regularly on progress, the IMO's objective of Travel Together is to ensure that the transition will go as smoothly as possible, leveraging each company's strengths to create value without disrupting the ongoing business, and building our joint operating model with all of you, our people, at the heart of what we do. People are the key to the integration's success and we need you to contribute to make it happen.



Busy event in New Jersey, with many questions coming from the audience.



Left to right, Jordi Martin Consuegra, Steve Johnson, Xavier Rossinyol, Katrin Volery, Yves Gerster and Camillo Rossotto during the Q&A session in Bethesda with the HMSHost team.



# Hudson Vendor Show & Management Seminar

In December, Hudson gathered in Las Vegas for the revival of one of its most anticipated annual events: the Vendor Show & Management Seminar. Hundreds of team members, from Dufry CEO Xavier Rossinyol and Deputy President & CEO of North America Jordi Martín-Consuegra, to Hudson's Airport Disadvantaged Business Enterprise (ACDBE) partners and vendors, were all in attendance for this exciting and educational event.

The Hudson Vendor Show & Management Seminar is an opportunity to come together to reflect and celebrate on the company's performance and look at what's new and coming up in the next year. The onset of the pandemic suspended the event for a few years, but it finally returned in December of 2022 with a renewed vigor.



Jordi Martín-Consuegra, Deputy President & CEO of North America, presenting during the annual Hudson Vendor Show & Management Seminar in Las Vegas.



Members of the Hudson Human Resources team on the show floor during the Hudson Vendor Show & Management Seminar.

The three-day event kicked off with presentations from leaders across the business, followed by an awards ceremony that provided special recognition for a number of team members. The Vendor Show floor was packed with a wide variety of Hudson vendors showing off a col-

orful array of new products and services for 2023. Educational sessions, including a Diversity & Inclusion workshop, incorporated team-building exercises that brought team members closer together while learning about new strategies for success.

📍 Regional News

## Back to Business



The high-speed rail service between Hong Kong and Guangzhou resumed in January, and so did Dufry's store in this important hub. After an approximate three-year suspension due to the pandemic – exactly 2 years, 11 months and 16 days – the reopening of Hong Kong Duty Free – came just a few days before the celebrations of the Lunar New Year holidays, with the optimum timing allowing reunions (and duty free shopping opportunities) for thousands of residents on either side of the Chinese-Hong Kong border.

## Coats & Kicks Drive



Team members from Hudson's New Jersey office organizing donations for the Coats & Kicks drive.

This past December, Hudson team members worked with Airport Disadvantaged Business Enterprise (ACDBE) partner Dirty Soles Footwear Group to collect coats and shoes for families in the greater Newark, NJ area. The collection was part of Dirty Soles' annual Coats & Kicks drive, which seeks to provide essential items to those in need during the winter season.

Dirty Soles is a Newark-based organization that offers services in footwear manufacturing (incl. sales, marketing, business development, social media and influencer marketing, educational programming and shoe design) and is Hudson's ACDBE partner at Newark International Airport Terminal A. Hudson team members set up a collection center for the Coats & Kicks drive at the Hudson corporate office in East Rutherford, NJ throughout the month of December.

In January, several members of the Hudson team volunteered to join Dirty Soles in distributing the hundreds of items that had been collected. New and gently used coats and shoes, as well as bags of food were given out. Thanks to Dirty Soles, the Hudson team, and other community members that donated their items and time to the cause, over 300 much-needed items were handed out.





Hudson volunteers (in blue) with ACDBE Partner Dirty Soles and community members distributed more than 300 coats, sneakers, and bags of groceries during the Coats & Kicks event in Newark, New Jersey.

# Spirit of Cambodia



If you say Cambodia, the first thing that often comes to mind is the magnificence of Angkor Archaeological Park. However, Cambodia is also known for its complex cultural tapestry, a fascinating and long history, as well as its beautiful and sunny beaches, lush natural attractions, delicious food and the charming capital city of Phnom Penh. All of these elements are captured in the stunning Spirit of Cambodia space, a magical corner that is part of the 1,615 m<sup>2</sup> refurbished space inaugurated in our shop at Phnom Penh airport.

Loyal to the philosophy behind the Spirit of... stores, this destination area offers our customers the sense of belonging to Cambodia. The nature theme is present everywhere, as is the offer of local products from the food and souvenir categories. A lovely opportunity for our customers to enjoy a browse and take a little bit of Cambodia with them on their way back home!

# Suggestions

Dear colleagues,

Feel free to send us your **stories, news and 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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