

**FOCUS
STORY**

RESILIENT BUSINESS MODEL DRIVING NEW GROWTH AVENUES

Read the full focus story
on page 30 – 37

DUFRIY GROUP – A LEADING GLOBAL TRAVEL RETAILER

DUFRIY AG (SIX: DUFN)
IS A LEADING GLOBAL
TRAVEL RETAILER OPERATING
OVER 2,400 DUTY-FREE
AND DUTY-PAID SHOPS
IN AIRPORTS, CRUISE
LINES, SEAPORTS, RAILWAY
STATIONS AND DOWNTOWN
TOURIST AREAS.

DUFRIY EMPLOYS OVER
31,000 (FTE) PEOPLE. THE
COMPANY, HEADQUARTERED
IN BASEL, SWITZERLAND,
OPERATES IN 65 COUNTRIES
ON ALL SIX CONTINENTS.

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1

WELCOME

DUFRY TODAY



Present in

65
countries



Operates at over

420
locations



More than

50,000
products

Our assortment
of reference items
from vendors globally



Over

35,000
employees

Representing over
130 different nationalities

Over

2,400
shops

Dufry opens a new
shop every week

Over
1,000
suppliers



2.5 billion
potential customers



Close to
20 %
market
share
in airport travel retail



Almost
470,000 m²
of commercial space



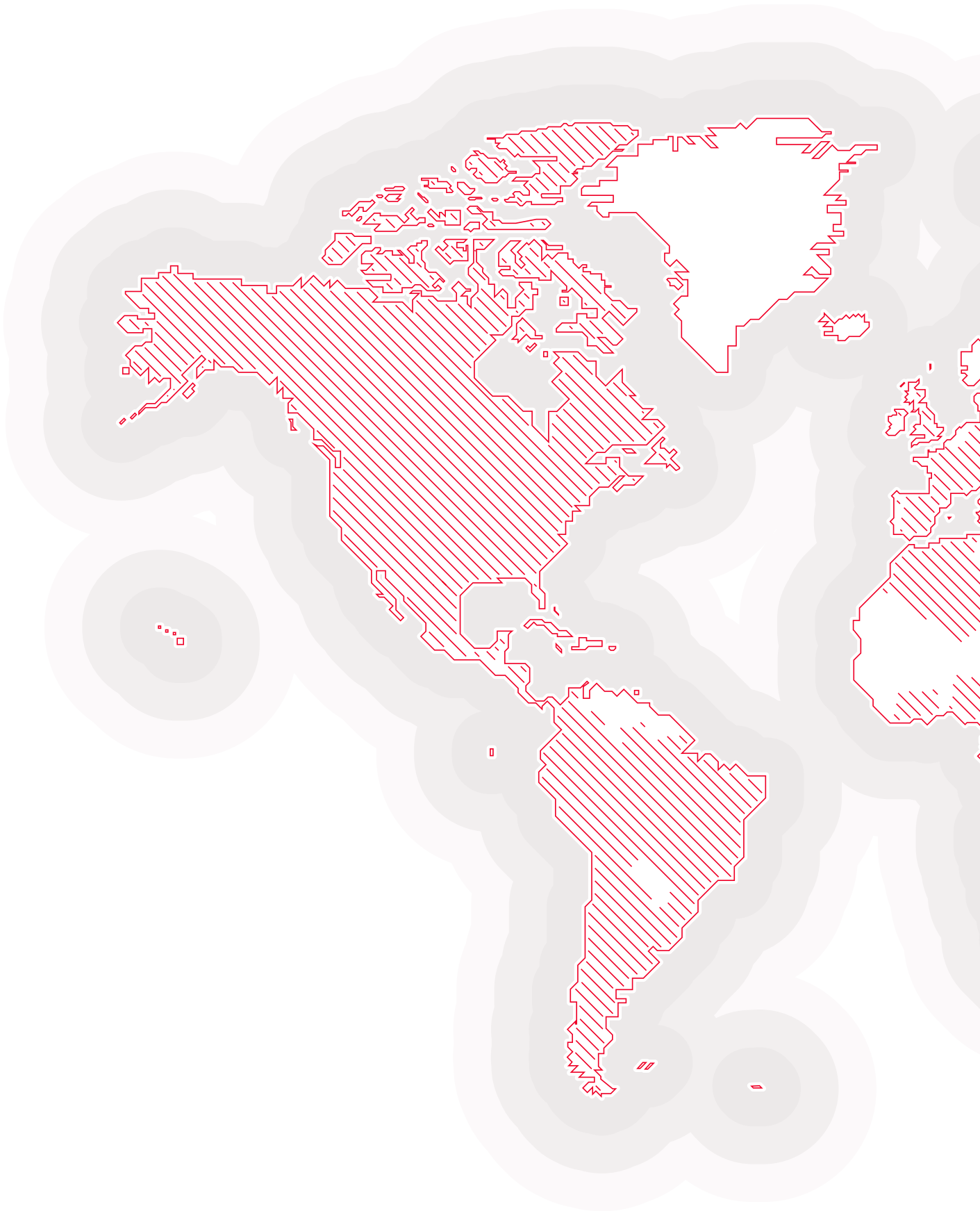
Turnover
multiplied
by **13**
since 2003

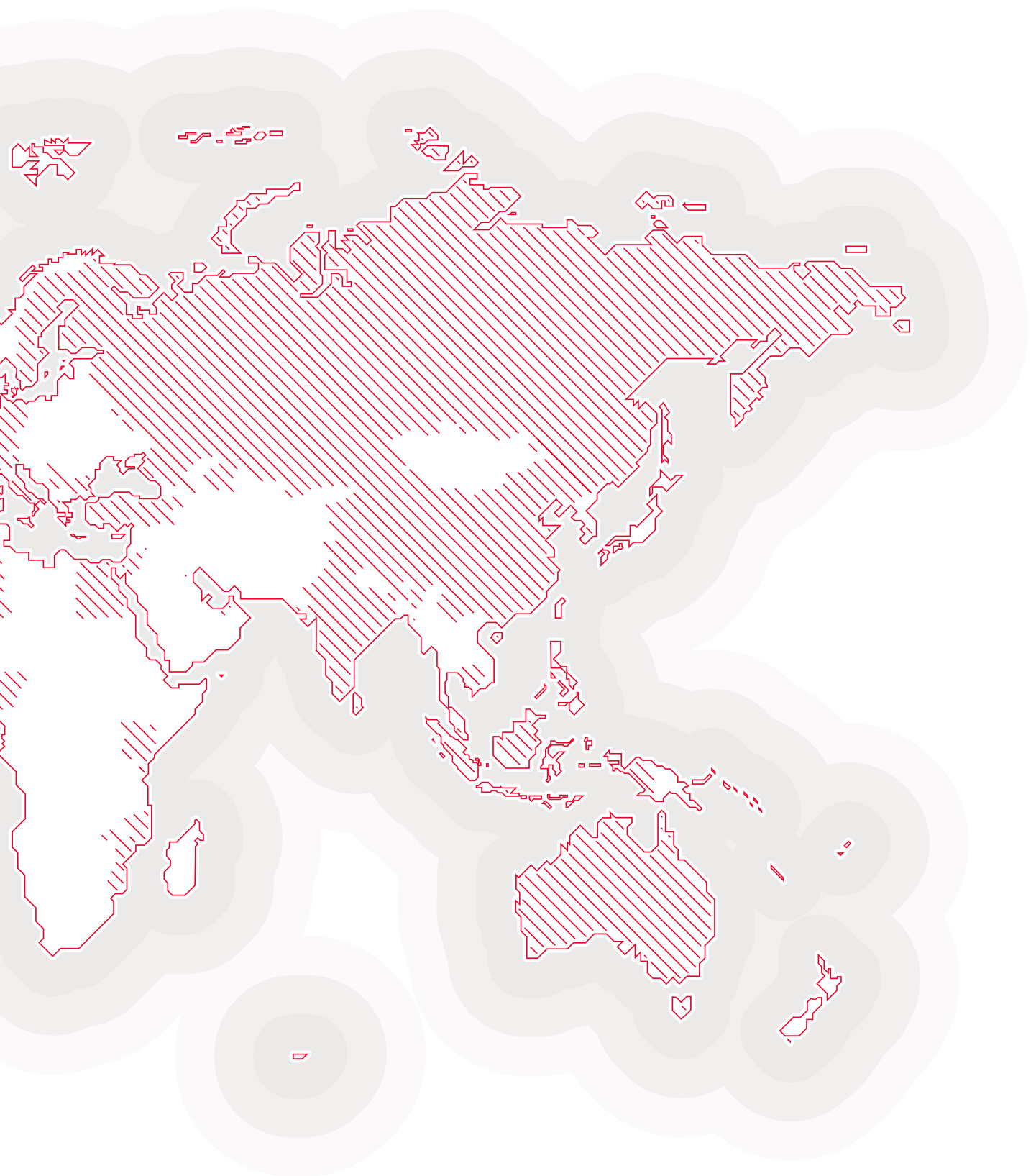
OVER 2,400 STORES





GLOBAL PRESENCE





OVER 420 LOCATIONS WORLDWIDE

EUROPE AND AFRICA

- Cape Verde**
- Boa Vista
 - Sal
 - Santiago
- Cote d'Ivoire**
- Abidjan
- Egypt**
- Cairo
- Finland**
- Helsinki
- France**
- Calais
 - Fort-de-France
 - Nice
 - Pointe-à-Pitre
 - Toulouse
- Germany**
- Dusseldorf
- Ghana**
- Accra
- Greece**
- Aktio
 - Alexandroupoli
 - Anchialos
 - Araxos
 - Athens
 - Chania
 - Corfu
 - Doirani
 - Evzonoi
 - Heraklion
 - Igoumenitsa
 - Kafalonia
 - Kakavia
 - Kalamata
 - Karlovasi
 - Karpathos
 - Kastanies
 - Kastelorizo
 - Katakolo
 - Kavala
 - Kipoi
 - Kos
 - Krystallopigi
 - Limnos
 - Mertziani
 - Mykonos
 - Mytilini
 - Niki
 - Ormenio
 - Patras
 - Piraeus
 - Promachonas
 - Rhodes
 - Sagiada
 - Samos
 - Santorini
 - Skiathos
 - Symi
 - Thessaloniki
 - Zante
- Ireland**
- Center Parks
- Italy**
- Bergamo

- Florence
 - Genoa
 - Milan Central
 - Milan Linate
 - Milan Malpensa
 - Naples
 - Piza
 - Verona
- Jersey**
- Saint Peter
- Kenya**
- Nairobi
- Malta**
- Malta
- Morocco**
- Agadir
 - Casablanca
 - Dakhla
 - Essaouira
 - Fez
 - Marrakech
 - Nador
 - Oujda
 - Rabat
 - Tanger
- Mozambique**
- Maputo
- Nigeria**
- Lagos
- Spain**
- Alicante
 - Almeria
 - Asturias
 - Barcelona
 - Bilbao
 - Fuerteventura
 - Gerona
 - Granada
 - Ibiza
 - Jerez
 - La Coruna
 - La Palma (SPC)
 - Lanzarote
 - Las Palmas de Gran Canaria (LPA)
 - Madrid
 - Mahon
 - Malaga
 - Murcia
 - Palma de Mallorca (PMI)
 - Reus
 - Santander
 - Santiago de Compostela
 - Sevilla
 - Tenerife Norte
 - Tenerife Sur
 - Valencia
- Sweden**
- Jönköping
 - Kalmar
 - Karlstad
 - Landvetter
 - Luleå
 - Norrköping
 - Östersund
 - Stockholm Arlanda
 - Stockholm Bromma

- Sturup
 - Sundsvall
 - Umeå
 - Visby
- Switzerland**
- Basel-Mulhouse
 - Zurich
- Turkey**
- Antalya
 - Kayseri
 - Kutahya
- United Kingdom**
- Aberdeen
 - Belfast
 - Birmingham
 - Bournemouth
 - Bristol
 - Cardiff
 - Doncaster
 - East Midlands
 - Edinburgh
 - Elvedon Forest Center Parks
 - Exeter
 - Folkestone
 - Glasgow Airport
 - Glasgow Prestwick
 - Kirmington
 - Leeds
 - Liverpool
 - London Gatwick
 - London Heathrow
 - London Luton
 - London Southend
 - London St. Pancras
 - Longleat Forest Center Parks
 - Manchester
 - Newcastle
 - Norwich
 - Sherwood Forest Center Parks
 - Southampton
 - Stansted
 - Whinell Forest Center Parks
 - Windsor
 - Woburn Forest Center Parks
- Cruise and Ferry ships**
- Asterion
 - Blue Galaxy
 - Blue Horizon
 - Blue Star I, II
 - Blue Star Delos
 - Blue Star Diagoras
 - Blue Star Naxos
 - Blue Star Paros
 - El Venezielos
 - Elyros
 - Hellenic Spirit
 - Highspeed 4
 - Kriti Ship
 - Nisos Chios
 - Nisos Mykonos
 - Nisos Rhodes
 - Nisos Samos
 - Olympic Champion
 - Patmos

- P&O Arcadia
- P&O Aurora
- P&O Ventura
- P&O Queen Elizabeth
- P&O European Highlander
- P&O European Causeway
- P&O Norbay
- P&O Norbank
- P&O Pride of Rotterdam
- P&O Pride of Hull
- P&O Pride of Burges
- P&O Pride of York
- P&O Spirit of Britain
- P&O Spirit of France
- P&O Pride of Canterbury
- P&O Pride of Kent
- P&O Pride of Burgundy
- Prevelis
- Superfast I
- Superfast II
- Superfast XI

ASIA PACIFIC AND MIDDLE EAST

- Armenia**
- Gyumri
 - Yerevan
- Australia**
- Canberra
 - Melbourne
 - Perth
- Bulgaria**
- Burgas
 - Varna
- Cambodia**
- Phnom Penh
 - Siem Reap
 - Sihanoukville
- China**
- Chengdu
 - Hong Kong
 - Macau
 - Shanghai
- India**
- Bangalore
- Indonesia**
- Bali
- Jordan**
- Amman
 - Aqaba
 - Marka
- Kazakhstan**
- Astana
- Kuwait**
- Kuwait City
- Malaysia**
- Kuala Lumpur
- Russia**
- Moscow Domodedovo
 - Moscow Sheremetyevo
 - Moscow Vnukovo
 - St. Petersburg Pulkovo
- Serbia**
- Belgrade
 - Nis

Singapore
● Changi
South Korea
● Busan
Sri Lanka
● Colombo
United Arab Emirates
● Sharjah
NORTH AMERICA
Canada
● Calgary
● Edmonton
● Halifax
● Toronto
● Vancouver
USA
● Albuquerque
● Anchorage
● Atlanta
● Atlantic City
● Baltimore-Washington
● Birmingham
● Boston
● Burbank
● Burlington
● Charleston
● Chicago
● Chicago Midway
● Chicago O'Hare
● Cleveland
● Corpus Christi
● Dallas Fort Worth
● Dallas Love Field
● Denver
● Des Moines
● Detroit
● Fort Lauderdale Hollywood
● Fresno
● Grand Rapids
● Greater Rochester
● Greenville-Spartanburg
● Harrisburg
● Houston
● Houston George Bush
● Houston William P. Hobby
● Indianapolis
● Jackson
● Las Vegas Hard Rock Cafe
● Las Vegas Mc Carran
● Las Vegas Palazzo
● Little Rock
● Los Angeles
● Lubbock
● Manchester Boston
● Miami
● Minneapolis
● Mobile Bates Field
● Myrtle Beach
● Nashville
● New Orleans
● New York Empire State
● New York Grand Central
● New York JFK
● New York LaGuardia
● New York Penn Station
● New York Port Authority

● New York UN Gift Center
● Newark
● Newark Liberty
● Newport News Williamsburg
● Norfolk
● Oakland
● Omaha
● Ontario
● Orlando
● Orlando Sanford
● Philadelphia
● Phoenix Sky Harbour Airport
● Pittsburgh
● Portland
● Raleigh
● Richmond
● Roanoke
● Santa Ana
● Salt Lake City
● San Antonio
● San Diego
● San Francisco
● San José
● Seattle
● St Louis
● St Pete-Clearwater
● Stewart Newburgh
● Tampa
● Tucson International Airport
● Tulsa Airport
● Washington DC
● Washington Dulles
● Washington Ronald Reagan Airport

CENTRAL AND SOUTH AMERICA

Antigua
● ● ● Antigua
● Saint Philip
Argentina
● Bariloche
● Buenos Aires Aeroparque
● Buenos Aires Ezeiza
● Cordoba
● Mendoza
Aruba
● ● Oranjestad
Bahamas
● ● Bahamas
● Great Exuma
Barbados
● ● ● Barbados
● Christ Church
● St. Michael
Bolivia
● La Paz
● Santa Cruz
Brazil
● Belém
● Belo Horizonte
● Brasília
● Campinas
● Curitiba
● Florianopolis
● Fortaleza
● Goiânia

● Natal
● Porto Alegre
● Recife
● Rio de Janeiro
● Rio de Janeiro Galeão
● Rio de Janeiro Santos Dumont
● Salvador
● São Paulo Congonhas
● São Paulo Guarulhos
● Uruguiana
Chile
● Santiago de Chile
Colombia
● Bogota
Dominican Republic
● ● La Romana
● Puerto Plata
● Samana
● Santiago
● ● Santo Domingo
Equador
● Santiago de Guayaquil
Grenada
● ● ● Grenada
Honduras
● Roatan
Jamaica
● Jamaica
Mexico
● Acapulco
● Cancun
● ● Cozumel
● Guadalajara
● Guanajuato
● Ixtapa
● Los Cabos
● Mazatlan
● Mexico City
● Monterrey
● Puerto Vallarta
● San José del Cabo
Netherlands
● Bonaire
Nicaragua
● Costa Esmeralda Airport
● El Espino
● Guasaule
● Managua
● Peñas Blancas
Peru
● Lima
Puerto Rico
● Ponce
● San Juan
St Kitts & Nevis
● St Kitts
● St Kitts Bradshaw Airport
St Lucia
● ● ● St Lucia
St Maarten
● St Maarten
Trinidad & Tobago
● Port of Spain

Turks & Caicos Islands
● Grand Turk
● Turks & Caicos Islands
Uruguay
● Montevideo
● Punta del Este
Cruise and Ferry ships
● Carnival Inspiration
● Carnival Panorama
● Carnival Sensation
● Carnival Valor
● Holland of America Amsterdam
● Holland of America
● Eurodam
● Holland of America Koningsdam
● Holland of America Maasdam
● Holland of America Nieuw Amsterdam
● Holland of America Nieuw Statendam
● Holland of America Noordam
● Holland of America Oosterdam
● Holland of America Rotterdam
● Holland of America Veendam
● Holland of America Volendam
● Holland of America Westerdam
● Holland of America Zaandam
● Holland of America Zuiderdam
● NCL Bliss
● NCL Dawn
● NCL Escape
● NCL Gem
● NCL Jade
● NCL Jewel
● NCL Joy
● NCL Pearl
● NCL Sky
● NCL Spirit
● NCL Sun
● Pullmantur Horizon
● Pullmantur Monarch
● Pullmantur Sovereign
● Pullmantur Zenith
CHANNELS
● Airports
● Border, Downtown & Hotel Shops
● Railway Stations & Other
● Cruise Liners & Ferries
● Seaports

MILESTONES

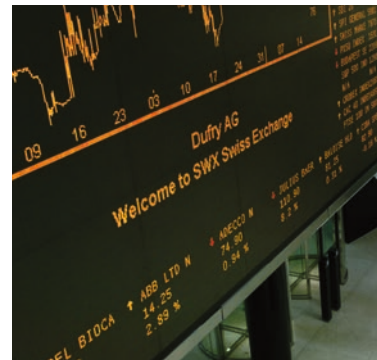
Dufry has more than 60 years of travel retail experience – just one of the factors that has contributed to the company's successful position today as leading travel retailer worldwide.



Dufry founded in 1865 in Basel, Switzerland.



The first duty-free shop at Le Bourget, Paris. Dufry was the second operator to ever open a duty-free store.



Listed on the Swiss Stock Exchange (DUFN) on the 6th of December.

1865

1952

2005

1948

Introduction of the duty-free wholesale business.



2004

Advent International became the majority shareholder. Dufry decided to focus its core business on travel retail with the vision of becoming a truly global company.





Acquisition of one of the main travel retail operators in the Caribbean, based in Puerto Rico, with 23 shops in Puerto Rico and other Caribbean locations.



Merger of Dufry Ltd with Dufry South America Ltd. Acquisition of the Colombian Emeralds International brand, based in the Caribbean.

2007

2010

2006

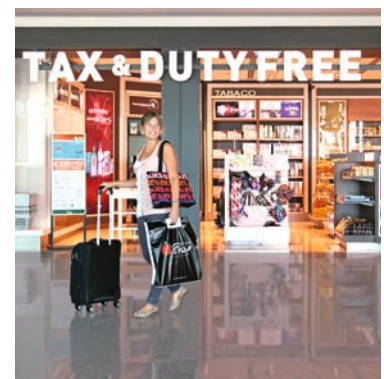
Acquisition of major travel retail operators in Brazil. Listed on the stock exchange in Sao Paulo (Brazil) and Luxembourg (BOVESPA; DUFB11).

2008

Acquisition of 100 % of Hudson Group (USA), the only national newsstand brand in the industry.

2011

Acquisitions of retail companies in Argentina, Uruguay, Ecuador, Martinique and Armenia, including 24 duty-free shops across 10 airports.



MILESTONES



Acquisition of Regstaer Group, the leading travel retail operator in Russia, in a joint venture.



Acquisition of The Nuance Group in Switzerland.

2012

2014

2013

Acquisition of 100 % of the leading travel retailer in Greece, Folli Follie. Expansion in Asia, with new stores in China, South Korea, Taiwan, Bali and Sri Lanka.

2015

Acquisition of World Duty Free. The acquisition strengthens Dufry's position in key European markets such as Spain – including the Mediterranean region – and the UK; North and Latin America as well as the Middle East and Asia.





Renewal of an exceptional amount of existing concession contracts and is included in the Swiss Leader Index, compiled of the 30 largest Swiss Corporations listed on the SIX Swiss Exchange.

2016



Hudson Ltd. listed on the New York Stock Exchange (NYSE) with its first trading day on February 1, 2018.

2018

2017

Implementation of a new retail concept the "New Generation Store", featuring extensive and innovative use of digital applications in order to increase passenger communication and drive sales. plans to unveil several shops around the world under this new concept.



2019

Acquisition of 60% stake in RegStaer Vnukovo in Russia. Acquisition of OHM Concession Group LLC and 34 Brookstone shops in the USA.





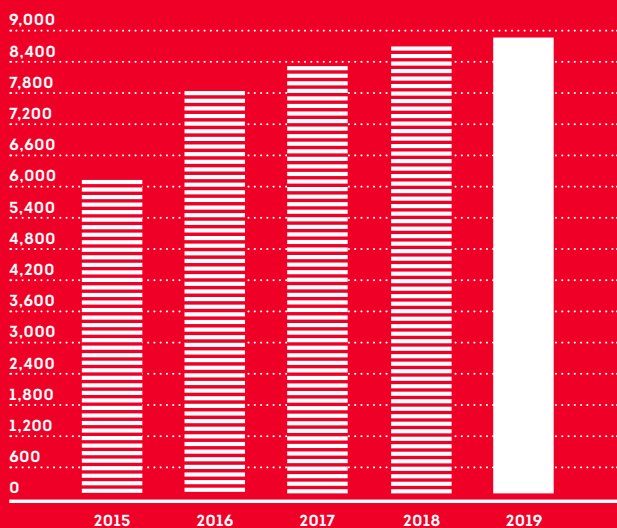
2

THE
LEADING
TRAVEL
RETAILER

DUFRY AT A GLANCE

TURNOVER

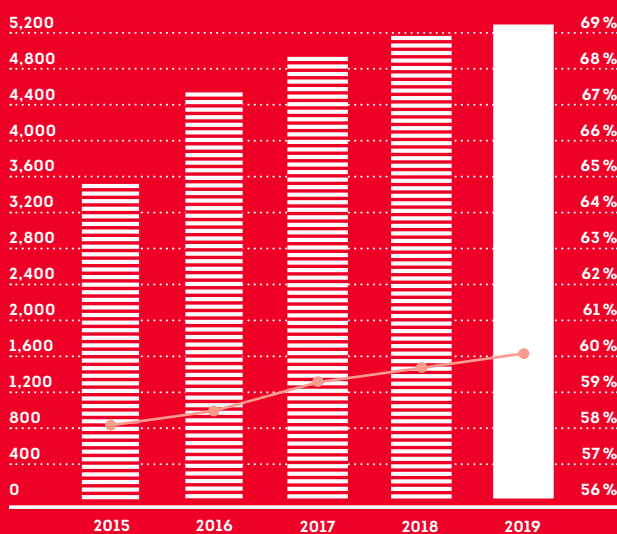
IN MILLIONS OF CHF



GROSS PROFIT

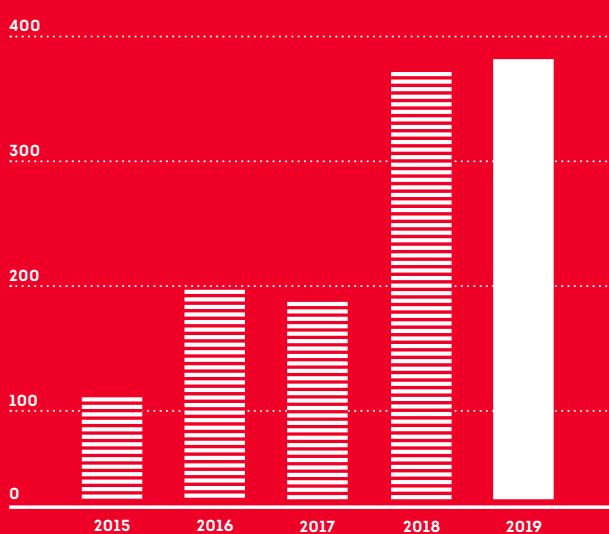
IN MILLIONS OF CHF

MARGIN

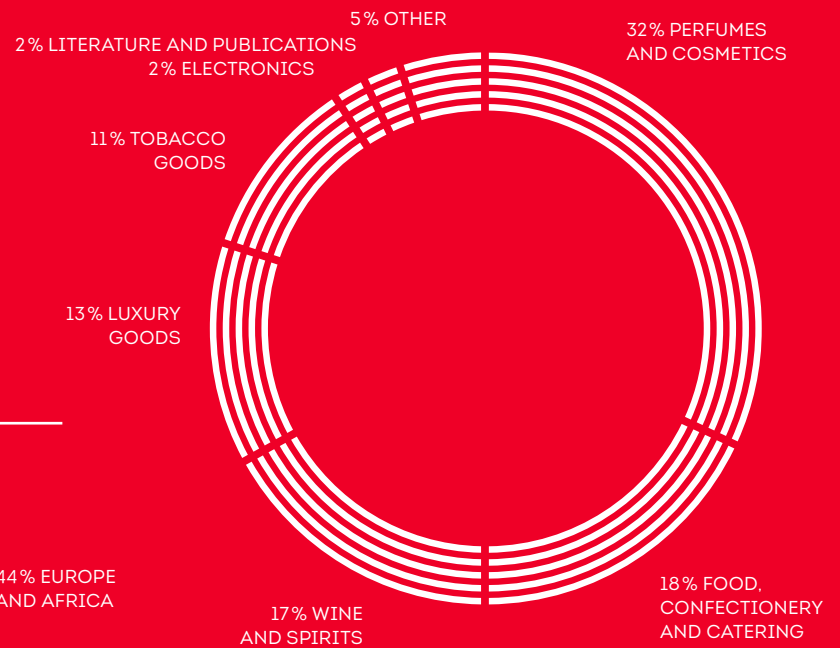


EQUITY FREE CASH FLOW

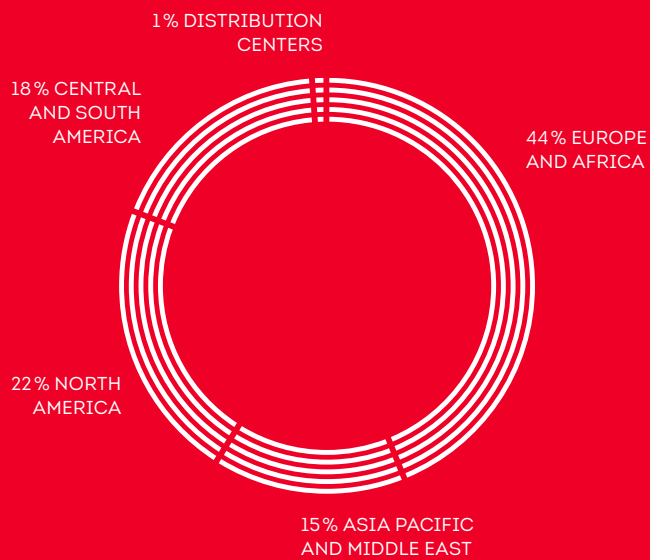
IN MILLIONS OF CHF



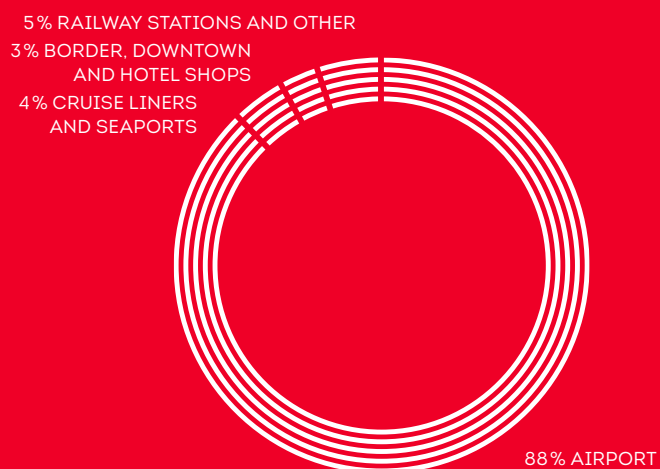
NET SALES BY PRODUCT CATEGORY 2019



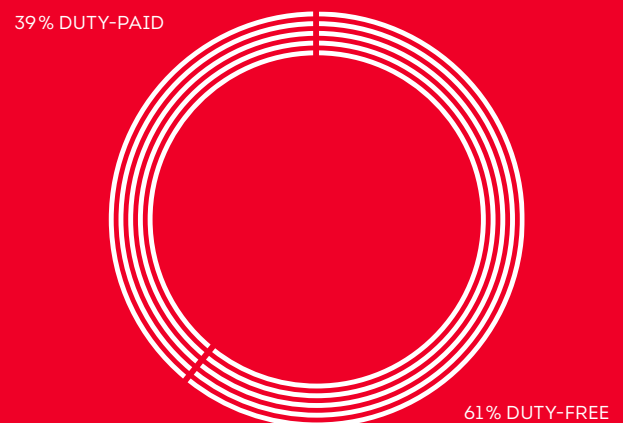
NET SALES BY DIVISION 2019



NET SALES BY CHANNEL 2019



NET SALES BY MARKET SECTOR 2019



OUR STRATEGY CREATING LONG-TERM VALUE

For a glossary of financial terms and key performance indicators please see page 270 of Dufry's 2019 Annual Report.

Dufry is the leading player in travel retail – an industry which generated a sales volume of USD 79 billion in 2018. With a turnover of CHF 8.8 billion in 2019, Dufry looks back on a successful track record of rapid expansion through organic growth and acquisitions. Dufry has a market share of 11% in travel retail overall, and close to 20% in airport travel retail, which accounts for 88% of our business.

Creating stakeholder value through customer experience and retail excellence

Dufry, and travel retail in general, is at the center of three very important and distinct industries: retail, travel locations and consumer goods. Addressing the different requirements of our stakeholders and aligning their respective interests is critical in order to generate value for all. Our approach can be summarized in a simple way: we focus on offering the best services to our customers.

Our clear travel retail focus, where we mostly concentrate on locations with captive audiences, creates a winning formula for all stakeholders: for customers, by providing an unrivalled shopping experience; for suppliers, by showcasing their brands to a fast-growing group of affluent customers; for landlords, by fully exploring the commercial potential of a travel location and for shareholders, by creating value through generating cash and profits. For an overview of our stakeholder community please refer also to the Dufry stakeholder ecosystem as shown on page 74.

For our customers, we create memorable shopping experiences by constantly improving our shops and developing best-in-class retail formats, as well as by implementing innovative cross-channel marketing initiatives. Our sales representatives will always receive travelers with their biggest smile, introducing them to the world of travel retail and providing them with detailed product information – increasingly supported by digital technology.

An unparalleled sense of place is for Dufry a key element of an attractive customer shopping experience. This includes local product offerings, as customers increasingly want to complete their travel experience by bringing home memories, as well as internationally recognized brands that are well known and much liked. Our shops combine the famous assortments of global brands and high-quality products with a special local touch, which differentiates our shops worldwide and wherever they may be – at airports, seaports, ships, railway stations or borders – and irrespective of whether they are duty-free or duty-paid. For a selection of our main retail concepts please refer to pages 40 through 49 of this report.

Unparalleled customer experiences.

Demographics play a big role in our business and changes in customer profiles and preferences can occur rapidly. For this reason, Dufry sets high priority on consumer intelligence, extrapolated from internal operational information and through external research. We constantly track customer behavior at our shops and use our market insights to continuously fine-tune our offering and not only match but exceed the expectations of our clients.

For suppliers we offer access to the largest footprint in the ever more attractive travel retail channel, through our more than 2,400 shops in over 420 locations in 65 countries. Our shops offer suppliers an unrivalled worldwide window display to promote their brands and products to an affluent consumer segment.

In recent years, we have seen an increasing importance of novelties, exclusive products and limited editions to attract customers to our shops. Dufry works closely with brands to offer customers a unique product selection and to offer dedicated brand experiences, which make the channel even more attractive.

Increasing importance of novelties and exclusive products.

Landlords get the highest productivity from their retail areas, maximizing their revenues when working with Dufry. We offer a full range of retail concepts adapted and customized to any specific location. Moreover, Dufry provides access to the most comprehensive portfolio of global and local brands. In a nutshell, landlords benefit by optimizing their overall business and by offering attractive commercial spaces to their passengers.

For shareholders, Dufry is the world's leading travel retailer, offering them an attractive investment opportunity to participate in a growing industry and a company that focuses on profitable growth and cash generation.

Diversification strategy maximizes opportunities and mitigates risks

Geographic diversification is of key importance to our strategy for a number of reasons: first, it is the best way to benefit from the ever growing number of travelers worldwide; second, as a global organization, we can efficiently develop new business opportunities anywhere; third, major global brands can offer their products via a truly global travel retailer and fourth, it is a very effective approach to mitigating risks. Dufry is today not only the market leader in travel retail, but also by far the most diversified player in the industry with operations in 65 countries on all six continents.

GLOBAL PRESENCE

A full list of locations is available on pages 13 and 14.

Our global presence allows us to quickly and thoroughly evaluate new projects almost anywhere, capitalizing on the expertise of our local teams. This local perspective helps us to accurately evaluate opportunities, gives us a clear understanding of the local market characteristics and allows us to closely collaborate with landlords and other local business partners to effectively develop new businesses.

Diversification by geography and by channel.

Furthermore, being geographically diversified considerably mitigates risks generated by external impacts in single markets or regions. This diversification is best illustrated by the share of individual concessions in the Group. With the largest concession accounting for around 7% of our business, and with the ten biggest representing less than 35% of 2019 sales, Dufry has limited exposure to single contracts. Ultimately, geographic diversification is key to offering our brand partners a fine-meshed network of locations and shops, which allows them direct engagement with a growing number of customers through a window display in any given mature or emerging market.

Resilient cash flow generation.

For Dufry, diversification also means accessing different channels, thus further widening the scope of the company. In this context, the cruise and ferry businesses, train stations and downtown locations such as hotels, casinos and leisure resorts have gained in importance. Cruise lines in particular offer an attractive channel to engage with customers during a longer period of time and represent a resilient growth opportunity as cruise vacations continue to be “en vogue” and shipyards for the construction of new vessels are fully booked for the next decade.

Financial discipline focusing on returns

At Dufry, we have a disciplined financial approach to all our projects, be they organic or acquisitions. We carefully analyze every project or significant investment with detailed projections and with a focus on minimum return requirements. This includes a careful assessment of the initial investment needed to build and set up the stores as well as the cost structure, profitability and cash flow generation of the business once it is operational. This culture of giving importance to returns and cost control has allowed us to grow our business profitably and capture opportunities in many different markets.

As part of our financial risk management, we minimize business risks by implementing a highly variable cost structure. These defensive characteristics help to protect the business in case of downturns, which are usually local and temporary, thus providing a solid and resilient profile.

The combination of Dufry's solid profitability and low capital intensity results in a strong cash generation. With the current size of the Group we expect to further improve our cash generation capacity in line with top-line growth.

Organic growth complemented by small and mid-sized acquisitions

Dufry's overall growth strategy continues to be characterized by a combination of organic growth as well as small and mid-sized acquisitions.

With respect to organic growth, the travel retail industry has the unique advantage of benefitting from a secular increase of travelers around the world and offering the great opportunity to directly engage with them. This characteristic clearly differentiates travel retail from any other retail channel. Consequently, organic growth will also continue to be an important driver of Dufry's development going forward. We will focus on driving sales through implementing best-in-class shop concepts, by further deploying our digital strategy, and by complementing the proven marketing and promotional activities we have used and fine-tuned over the years. Besides benefitting from additional passengers, we expect to further increase our retail space, be it through expansion in existing locations or by winning new contracts in airports where we don't currently operate, or in other channels. At Dufry, we traditionally have a sizeable project pipeline,

allowing us to grow our retail space in different channels, regions and sectors.

Despite the consolidation seen in travel retail over the last years, the industry remains relatively fragmented, with the top 10 players controlling just over half of the market and the remaining market consisting of small and medium-sized operators. We expect to be able to capitalize on M&A when small and mid-sized opportunities arise, with a focus on Asia and the Middle East, or with bolt-on acquisitions that complement our presence in other existing markets. The majority participation acquired in the RegStaer Vnukovo operation in Russia, as well as the 34 shops acquired from Brookstone in the U.S. are good examples of this type of transaction.

Offering the best retail experience for international and domestic travelers in multiple channels, Dufry currently generates about 61% of its revenues in duty-free and 39% in duty-paid operations, with both sectors continuing to offer further, substantial growth opportunities.

On the duty-free side, the airport channel is expected to continue to be the largest and fastest growing part of our business. We continue to see additional potential in further developing the cruise ship business, duty-free border shops and downtown duty-free shopping in selected markets.

Passenger growth is a key driver in travel retail.

The duty-paid sector also has considerable development potential in airports, since the expected growth of domestic passengers is similar to that for international travelers. Furthermore, this sector is even more fragmented than duty-free, thus offering attractive new expansion opportunities, as we have successfully demonstrated in 2019 with the two acquisitions done through our subsidiary in the United States.

We continue to actively foster the expansion of our successful duty-paid retail concepts, Hudson and Dufry Shopping, which have already been implemented in several markets and have the potential to be deployed further. Hudson is a well-established convenience store concept that has been very successful in North America over the past 30 years and that we have

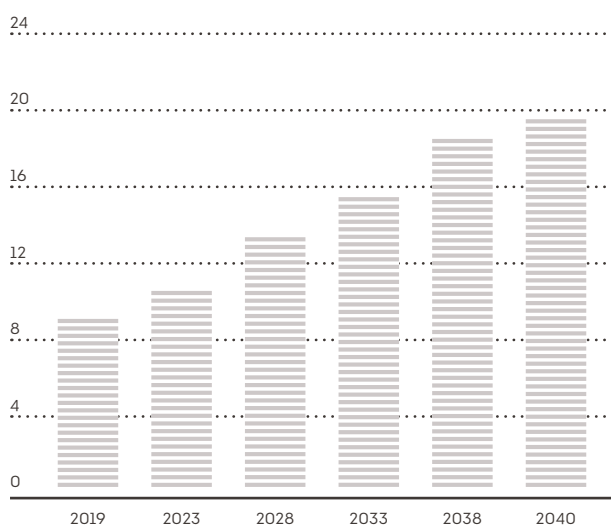
deployed in 17 countries so far since 2009. Dufry Shopping is a duty-paid concept that offers a high-quality assortment of international brands in an exclusive setting, similar to a duty-free travel retail store, but it targets domestic passengers.

We originally piloted Dufry Shopping in Brazil in 2014, expanding to 7 locations across the country and the immediate success has led us to a strategic decision to roll out this concept into other countries. The first Dufry Shopping store outside Brazil was opened in 2017 at Las Vegas McCarran International Airport and followed by the Malta Dufry Shopping in 2018 and by the contract signed in 2019 with Newark Liberty International Airport for a new Dufry Shopping to be opened in 2020. Based on the positive results with 9 Dufry Shopping locations in 3 countries so far, we are convinced that this concept can be successfully rolled out to other markets globally.

With the acquisitions of 34 Brookstone stores across several U.S. airport locations done through our Hudson subsidiary, we now also have an additional duty-paid format, which we can further expand across North American airports.

LONG-TERM PASSENGER FORECAST

IN BILLIONS OF PASSENGERS



Source: ACI 2019 / World Airport Traffic Forecast 2019 – 2040.

Ever since the Hudson IPO, Dufry has clearly outlined its intent to further expand into the airport food & beverage market in the U.S. With the acquisition of OHM Concession Group LLC through Hudson, the Group made an important step forward, added new food & beverage concession capabilities and expanded its North American footprint. Airport food & beverage will currently be a focus only in North America.

Our strategy is supported by strong and resilient industry fundamentals

Travel retail is a fast-growing industry driven by ongoing growth in traveler numbers. The increased demand from passengers to travel is the reason why this attractive retail channel keeps growing and displays different dynamics to high street retail.

Global passenger numbers are currently expected to grow by around 4% per annum, which translates to a potential of over 300 million new customers for the industry every year. Industry specialists expect this trend to continue, thus providing a resilient driver for travel retail going forward. The growth potential is further increased by the development of innovative commercial concepts with landlords and brands. Dufry's ambition is to deliver excellence in execution while driving change in the way travel retail operates. We believe that being the market leader also means being at the forefront of this development.

Seizing the opportunities digitalization brings

Digitalization is changing the way business is done in travel retail. At Dufry, we are excited about the possibilities and opportunities these new technologies offer. In the past two years we have successfully built and deployed our digital platforms, which allow us to engage more frequently with customers and to provide them with additional services, with the ultimate goal of driving sales. For Dufry, digitalization is and remains a key element of our strategy, which supports and evolves a strong business model to the next level, to continuously improve our offer to the travelers we welcome in our shops.

Normally customers come to our stores while they are waiting to board their plane or train, or while they enjoy their stay on a cruise liner, in a casino or hotel. They enjoy strolling through the attractive retail spaces and take away memorable shopping experiences. Sales are often generated by impulse decisions and/or immediate needs, which protect travel retail from the direct competition of online platforms. To attract more customers to our stores we want to provide a superior customer experience and in addition, create further value through a more efficient business. Thus, the use of digital and online technology is changing our business in three major areas: how we communicate with our customers, how we sell products, and how we organize our processes internally and in the value chain.

Capitalizing on digital opportunities.

Specifically, this means that we will be further increasing personalized digital communication with customers at home, during their whole journey, and in particular when they are at the airports close to our shops. We are also digitalizing the shops to increase conversion rates and to simplify in-store processes, such as product consultations, payments, individual promotions etc. Lastly, we will further improve customer service and individualize product offers for specific customer profiles.

PERFUME & COSMETICS



**FOCUS
STORY**

**RESILIENT
BUSINESS
MODEL
DRIVING
NEW
GROWTH
AVENUES**

Through the integration of the transformational acquisitions, the standardization achieved through the implementation of the new business operating model, the alignment of the company's corporate culture, the launch of its digital strategy and the ongoing refinement of its retail excellence, **Dufry is well prepared to drive further growth and access new avenues of development.**



DUFRY'S PROFITABLE GROWTH STRATEGY

Ever since its IPO back in 2005, Dufry has consistently built and executed on its Global Ambition strategy of profitable growth, which is based on 3 main pillars:

- Global presence and geo-graphic diversification to benefit from the world-wide resilient passenger growth, while at the same time mitigating local temporary risks.
- Growth focused on activities, allowing to generate synergies, as well as on organic footprint expansion across several travel retail channels and covering a wide product mix.
- Standardization and refinement of operational excellence to maximize efficiencies and generate attractive returns and value creation for shareholders.

In the past 5 years (2014 – 2019) Dufry has considerably accelerated the implementation of its strategy. This period has been characterized by a series of distinctive steps, which have transformed the company and prepared the ground for further growth – steps, which can be described as follows:

1

SETTING UP OF GLOBAL SUPPLY CHAIN

One of the first steps of the Global Ambition strategy implementation has been the internal re-organization and the setup of a global supply chain with centralized procurement and logistics departments. This has fostered the ongoing improvement of the gross profit margin, created efficiencies for the company and simplified the tight collaboration with and for our suppliers.

2

TRANSFORMATIONAL ACQUISITIONS

Besides the acquisitions executed between 2006 and 2013, those of Nuance and World Duty Free boosted Dufry's market share in airport travel retail from 10 % in 2013 to well over 20 % in 2015, thus offering brand partners a unique global window display. The two acquisitions generated CHF 195 million of immediate synergies and paved the way for additional efficiency gains through further standardization.

3

IMPLEMENTATION OF THE NEW BUSINESS OPERATING MODEL

Following the integration of the two acquisitions, Dufry implemented the new business operating model (BOM) to standardize processes, procedures and ways of working. The BOM generated CHF 50 million of additional efficiencies.

4

DIGITAL STRATEGY TO SATISFY NEW CUSTOMER PROFILES AND SHOPPING BEHAVIORS

Today's new customer profiles make an extensive use of digital technology creating substantial new requirements for the travel retail industry and the shopping experience. Dufry's digital strategy takes this new shopping behavior into account and creates a consistent customer engagement from the moment a trip is planned until the passenger returns home, through several communication touch points and new online services to facilitate sales and shopping experience. As per year-end 2019, Dufry had 13 New Generation Stores; 5,000,000 customers included in its CRM system; 170 locations with the Reserve & Collect service; 111 shops using digital tablets to serve customers, as well as its own social media channel FORUM by Dufry. All focused on driving like-for-like sales and growth.

5

RETURNING CASH TO OUR SHAREHOLDERS

In the years before the transformational acquisitions, Dufry's capital allocation strategy focused on deploying its free cash flows purely into further growth and on deleveraging. As of 2018, the capital allocation strategy has been evolved to allow shareholders to benefit from the strong cash generation capacity of the company on a yearly basis. Thus, close to CHF 800 million of cash were returned to shareholders in the past two years. Dufry distributed close to CHF 200 million of dividends per year in 2018 and 2019 and executed on top a CHF 400 million share buy-back program in 2018. Dividend payments remain a company priority going forward.

6

CONSIDERABLE IMPROVEMENT OF GOVERNANCE AND ESG ENGAGEMENT

Reflecting the company's transformation and the increased importance of sustainability, Dufry has permanently refined its Environment, Social and Governance (ESG) engagement and started to report on its material ESG topics based on the Global Reporting Initiative (GRI) CORE option. Most recently, Dufry has established the new Lead Independent Director role at the Board of Directors level, to which Ms. Heekyung Jo Min has been appointed. Moreover, Ms. Jo Min will also be responsible for the supervision of Dufry's ESG strategy.

**4,197-
8,849
TURNOVER
DOUBLED**

Turnover doubled from 2014 - 2019;
reaching CHF 8,849 million

**470,000 m²
RETAIL SPACE
EXPANDED**

Retail space increased by over 75%
from 2014 - 2019

**1,688-
2,400
SHOPS INCREASED**

Number of shops increases from 1,688
to over 2,400 from 2014 - 2019

**GROSS
PROFIT
MARGIN
IMPROVED**

Gross Profit Margin improves from 58.7%
in 2014 to 60.2% in 2019



OUTLOOK WITH NEW GROWTH AVENUES AHEAD

In 2019, Dufry has accelerated again its strategy of profitable growth, through ongoing improvement of organic growth as well as small- and mid-sized acquisitions. While organic growth further increased in existing and new channels, the three most recent acquisitions (OHM Concession Group LLC, Brookstone and RegStar Vnukovo) confirm this strategic approach and are expected to add a total of approx. CHF 150 million to Group turnover.

3-4%
**ORGANIC
GROWTH**

Mid-term average organic growth target
of 3-4% per annum

**350-
400
MILLION**

Mid-term annual Equity Free Cash Flow
target of CHF 350-400 million; growing
in line with top line

ACCESSING THE AIRPORT FOOD & BEVERAGE MARKET IN NORTH AMERICA

The acquisition of OHM Concession Group LLC, executed by our subsidiary Hudson Ltd is a pivotal step in accelerating the U.S. expansion beyond retail and into the airport food & beverage services market. Besides adding as immediate effect to Hudson's revenues and footprint – OHM operates 60 units across 13 airports and generated revenues of around USD 62 million in 2018 – the acquisition has two important strategic components: first, it enhances Hudson's competences and capabilities in the North American food & beverage market; and second, it gives access to additional airport locations where Hudson was not present.



EXPANDING DUTY-PAID AND CONVENIENCE ASSORTMENT IN THE U.S.

Hudson Ltd also acquired 34 Brookstone shops across several airports in the U.S. including the exclusive right to sell selected Brookstone merchandise in Hudson shops, and to further expand the brand in the airport channel, thus complementing the overall retail offer. Brookstone is an established American brand, well known for its unique selection of innovative products in the travel, wellness, home and entertainment categories, and it perfectly complements Hudson's convenience assortment.

Brookstone



CONSOLIDATING DUFY'S FOOTPRINT IN RUSSIA

Through the acquisition of the 60 % stake of RegStaer Vnukovo, Dufry consolidated its position in Russia, especially in Moscow, extracting further synergies with the integration of operations at Sheremetyevo and Domodedovo airports. Vnukovo airport handles 22 million passengers per year, and includes a long-term concession, until 2035, with more than 30 duty-free and duty-paid shops across a retail space of over 6,800 m². The Vnukovo operation is a typical example of small and mid-size targets Dufry intends to acquire, with a focus on Asian markets.

REGSTAER VNUKOVO



TOBACCO

CIGARRILLOS CIGARETTES

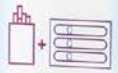
Flying to UK?
You can buy...



CIGARRILLOS C

Grandes
Ofertas

Flying to UK?
You can
buy...



4 Cigarettes
1000 Cigarettes
1000 Cigarettes
Flying to UK?

PUROS CIGARS



GIFTS
WITH LOVE

3

WHY DUFRY?



GENERAL TRAVEL RETAIL SHOPS

The general travel retail shop is the most commonly used concept at Dufry, covering the full range of product categories, such as perfumes & cosmetics, food & confectionery, wines & spirits, watches & jewelry, fashion & leather, tobacco goods, souvenirs, electronics and others.

General travel retail shops carry a large assortment and are typically located in central areas with high passenger flow, mostly in airports, but can also be in sea-ports and other locations. In airports, both departure and arrival areas can be fitted with this shop concept. In the duty-free segment, these shops can be identified as carrying the name of several retail brands in our portfolio, including Dufry, Nuance, World Duty Free, and Hellenic Duty Free among others. As of December 31, 2019, Dufry operated over 970 general travel retail shops.

In 2017, Dufry introduced the new generation store concept, an innovative evolution of the general travel retail shop, increasing the level of communication with the consumer by making use of digital technology. Dufry opened its first three new generation stores in Madrid (Spain), Melbourne (Australia), and Cancun (Mexico) in 2017, followed by four in Zurich (Switzerland), a second one in Cancun and one in Heathrow T3 (UK) in 2018. In 2019, Dufry added 4 New Generation Stores: in Buenos Aires (Argentina), Amman (Jordan), Malaga and Alicante (Spain).





DUFRY SHOPPING

Dufry shopping offers domestic passengers a similar shopping experience to the one offered to international travelers in a classic general travel retail duty-free shop, but in a duty-paid environment with a wide assortment of different product categories, including a similar brand variety. In this context, Dufry Shopping fulfills more a convenience aspect as there are a number of countries where domestic travelers account for the majority of passengers, specifically in large countries such as China, the United States and Brazil, where this concept can offer additional potential.

The concept was first introduced in Brazil in 2014 and was quickly expanded to 7 other locations in the country. The concept is also present in the United States with a Dufry Shopping store at Las Vegas McCarran International Airport and at Malta International Airport. The newest Dufry Shopping store will open in 2020 at Newark Liberty International Airport in the U.S.



ALTA & DUFY SHOPPING



BRAND BOUTIQUES

Dufry is a partner of choice for global brands to showcase their products in dedicated retail spaces and to mirror their high street image. To best meet each location's traveler profile, we design these shops as standalone boutiques or integrate them as a shop-in-shop in our general travel retail stores. Brand boutiques exist in both duty-free and duty-paid areas and enhance the traveler's experience, allowing the creation of an exciting shopping mall environment.

As of December 31, 2019, Dufry operated close to 240 brand boutiques, such as: Armani, Burberry, Bally, Bottega Veneta, Bvlgari, Cartier, Clarins, Chloe, Coach, Ermenegildo Zegna, Etro, Gucci, Hermès, Hugo Boss, Jimmy Choo, Jo Malone, Lacoste, LaPrairie, Lindt, Loewe, Longchamp, MAC, Mango, MaxMara, MCM, Michael Kors, Montblanc, Omega, Polo Ralph Lauren, Salvatore Ferragamo, Swatch, Swarovski, Tod's, Tory Burch, Tumi, Versace, Victorinox, Victoria's Secret and others. See also selection of brands on page 65.





CONVENIENCE STORES

Our convenience stores offer a wide assortment that passengers may want or need when traveling. The range includes soft drinks, confectionery, packaged food, travel accessories, electronics, personal items, souvenirs, newspapers, magazines and books. Within this concept, we are using different brands according to the passenger profile and the location. North America is home to most of our convenience stores, with more than 650 shops. In addition, we operate 141 convenience stores outside North America.

“Hudson” is our most important brand in the convenience segment with a strong recognition from and highly valued by passengers. As “The Traveler’s Best Friend”, our goal with Hudson is to provide passengers with anything they may need during their journey.

Hudson is a successful, very flexible concept operated at airports within international and domestic areas, as well as in other channels such as railway stations and other transit locations. Hudson shops are carefully designed and facilitate orientation through whimsical, color-coded signage to attract customers’ attention to four distinct selling areas: Media, Marketplace, Essentials and Destination.





SPECIALIZED SHOPS

Specialized shops and theme stores are shop concepts that offer products from a variety of different brands belonging to one specific product category or which convey a sense of place. We use this concept often for products such as watches & jewelry, sunglasses, electronics, spirits, food and destination products in locations where we see potential for a shop to carry a broad product range relating to one specific theme. These shops can be located in airports, seaports, on-board cruise liners, as well as in hotels or downtown locations.

Examples of the shop concept names include "Colombian Emeralds International", a dedicated watches & jewelry format used in the Caribbean market; "Kids Works" with its wide selection of toys, dolls, games, books and apparel for children and "Tech on the Go", focusing on the needs of the tech-oriented traveler offering electronics and accessories. Further examples are "Sun Catcher" for sunglasses; "World of Whiskies" and "Tequileria" for a selection of finest single malt or blend whiskies and tequilas; "Master of Time" for luxury watches and jewelries; "Temptation" and "Timebox" for fashion watches and accessories; "Sound & Vision" for multi-brand electronics; "Travel Star" for luggage and travel aid products and finally "Atelier", a women's leather accessories store.

As of December 31, 2019, Dufry operated close to 570 shops under the Specialized Shops / Theme Stores concept.





RETAIL EXPERTISE



CUSTOMER-FOCUSED ACROSS THE OPERATIONS

Throughout the world, Dufry tailors its retail environments and sales channels to meet customer needs, reflecting passenger profiles and volumes while incorporating a true flavour of local culture and history. With a base of more than 2.5 billion potential international and domestic customers worldwide, we aim to capture each customer's full potential by working with airport authorities and other partners to develop customised retail concepts and exciting commercial areas. In this context our latest concept is the New Generation Store, which considerably improves customer engagement through an extensive use of digital technology. It allows to change languages and marketing content several times during the day, in order to best match the passenger profile present in the shops at any time of the day.

Dufry's duty-free and duty-paid operations are extremely diverse, with over 2,400 stores located across airports, cruise lines and ferries, railway stations, downtown, airlines (in-flight) and on-line.

Departure shops

Ranging from 10 m² to 3,000 m², our departure shops can be located in the airside or landside and offer duty-free and duty-paid goods targeting a passenger base of international and local shoppers. In each location, the product assortment, shop floor plan, promotions, pricing policies and operations are differentiated depending on the respective customer profiles and spending patterns. In response to our customers' habits in departure shops, we have implemented "walk-through" stores – a specific design where the entire passenger flow goes directly through the shop – which emphasize sales and spend per passenger.

Over
2,400
stores



Arrival stores

Arrival stores offer consumers a convenient way of shopping upon arrival at their destination without the need to carry items throughout their whole journey. These stores are highly valued by local travellers returning home enabling them to shop before leaving the airport and to avoid carrying extra weight during their flight. Located both airside and landside, the stores can offer duty-paid or duty-free goods and, as with our departure stores, product assortment and layout are determined by customer profiles and spending habits.



A VARIETY OF SPECIALIZED SHOP FORMATS

In order to capture the traveler's full attention and to transmit an impression of competence, specialized shops can come in many different formats and under a variety of individual names. While in some cases they reflect the category name of the products sold, on other occasions fantasy names are used to position the individual formats. Some of our most common formats are presented on the coming pages and are typically used in several locations across the globe.

Perfume & Cosmetics

Perfume & Cosmetics is one of the largest and most important categories in travel retail. The key emphasis of this category is placed on luxury, exceptional service, convenience and premium quality. Furthermore, value for money remains an essential component of our offer in line with customer expectations and the heritage of duty-free retailing.

We offer a wide range of fragrances from leading brands including luxury and super premium fragrances, contemporary classics, lifestyle & sport fragrances, famous faces, funky fragrances and a selection for children. The category is represented by the most powerful brands, such as Chanel, Christian Dior, Estée Lauder, Guerlain, Givenchy, Lancôme, Clarins, Jo Malone, YSL, Paco Rabanne and many more.

Fragrance Boutique and Beauty Collection

Fragrance Boutique is a store concept containing multiple perfume brands, while Beauty Collection focusses on premium skincare, cosmetic and fragrance brands.

Health & Wellness

Health & Wellness is dedicated to health and wellbeing. It offers a wide range of beauty products, bee products, ginseng, nutrition, personal wellness vitamins and products especially for mother to be and children.

Local Fine Food

More and more consumers are looking for high quality local food products, either for gifting or personal consumption. Our Local Fine Food concept is divided into sweet and savory sections, offering a wide choice of high quality products from local and regional producers.



Whiskey Boutique

Liquor is also one of the most important categories in travel retail, playing an important role in satisfying consumer needs and engaging them in the retail environment. In our Whiskey boutiques we offer customers the best selection of products and brands across the sub-categories – Malt Whisky, Deluxe, Whisky Blends and Irish Whiskey.





World of Wine

We apply a clear segmentation to our wine offer to help demystify the category and make wine shopping a pleasure for customers. Our World of Wine boutiques are easy to navigate, with wines first divided into red and white, and then by respective old world and new world countries. Each segment is presented by different regions or grapes and includes wines at a good range of prices. The stores offer some of the best-known brands from countries across the world including France, Italy, Spain, Australia, New Zealand, South America and South Africa.

Atelier

Atelier is our multi-brand women's leather accessories store focused on premium brands, with a strong presence in international markets. The store concept is inspired by an artisan's workshop, reflecting the intrinsic, timeless value of leather accessories for travelers. Atelier offers a range of upmarket brands including Furla, Lancel, Longchamp, Marc by Marc Jacobs, MCM, Michael Kors, Roeckl, See by Chloe and many more.

Boutique

Boutique stands for exclusiveness, glamour and sophistication. It is a small to medium specialist store, where customers can find a unique selection of minimum three or more mid to high-end fashion brands within the same retail area. The Boutique logo combined with a directory showing the available brands makes it an exceptional shop concept.

Attitude

Attitude is a multi-brand fashion shop concept adapting the idea of an industrial environment combined with urban street inspired art. The shop design is a mix of raw materials that are complimented with bold colors which create together an exciting visual experience for the young attitude shopper.

Sun Catcher and Sunglasses Boutique

Sun Catcher and Sunglasses Boutique are our store concepts for eyewear. Whereas Sun Catcher focus is on fashion, Sunglasses Boutique offers premium luxury. Both store brands deliver performance in one engaging and cohesive concept. They set out to elevate the entire eyewear category, and reflect our unique philosophy of putting the consumer shopping experience at the heart of our thinking.

Temptation & Timebox

Temptation & Timebox are one of the most experiential retail concept stores in the fashion watch and accessories category, offering an exciting combination of products, visual merchandising, store design and in-store entertainment. Temptation & Timebox offer a range of brands including DKNY, Fossil, Michael Kors, Pandora, Swarovski, Thomas Sabo and many more.

Master of Time

Master of Time is our latest and most luxurious multi-brand concept store for watches and jewelry, presenting the best international brands from the luxury and premium segments. The assortment covers timeless iconic styles, best sellers and the latest innovations from each brand. The brands are grouped according to product segment and brand adjacency, from luxury to premium watches and jewelry. Master of Time's portfolio of luxury and premium brands includes Breitling, Bulgari, Carrera y Carrera, Damiani, Dior, Gucci, Montblanc, Omega, Roberto Coin and many more.

Travel Star

Our luggage and travel aids, multi-brand concept store, Travel Star has been conceived with the traveler in mind. It is the number one destination for luggage and travel goods, combining innovation, design and performance. Travel Star goes beyond selling luggage: it ensures reliability and efficiency for travelers for years to come by providing high quality products from trusted brands that guarantee excellent after-sales care. Travel Star offers a range of brands including Eastpak, Longchamp, PackEasy, Rimowa, Samsonite, Tumi and Victorinox.

Sound & Vision and Tech on the Go

Sound & Vision Enriching Life is our multi-brand electronics store which can be found at Hong Kong International Airport. The store offers shoppers the widest possible variety of state-of-the-art technologies and emphasizes experiential shopping across different zones such as cameras & camcorders, mobile phones, notebooks, games and accessories. Committed to "enriching life", the store also offers interactive spaces including an "Apple Leisure Station" where customers can experience the brand's most popular products first hand.



Sound & Vision Enriching Life hosts a rich portfolio of high-end international electronics brands. In addition to Apple, Blackberry, Braun, Canon, Casio, Disney, and Fujifilm, choices include Hasselblad, HTC, JVC, Lamborghini, Leica, LG, Microsoft, Monster Headphones, Nikon, Nintendo, Olympus, Osim, Panasonic, Philips, RIO Beauty, Samsung, Sony, Toshiba and many more.

Tech on the Go focusses on the needs of the tech-oriented travelers offering them electronics and accessories.

PROVIDING A SENSE OF PLACE

Thinking...

An example for this shop type is "Thinking España". The "Thinking" logo adds the country and it is a shop concept which conveys a strong sense of place and intends to let customers reviving memories through a shopping experience with a typically local product offer at the airport by reminding that it is the last chance to get souvenirs and food from local brands and producers before leaving the country.

The Spirit of...

Examples for this shop type are "Spirit of Kazakhstan" or "Spirit of Arabia". The "Spirit of" logo adds the country and is a shop concept which is a native duty-free concept store. The main idea is to offer our customers the sense of belonging, through a simple souvenir- and food store that inherits the local essence.



CHANNELS



To achieve full potential in each market, Dufry operates different channels and develops specialized concepts which are tailored to engage consumers in any travel environment.

Airports

The most important channel for Dufry is by far the airport business, which has always been the traditional channel for travel retail. Airports offer a whole array of possible concepts and formats which Dufry covers with its dedicated shop designs. Be it landside or airside, be it duty-free or duty-paid, general retail shops or sophisticated brand boutiques, Dufry offers airport authorities comprehensive support options and to successfully develop retail spaces and on how to maximize sales and revenues.

Border shops

Dufry operates border shops targeting customers, who live within a certain distance of a country border or travel across countries. The border shops typically offer price advantages generated either by market price, tax or currency fluctuation differences for a variety of product categories. In 2019, Dufry opened its first border duty-free shop in Brazil, in the city of Uruguaiana, offering a core category duty-free assortment covering 850 m² of retail space. This new channel is an opportunity to further expand the duty-free

business in Brazil. We currently operate a number of shops in several Greek border cities and we are actively working on further developing this channel in Latin American and Asian countries.

Cruise liners and ferries

In addition to 23 ferries in Greece and the 13 ferries from P&O, which serve several routes across the Channel, the North Sea and the Irish Sea, Dufry operates on board 37 cruise liners world-wide, where we have a "captive audience" of consumers for 7 – 14 days. Therefore, the aim for this particular channel is to create shops that enhance the shopping experience and encourage passenger relationships that continue for the duration of the whole journey. In 2019, Dufry added 19 cruises and ferry ships to the existing portfolio with a total commercial space of more than 5,200 m².

Across the cruise liners – which cover routes from the USA to the Caribbean, Alaska and Europe – Dufry operates a total commercial space of almost 14,000 m², ranging from 80 m² to close to 2,000 m² per vessel. These stores offer duty-free sales on cruise ship-branded souvenirs, spirits, tobacco, perfumes & cosmetics, food, jewelry & watches, from leading brands across the world. In 2019, Dufry signed a new agreement with Holland America Line to operate duty-free shops on board of 6 new ships for 5 years, adding more



than 1,500 m² of retail space, consolidating the partnership with one of the leading cruise operators.

Railway and underground stations

Dufry operates convenience stores and newsstands in several intercity railway stations, including Milan, Hong Kong, New York and Washington DC, offering newspapers, magazines, books, confectionery and a large range of tobacco products. Since 2018, Dufry also operates shops in the Eurostar departures terminal at Kings Cross St. Pancras International railway station and the new state-of-the-art West Kowloon MTR station serving the high-speed rail, which connects Hong Kong with mainland China.

Downtown, hotels and resorts

Our business has expanded to retail outlets downtown and in hotels, casinos and resorts, allowing us to engage the traveling consumer beyond the airport environment. Dufry operates a shopping mall store of around 1,150 m² in the Malaysia Genting Highlands Ca-

sino, an integrated resort located in the Titiwangsa Mountains, northeast of Kuala Lumpur. We also operate retail outlets at all Center Parcs resorts in the UK and Ireland. In downtown, hotels and resorts we currently operate almost 100 shops, 27 of which are in hotels located in popular tourist destinations. We see downtown, hotels and resorts as a worthwhile alternative channel and are looking forward to expanding our presence in these areas

In-flight services

Dufry offers in-flight sales on board Air Arabia. Developed in collaboration with the airlines and taking into account the destination, the inflight catalogue enables passengers to buy duty-free items during the flight, including perfumes and cosmetics, spirits, gifts, watches and other items from the most renowned international brands. We offer a wide selection of product assortments and, in cooperation with the airline are responsible, for confirming all of the commercial terms as well as negotiating listing fees and marketing contributions.

Diplomatic shops

These shops specialize in providing embassies and diplomatic missions with products at duty-free prices. They are currently operated in Ghana and Australia.



CUSTOMERS ENJOYING GREAT SHOPPING EXPERIENCES

Research on consumer trends around the world indicates that customers are increasingly leaning towards experiences rather than just “buying a product”. To best accommodate this changing behavior and to meet our customers’ expectations, Dufry is investing in different initiatives to take airport and travel retail shopping to the next level.

Treat yourself, friends and the family.

Offering customers the best shopping experience

Our aspiration is higher than just selling products. We are constantly assessing customers’ expectations and adapting our assortments and service portfolio to the latest needs. We fulfill the current focus on experiences with an array of initiatives, such as airport activations, tastings, treatments, an enlarged assortment of novelties, limited editions and exclusive products as well as a comprehensive portfolio of services and benefits. Most importantly, our well trained and motivated sales representatives help travelers navigate through a large variety of prestigious brands, in order to find the right product for you, your family and friends. Our understanding of customer orientation goes beyond the pure fulfilment of expectations and requests we receive in our shops. For us, a satisfied customer is a customer that can also trust us when it comes to product safety and comprehensive after sales services.

We welcome customers of more than 150 nationalities to our shops every day and our wide assortment can exceed 50,000 items in any given location. For this reason, providing the right product information in different languages is a considerable challenge. Therefore, we have started to equip our shop staff with tablet computers so that they can provide customers with extensive product information in several languages. Going forward, we also plan to offer payment

services through the tablets without the need of going to the tills.

Engage with customers through the New Generation Stores

In our journey to provide customers with a unique shopping experience, Dufry’s New Generation Store is a cornerstone of our latest approach to retail. In our currently 13 New Generation Stores, our customers can experience a shopping environment which changes its appearance depending on which nationality is present at the airport at any given time of the day. Displays appear in different languages and show the brands that best fit the respective customer profile.

Ongoing deployment of digital strategy & channels.

Pre-order at home, collect at the airport

To provide convenience is another priority for Dufry. For this reason, we want to engage with our customers well beyond our shops. Even before they start their trip, travelers can pre-order products through the internet and collect them conveniently once at the airport. Our “Reserve & Collect” service is already available in 170 locations in 44 countries around the world. New locations are constantly added – the full list is available on our website under:

www.shopdutyfree.com

RED by Dufry

RED by Dufry is structured as a loyalty program but it takes the idea one step further. RED works primarily through a mobile application (app) and via the traditional earning of points, the program offers exclusive advantages such as discounts at Dufry stores and specific airport benefits. Moreover, members of the program are identifiable through the app’s beacon

420

Dufry operates
in over 420 locations
in 65 countries
worldwide.

technology once they are at the airport and receive personalized notifications on promotions and offers tailored to their preferences. This allows Dufry to increase conversion of travelers into customers and to attract them to the shops. RED by Dufry is already live in 236 locations in 46 countries and is continuously expanded to further operations worldwide. A full list of the locations where RED by Dufry is implemented can be found here: www.redbydufry.com

Constantly enhancing customer service.

Forum – Social media for travelers

Forum is Dufry's social media platform that provides stories from bloggers and influencers, as well as background information from brands and Dufry in an exclusive and glamorous environment. Moreover, Forum by Dufry connects with all our other digital initiatives such as RED by Dufry and Reserve & Collect and serves as a vehicle to connect with our potential customers when they are planning their journey or even before. Forum is designed to support the inclination to shop with us, to change customer perception, and to position Dufry shops as the place to find the latest trends and launches for the main categories – visit Forum by Dufry at: <https://forum.shopdutyfree.com/en>

True global return guarantee

Dufry is the only global travel retailer in the industry to offer a true global return guarantee. No matter if you purchased something in Melbourne, Bali, St. Petersburg, Barcelona, São Paulo, Las Vegas or elsewhere in any of our shops in the world: if there is a problem with any product that you purchased at a Dufry store, we will replace, refund or exchange your product within 60 days of purchase. Dufry's customer service representatives, who can be reached in several languages by phone, email or online chat, attended around 208,000 customers from 127 countries in 2019.

Dufry's customer service team and policies guarantee full customer satisfaction. This service level is another example of our commitment to an outstanding customer experience day-by-day.

Customer satisfaction & product safety

Customer satisfaction and safety is our first priority. As a fundamental first step we ensure that all products strictly comply with applicable legislation and health and safety requirements. Dufry complies with legal requirements at every location we operate and takes a proactive approach, working with governments and regulators to clarify any concerns. In this context, Dufry, through active membership of the industry's trade associations, has helped shape relevant and robust Codes of Conduct for the travel retail industry (e.g. UK Code of Conduct on disruptive passengers, UK Code of Conduct on VAT, ETRC Code of Conduct on Sale of Alcohol, DFWC Code of Conduct on Sale of Alcohol). Moreover, Dufry has also defined its own Supplier Code of Conduct and shared it with its supplier community as part of the company's Environment, Social and Governance (ESG) strategy. More details are available in the ESG Report on page 72.

Customer Communications

In its advertising and marketing initiatives, Dufry shows the same responsible stance that it shows in all its other activities. We commit to comply with all regulations and rules in every advertisement and published communication in the countries where we operate. We also expect the same behavior from our suppliers when using the space that we make available in our stores for advertising and promotions. When it comes to product labeling, we request our suppliers to comply with the regulations of all the locations where the product is going to be sold. Given that our stores operate in an environment where we serve many nationalities speaking different languages every day, we are proactively engaged with our industry trade associations to find off-the-label solutions. As far as possible, and in locations where we have our

230

Dufry's loyalty program RED by Dufry is already available in over 230 locations.

shop tablets in use, we can provide product specification translations in 10 languages.

Dufry commits to comply with all advertising and marketing regulations.

Customer Privacy

Management and protection of customers' private data in the processes involving the handling of client information is an area of importance for Dufry. As a requirement of customs authorities, airport authorities and for contractual reasons, the customer's personal data is collected, processed and retained in accordance with the privacy statement listed on the Dufry website or in the retail locations.

Additionally, the company offers Reserve & Collect and RED by Dufry services, for which additional personal information from the customer is needed to provide them with requested services such as newsletters as well as marketing & advertising materials. In order to protect and ensure that customer data is handled correctly, Dufry applies high security standards to safeguard and protect personal data and to ensure compliance with the different legal frameworks. The company has a number of systems and security processes in place, including a robust IT security system, a data protection policy and specific training for employees dealing with personal information, as well as internal procedures and policies which follow relevant laws and regulations.

In this context, in the previous year 2018, Dufry completed a number of processes to conclude the alignment of our operations in accordance to the EU General Data Protection Regulation (GDPR). Specifically, this work involved expanded documentation and information requirements, privacy impact assessments and the right of individuals (mainly customers, employees, partners and suppliers) to request access to, or to correct, delete, object to processing of their own personal data and to request data portability. All of this was completed ahead of the GDPR implementation deadline of May 2018. Dufry keeps monitoring new developments of data protection regulations and will adapt accordingly where required.

Moreover, the Group also undertakes internal Data Protection Audits and intrusion tests, on top of permanently discussing and improving the protection of customers' personal data in dedicated meetings held quarterly. For any customer, employee or third party who wishes to report a grievance or who has questions regarding Dufry's data privacy, there is a specific email address to contact the company, and inquiries are coordinated by the Internal Audit, Loss Prevention and Enterprise Risk Management (ERM) department.

Dufry's expertise recognized by the industry

In 2019, Dufry's customer focus and retail excellence has been recognized by different industry partners again. A complete list of the 2019 awards is displayed on our website: www.dufry.com/en/company/our-award

MORE THAN 50,000

items are available
in our portfolio
for our customers
to choose from.

NET SALES BY PRODUCT CATEGORY 2019



AIRPORT AUTHORITIES & LANDLORDS BENEFITTING FROM PROFITABLE RETAIL CONCEPTS

Dufry is the partner of choice for airport operators and other travel related landlords. We strive to create value for landlords and Dufry alike, through our ability to deliver best-in-class retail concepts and our deep understanding of our customers, their expectations and their shopping behavior. The trust our landlords have placed in us has allowed Dufry to become the market leader in travel retail, currently operating over 2,400 shops in 65 countries located in airports, seaports, railway stations, downtown areas, border crossings, cruise liners & ferries, hotels and other locations with captive audiences.

Benefitting from the widest industry experience

Facility owners and Dufry share a common goal – maximizing returns on the available space and creating a highly innovative and attractive shopping experience for customers. Dufry's extensive expertise in all technical and regulatory aspects and its retail know-how are core competitive advantages, as is its comprehensive range of attractive retail concepts and shop formats to satisfy any need of a landlord in both duty-free and duty-paid environments. The in-depth understanding of customer profiles and their specific shopping behaviors learned through our worldwide presence, are key to best designing these retail concepts and to develop successful marketing initiatives tailored to meet the requirements of every single airport or any other location. Furthermore, in order to understand the latest trends in consumer behavior, Dufry regularly carries out detailed consumer research, thus generating insights that ultimately benefit landlords through increased sales and profitability of their commercial space.

Creating value for both travel retailers and facility owners through real partnership

The partnership between facility owners and retailers is one of the most important aspects of travel retail. Our many years of experience in the business show that the closer both parties work together and align their common goals, the higher the value generated.

By joining forces, we can create more inviting and attractive commercial spaces that maximize spend from the passengers' arrival at the airport until their boarding – and if legislation allows for arrival duty-free even after landing.

Dufry has a long-standing tradition of partnering with landlords in different operations, be they large or small, in emerging or developed markets, at airports or seaports, border shops, railway stations or on cruise lines and ferries. Recent examples of refurbishments and expansions of our shops confirm the value of coordinated strategies. Projects developed at the airports of Spain, Sweden, Jordan, Antalya, Casablanca and Buenos Aires are a few examples of how Dufry and landlords can work together on the structuring of passenger flows, improving the appearance of commercial space and expanding retail offerings to considerably increase sales.

13 New Generation Stores now in operation.

Dufry's New Generation Store – up and running

In 2019, Dufry opened 4 additional New Generation stores in Buenos Aires, Amman, Malaga and Alicante complementing the 9 existing ones in Madrid, Melbourne, Cancun T3 and T4, Zurich as well as at London Heathrow T3.

Dufry's New Generation Store concept makes extensive use of digital technology to increase communication with passengers at the airport. The digital route allows Dufry to approach potential customers in an even more personalized way than ever before and to flexibly adapt in-store communication during the day

to the changing nationalities and customer profiles, enhancing the communication's impact. The sense of place of our shop designs, an important aspect for landlords, is also secured in the new concept, as the format provides for a high degree of customization. Dufry knows how to perfectly match these requirements with efficient retail concepts, to best serve travelers' needs and to generate value for landlords and Dufry alike.

Long-term concession portfolio.

Deployment of our digital strategy improves conversion and boosts the visibility of operations

In 2019, Dufry further accelerated the deployment of its digital strategy launched one year earlier than originally planned. The digital strategy essentially aims at converting more travelers into customers, thus driving sales and ultimately benefitting our landlords. Besides the New Generation Stores, services such as Reserve & Collect and above all the loyalty program RED by Dufry promote our operations online on a world-wide scale, through their global span and reach travelers across the world. This gives airports and their retail offer additional visibility and exposure, thus promoting them as attractive shopping locations. For a more detailed description of our digital strategy, please also refer to the strategy chapter on page 28.

Successful contract extensions secure future business

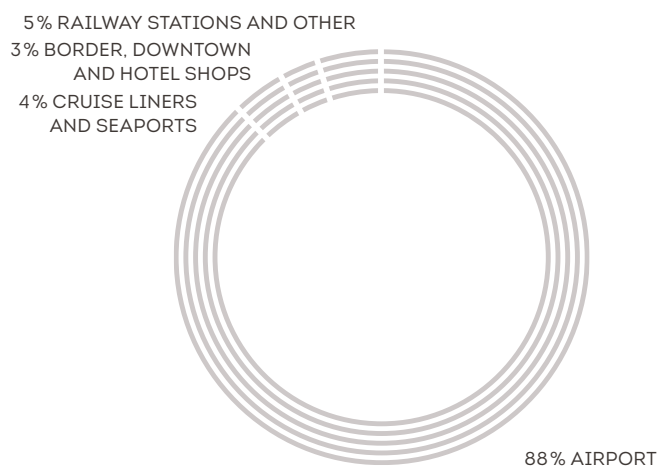
In travel retail, concession contracts are the key business driver for retail operators, as they provide the right to sell their products at a given operation. In 2019, Dufry continued to successfully win new contracts and to renew existing concession contracts, some of them well before the previous expiry date, thus extending the remaining average lifetime of its portfolio, which is currently 7 years. Within our concession portfolio, 17% of our contracts have a remaining life-time of one to two years; 22% three to five years; another 46% between six and nine years, and the final 15% have a remaining duration of ten years or more. On average, Dufry renews existing contracts that generate between 10% to 15% of our sales every year, as well as adding new contracts,

243 new shops added to our first-class concession portfolio

In 2019, Dufry opened and expanded 243 new shops adding almost 33,900 m² of retail space across all divisions. At December 31, 2019, the entire concession portfolio of the group included retail space of close to 470,000 m².

Dufry's concession portfolio is highly diversified and well balanced across emerging and mature markets on all six continents. This considerably reduces risks of being exposed to single markets and operations; the largest concession only accounts for approximately 7% of turnover; while the 10 biggest concessions represent less than 35%.

NET SALES BY CHANNEL 2019



Focusing on investment returns

Dufry systematically follows an approach of financial discipline when evaluating new projects and opportunities. They are analyzed individually on a commercial and financial basis. The many aspects of a project being put together include development potential and analyzing initial investment requirements, as well as the expected development of passenger numbers and profile perspectives. Through a strict evaluation of these criteria and our disciplined approach to returns, we ensure that our concession portfolio remains of the highest quality and that each concession offers attractive returns for the Group. This methodology is applied for all project types, irrespective whether we participate in a tender process, engage in direct negotiations with landlords or perform acquisitions.

SUPPLIERS ACCESSING A UNIQUE GLOBAL WINDOW DISPLAY

Dufry is the largest travel retail operator worldwide and offers suppliers a unique window-display opportunity through its network of over 2,400 shops across more than 420 locations in 65 countries on 6 continents. Suppliers benefit from the unparalleled access to domestic and international travelers to showcase their brands across the globe, reaching captive audiences in exclusive environments. As Dufry operates duty-paid and duty-free areas alike, the company's footprint allows it to serve customers equally interested in both convenience products and luxury shopping experiences. In 2019, over one billion passengers passed through locations where Dufry operates shops, making us the perfect ambassador for global brands.

Partnering with brands to drive sales

The travel retail industry has a number of elements that are highly attractive to suppliers: it is a fast growing channel, it has a captive and affluent audience and it allows them to personally engage with customers in an international and exclusive setting. This makes travel retail an important window display for brands. Dufry aims to be the preferred partner for global brands, building on the tight collaboration with brand partners, based on the scope of our global network and leveraging our superior execution and strong customer service.

Since 2015, we have intensified cooperation with our suppliers and we increasingly partner with global brands on more strategic initiatives, identifying opportunities for marketing campaigns, global promotions or product launches, that also contribute to our and the brands' turnover by generating additional income. In this context, we offer each brand a customized approach to create a joint set of goals for the supplier and for Dufry, and together we agree on specific actions and distinctive campaigns. Both parties establish clear targets and evaluate the effectiveness of their initiatives together.

Jointly increasing customer experience

In recent years, we have seen a growing number of brand partners developing Dufry-exclusive products, which together with novelties, limited editions and travel exclusives, considerably augment and differentiate the customers' shopping experience. Internal research also shows that personally engaging with customers in the shop substantially increases spend per ticket – and what could be better to talk to them about than an exclusive or a newly launched product?

Centralized procurement and logistics

With a focus on generating efficiencies, Dufry is permanently streamlining its key processes. Through our centralized procurement and logistic functions we have considerably simplified the entire supply chain.

Our Global Category Managers act as key relationship managers for brands and coordinate activities with suppliers. They define brand plans with suppliers and negotiate all contractual parameters. Dufry has also centralized and simplified the ordering process, by internally aggregating the orders from the different retail operations and sending a consolidated order to suppliers.

Accordingly, we have adapted our logistics organization with three distribution centers in Uruguay, Switzerland and Hong Kong which operate additional warehouses in Hong Kong, Runnymede (UK), Barcelona (Spain) and Miami (USA) and provide the timely shipping of goods to our operations. The process benefits both Dufry and suppliers, as it allows us to order and ship larger volumes to the distribution centers, thus increasing flexibility so that we can allocate the optimal product quantity to each country and shop and maximize product availability.

BRAND UNIVERSE

1,000

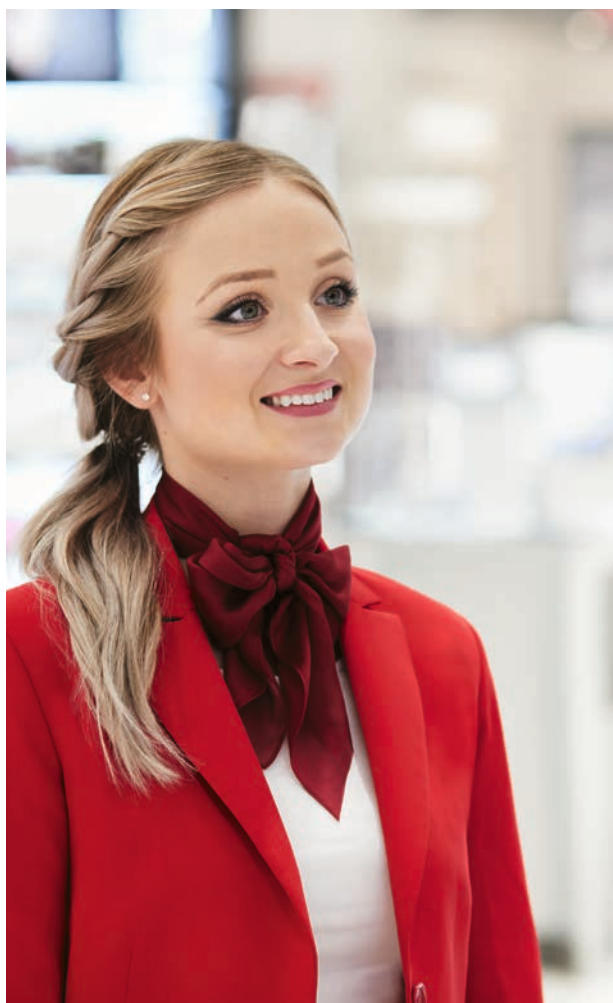
Dufry works with over 1,000 of the most renowned global and local brands.



OUR PEOPLE

We encourage our employees to work together with a focus on our customers, our partners and our company's goals every day. We take pride in the professionalism of our teams, their outstanding commitment to first-class service to our customers, their team spirit and the close collaboration with our business partners. This builds a strong base for Dufry's continuing success and makes Dufry a unique place to work and partner with.

Dufry offers attractive working environments, interesting tasks, fair and competitive wages, and a general working atmosphere that can be characterized by mutual respect and appreciation for each individual. We foster employee development by supporting a broad range of in-house as well as external training and development opportunities.



Dufry's unique cultural diversity

At Dufry we believe that having a diversified workforce is a precious value. Being present in 65 countries with over 36,000 employees and engaging on a daily basis with customers from more than 150 different nationalities, understanding cultural differences is an essential asset to our company and for this reason, it is natural for Dufry to promote an inclusive corporate culture that understands and celebrates the differences, be they in gender, age, race, culture, beliefs or creed. Our workforce comprises colleagues from more than 130 nationalities across all functions and Divisions. This has been a consistent situation for many years and we continue to believe that this broad cultural diversity represents a unique competitive advantage. We also view it as a key element in the successful development of our Group and in the implementation of our long-term growth strategy.

Talent Management

Dufry ensures that future and long-term management needs are getting addressed by an optimal balance of promoting internal high-level personnel and hiring external talents (for example in new countries where we start operations). Dufry operates a global, systematic integration process to identify high-potential talents in the organization and develop them toward the key roles in our business model.

Training and professional development

Training of our staff is a critical element in our long-term strategy mainly for two reasons. First and foremost, it enables our staff to better serve our customers, understand their needs and offer quality service. Secondly, learning is an important part of our employee retention policy. We offer our staff relevant training programs that permit them to upgrade their skills and professional development.

Dufry's training methodology follows the "Four E's model":

- Educate (Formal education)
- Experiences (Development)
- Environment (Culture of learning)
- Exposure (Connections with other colleagues and professionals)

At Dufry, we strive to exceed customer expectations and develop the best 'in-store retail experience' in the industry. Central to any training offered is that the customer experience is at the heart of everything we do. Any new member of our staff, whether that is in a



retail, office or warehouse environment, is offered structured training and development, which can open up all sorts of career opportunities.

The Awards programs – recognizing outstanding performance

Employee recognition is an important way to value employees' and team achievements. In 2019, and as a continuation of the roll-out of ONEDUFTRY, we launched the One Dufry Awards, which recognize excellence and celebrates the success our people worldwide who are dedicated to delivering.

The awards are divided in five categories

- The *Best Leader Story* recognizes individuals that have demonstrated the right behaviors and character, and shown exceptional performance in Driving Employee Experience domain.

- *Best Customer Experience* recognizes the highest scores measured by our Mystery Shopper Survey.
- *Best Partnership Initiative Award* recognizes an outstanding initiative with a supplier, business partner, landlord or inter-company (or other) that was innovative, well designed, well executed and impactful.
- The *Best Business Growth Story Award* recognizes the greatest business growth stories, including – but not limited to – a new store opening, a new airport/port/border/other development, a growth of a product category or a business channel or an existing store that has delivered exceptional growth.
- Finally, *Best Organic Growth*, which recognizes the country with the best like for like growth.

LOGISTICS

As a global retailer, present in over 420 locations in 65 countries, we fully recognize the vital importance of logistics in getting close to more customers, and ensuring our day-to-day and long-term success.

Taking logistics to the next level

Our logistics network is based on 3 regional distribution centers based in Europe, America and Asia.

From the Distribution Centers products are distributed to all the airports in which Dufry operates stores either directly or through a network of country warehouses. In order to adapt our service to the wide variety of operation sizes and locations we supply goods through different distribution channels (direct shipments from vendors, deliveries from our own stock in the distribution centers, cross docking etc.), minimizing the ordering cycle lead time and optimizing logistics costs and inventory levels in our distribution network.

Our excellent relations with the different logistics service providers working in our supply chain lead to a continuous search for improvements in our logistics processes, organization and systems.

At the same time, we lead collaborative planning and total supply chain optimization initiatives with all our main suppliers. Through all these initiatives we jointly work to improve the end-to-end supply chain in terms of lead times, products availability, logistic costs and inventory levels.

A thorough logistics plan has been defined to ensure our logistics are "best in class" in the travel retail environment.

In order to follow up on improvements on a weekly basis, we globally control the main key performance indicators at distribution center and retailer level including: levels and quality of the inventory; out of stocks; total ordering cycle lead-time, from our suppliers to our distribution centers and from the distribution centers to the retailers, as well as the costs of the total supply chain as well as inventory levels and quality.

Suppliers benefit from Dufry's centralized purchasing & logistics

The world-wide geographic footprint and the centralization of global functions generating efficiencies are two core elements of Dufry's business model. The centralized purchasing and the logistics functions gener-



ate a variety of benefits for suppliers, which include not only monetary efficiencies but also ensure superior service levels for the end-customer. With respect to Global Purchasing, our Global Category Managers coordinate the major activities centrally, facilitating the interactions with suppliers. The definition of the Brand Plan as well other contractual parameters are largely coordinated centrally. This also includes the ordering process itself, where Dufry transmits one consolidated order to suppliers, after having internally aggregated the orders of the individual locations. An approach that considerably simplifies the order process and reduces costs overall.

A similar concept, which generates additional efficiencies for both partners, is applied for logistics. In order to support our activities in 65 countries and still benefit from being a single group, Dufry has set up three supply chain regional organizations: One in Uruguay, one in Switzerland and one in Hong Kong, which also operate centralized logistics and warehousing platforms in Hong Kong, Miami (USA), Barcelona (E) and Runnemede (UK). Suppliers can thus efficiently ship larger units to our logistics platforms, while Dufry can better manage individual shop supply, ensuring improved product availability for customers and thus ultimately improving sales.

IT SOLUTIONS

Dufry has grown to become a powerful global organization and thus requires a WorldClass IT infrastructure to support operations in their daily business and secure further growth. To this end, a business-driven IT strategy has been established to support Dufry's global processes.

Enhancing our expertise with innovative IT solutions

Given the business' rapid growth over the last few years, having a solid IT structure is crucial. Dufry has introduced a number of IT solutions which support the business and differentiate it from the competition.

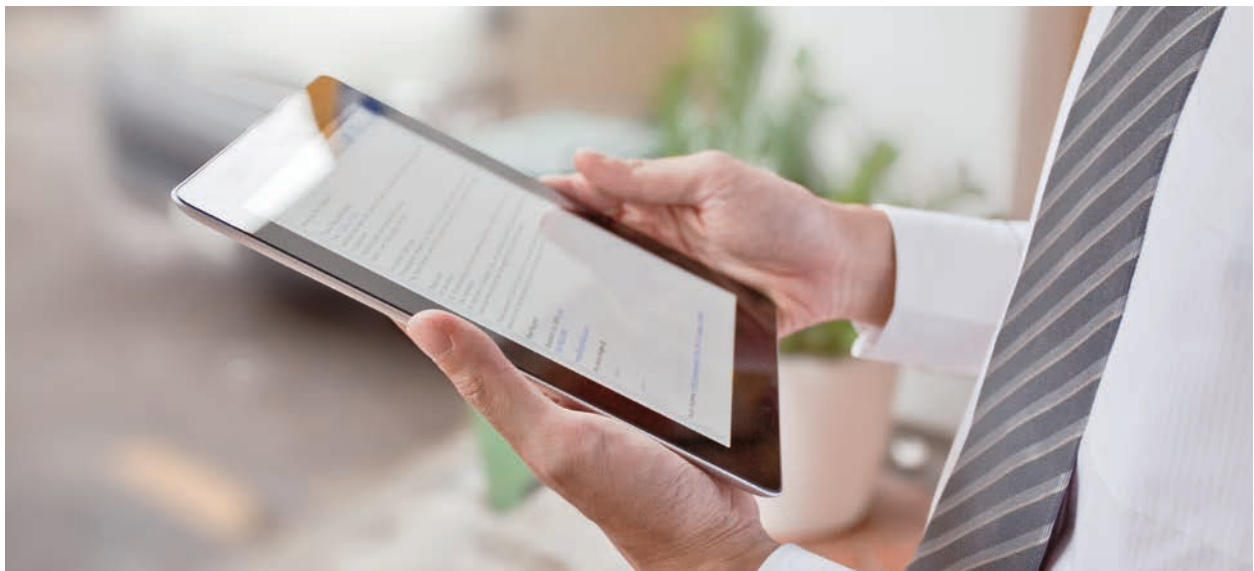
Our main commercial tool, DCIS (Dufry Commercial Information System), allows – among other things – the consolidation of commercial information from all operations, irrespective of which IT systems are operated at local level.

A number of other applications exist to support decision-making processes in departments across the organization. Our commercial team, for example, benefits from tools that help to select the best promotion in a given location or identify the right pricing policy for a certain product category. The company has developed a range of corporate applications, adapted to travel retail, which capitalize on synergies and enhance the performance of current and new companies within the group. This includes a Commercial Data Warehouse that enables insights to commercial data (Dufry Insights), an Oracle (Hyperion) Financial Management

Application for financial reporting and consolidation, a Global Advertising and Promotion Management Application, a Global Price Policy & Analysis Application as well as a Sales Incentive Application (SIP) and a Shift Planning Application.

Moreover, a standard ERP (Enterprise Resource Planning) SAP & Gamma Solution adapted to the travel retail industry allows Dufry to standardize reporting and track day-to-day local business operations, sales and stock levels. Meanwhile, the POS project (TP.NET & ITek) is standardizing all software and hardware at the registers. This will both add flexibility and speed, and enable the implementation of new initiatives generating increased sales and supporting organic growth, while optimizing the customer experience.

In the past year, we have continued to standardize and implement our global ERP and POS solutions in more than 10 additional locations (across different countries that includes UK, Turkey, Uruguay, Kazakhstan, Serbia, Russia, Hong Kong, Macau, South Korea, Singapore, US locations and Brazil, as well as on board our cruise line operations) as part of enabling a standard business operating model. On top, by the end of 2019, and as part of our digitalization process, we had launched more than 170 Reserve & Collect websites in 44 countries that expand the sales channel, deployed our global customer loyalty program RED by Dufry (based on mobile App) to engage with our customers in 236 locations across 46 countries and equipped our staff with sales tablets in 111 locations in 30 countries.





4

LOOKING
FORWARD



ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) REPORT

BEYOND SHOPPING IN TRAVEL RETAIL

Dufry is a global travel retail operator with over 2,400 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas. We employ over 31,000 employees (FTEs) across the 65 countries where we hold operations and represent in our stores over 1,000 different global and local brands. Dufry is part of the Swiss Market Index MID (SMIM) on the SIX Swiss Exchange and has a balanced share of large and small shareholders.

Dufry is aware that the impact of its operations goes far beyond its financial goals and is fully committed to contribute to the travel retail industry and the society. Understanding the effects our company has on society and the environment is a vital part of achieving our sustainability goals. This sustainability report, prepared following the guidelines of the Global Reporting Initiative (GRI) Standards, Core Option, serves Dufry to assess the impact under the three dimensions of sustainability – economic, environmental and social – and to share with our stakeholders our vision of sustainability. This report is available online and complements the information shown in the sustainability section of our corporate website: www.dufry.com/en/sustainability-dufry

Evolution of our materiality assessment

Dufry started making inroads in sustainability reporting back in 2016 with its first materiality assessment commissioned with Ernst & Young. As a result of this assessment, we disclosed our first Materiality Matrix, which outlines the topics that are relevant to both our stakeholders and our business and, which served to establish our sustainability reporting framework. Following this milestone, we published our first Environment, Social and Governance (ESG) Report in accordance with the Global Reporting Initiative (GRI) Standards in 2017.

The creation of that materiality matrix was a scaled process, which began with the assessment of a number of internal and external sources such as our

existing policies and regulations, publicly available materiality assessments of peers and the SASB requirements (Sustainability Accounting Standard Board) as well as the report of the Governance & Accountability Institute. As a next step, we gathered stakeholder feedback, mainly through various internal sources, but also through our role in trade conferences and associations, one-on-one discussions and the on-going dialogue with stakeholders. This, together with the expertise brought from a third party advisor, enabled us to identify a total of 15 topics that we consider most important to our business and to our industry, and that marked the basis of our ESG Report of 2017.

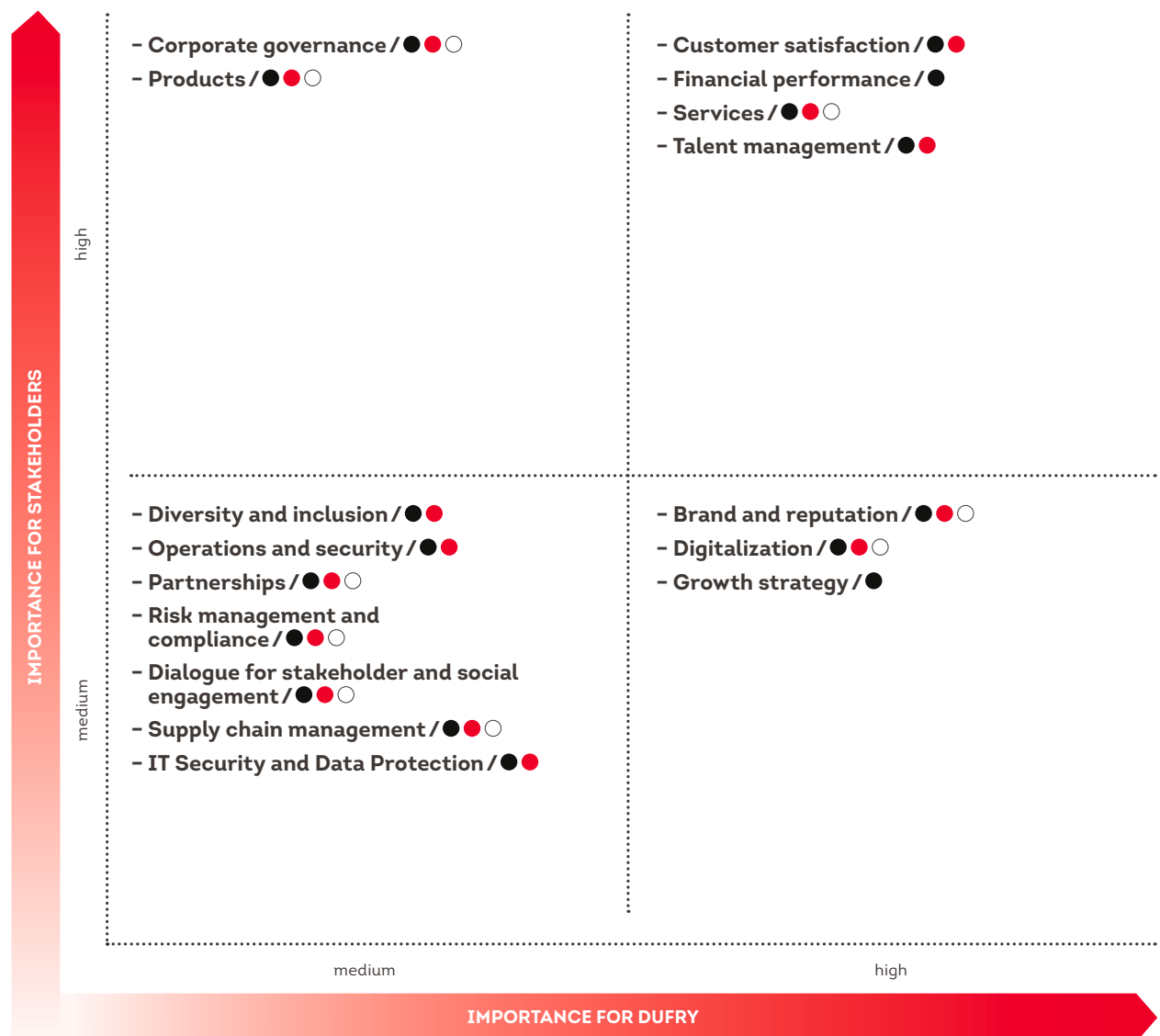
Our vision of sustainability however is not a static one, and every year we review our materiality matrix to ensure it remains accurate and that the information reported is relevant for our stakeholders. In this regard, during 2019 we have revised the social, environmental and economic impacts of our business, and consequently evolved the material topics of our ESG Reporting by including Data Privacy and IT Security amongst the key topics of our reporting. With the addition of Data Privacy and IT Security, the list of topics totals 16, all listed in Dufry's Materiality Matrix.

Stakeholder interaction and dialogue

Engaging with our stakeholders on a regular basis to understand their expectations, needs and concerns is part of our ongoing commitment to sustainability. For 2019, the group of relevant stakeholders included in our materiality assessment remains valid, and includes, airports and other landlords, customers, employees, investors (incl. shareholders, bondholders and lending banks), public authorities, suppliers, media and communities.

We interact with our stakeholders in a number of different ways, both formal and informal.

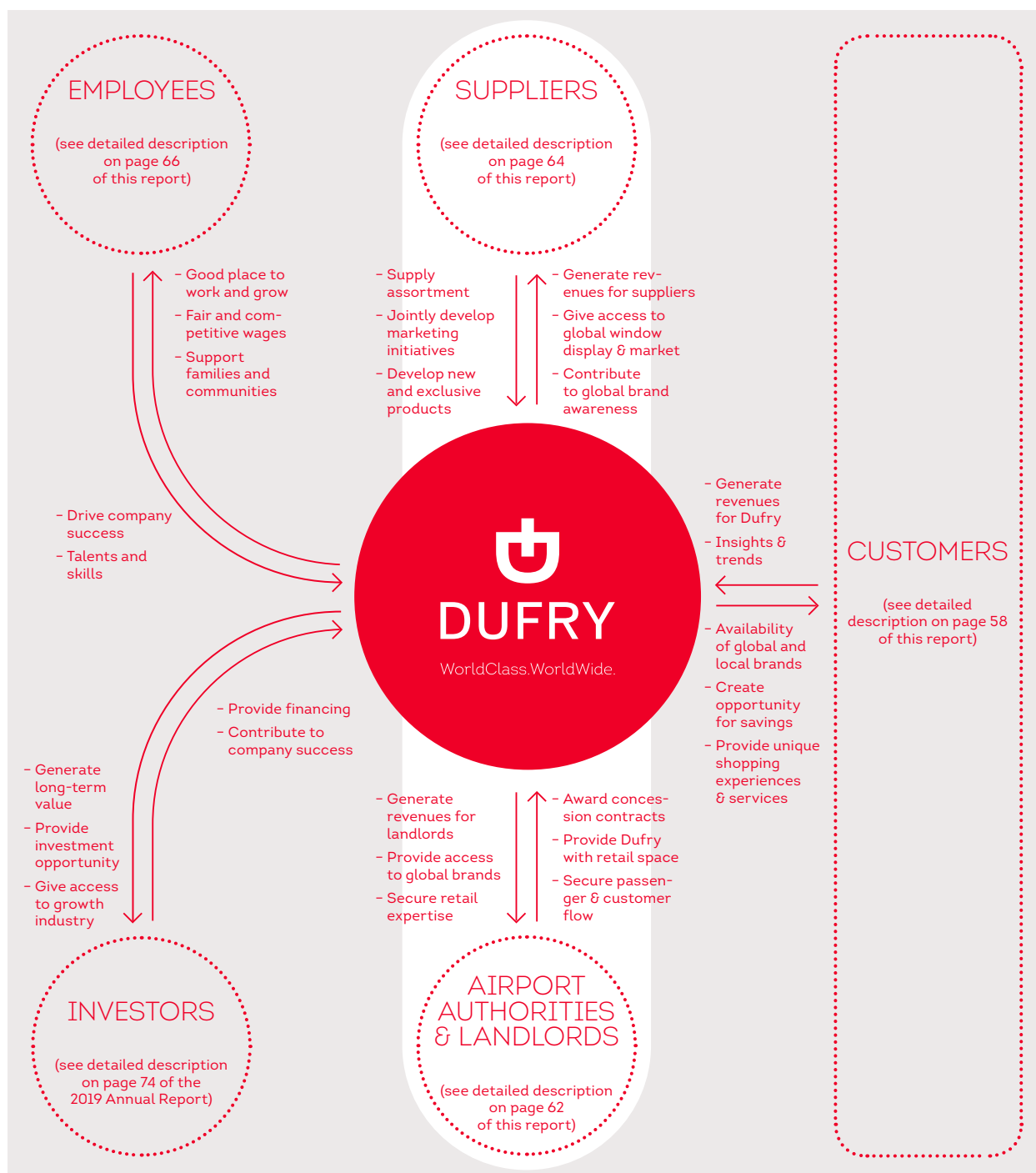
MATERIALITY MATRIX



● = economic ● = social ○ = environmental dimensions Note: Within boxes topics are listed in alphabetical order

The graphic below shows our interaction with the core ones. Especially remarkable is the interaction with both suppliers and landlords, which permits Dufry to provide superior service to our customers. Known in the industry as the Trinity (airport authorities & landlords, retailers and suppliers), the tight lines between these three groups permit to improve dialogue and mutual understanding between landlords, retailers and suppliers to the benefit of our customers. Beyond the Trinity described above, our employees and investors are the other two key stakeholders contributing to our company's success.

DUFRY STAKEHOLDER ECOSYSTEM



While the ecosystem on the left page shows the interaction with the core group of stakeholders, Dufry also holds relationships with additional groups of interest, which include:

- **Travel Retail Associations and Industry Bodies** – Dufry is an active member of each of the regional and national associations in the countries and regions in which it operates (see pages 64/65) and is proud to have senior staff members on the Board of some of the most respected industry bodies – ETRC, MEADFA, IAADFS, ASUTIL or the Duty Free World Council. This gives Dufry a voice in industry debates, ensuring that it plays a proactive role in shaping the industry's future.
- **Government & Public Institutions** – The relationship with this group is of major importance, as they are the generators and guardians of laws and regulations that circumscribe Dufry's operating environment. New laws and regulations can have a significant impact on the business and Dufry needs to be aware of any changes and be prepared to influence draft regulations and react to comply as needed.
- **Media** – an important group for Dufry as it permits the company to communicate with some of our main stakeholders. Dufry strives to build strong and close collaborative relationships with media and our communications teams maintain direct and long-term relations with media representatives and influencers and provide them with timely information on a wide range of global, regional and local topics.

- **ESG Community** – comprised of ESG rating agencies and the ESG community in peer companies of Dufry, the relationship with this group of stakeholders permits our company to have a better understanding of the main topics of concern on a global basis and identify areas of improvement on our ESG reporting and communication.
- **Communities and Charities** – As part of its social commitment, Dufry supports many activities in communities in which it operates. Dufry has a particular focus on education, youth development and charities for children and encourages its employees to work as active members at a local level. For detail information, please see our Community Engagement section in pages 78 – 85.

A step forward – UN Global Compact

The path initiated by Dufry in 2016 reached a major milestone in early 2020 when Dufry applied to become a signatory member of the United Nations Global Compact, the world's largest corporate citizenship and sustainability initiative. As a signatory, Dufry will support the Global Compact's 10 principles in the areas of human rights, labor, environment and anti-corruption, reinforcing the company's commitment to responsible business practices on a global basis.

By joining this initiative, Dufry is committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of the company, and to engage in collaborative projects, which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

IMPROVEMENTS CARRIED OUT DURING 2019

- ✓ Application as Signatory member of UN's Global Compact (early 2020)
- ✓ Strengthened Dufry's Code of Conduct to make it more comprehensive and detailed
- ✓ Increase of breadth and depth of HR data – which now covers 100 % of our workforce
- ✓ Successful roll-out of our HR employee platform, Dufry Connect, now covering 31,787 employees
- ✓ Engagement survey, aligned with our cultural transformation program ONEDUFY, completed
- ✓ Increased number of suppliers have signed our Supplier Code of Conduct
- ✓ Successful roll-out of Cybersecurity and IT protection training and communication campaign
- ✓ Strengthened governance structure with the implementation of the Lead Independent Director function – and having a board member overseeing Dufry's ESG strategy and engagement
- ✓ Revised and updated materiality matrix
- ✓ New channels of employee communications rolled-out
- ✓ Completed the setup of our distribution centers and their respective warehouses (Barcelona, London, Miami and Hong Kong) to further centralize distribution of products and reduce emissions
- ✓ Active participation in the ACI Europe Climate Task-Force

OBJECTIVES

For Dufry success goes beyond commercial and financial performance and we understand that our business activities also have an impact on the societies of the countries where we operate. Articulated under the three dimensions of sustainability, our long term sustainability objectives remain unchanged. Since 2019, Dufry supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption. In this regard, we are currently in the process of aligning our overall sustainability strategy with these ten principles. There are a number of on-going initiatives geared to achieve a more sustainable business, and these include:

- As the leading travel retailer, we aim to further improve the overall traveler experience – in our shops we welcome customers from over 150 nationalities every day – and initiate growth opportunities that benefit brands, airports and travelers alike. We understand that, by developing attractive shopping environments, we are directly and indirectly supporting the economies of the countries where we operate. Either by employing local staff, sourcing local products or by paying taxes, we support the development of local economies.
- Supporting the local economies through our workforce is another objective for Dufry. This we achieve by providing quality working conditions to our staff and by sharing the expertise and know-how gained by Dufry over the years in different markets, something we have transferred to all our operations through our staff training programs.
- Diversity and inclusion remains an area of focus for Dufry. Our corporate global initiative, women@dufry.com, which we launched in 2016 and which brings together female leaders across the business in a variety of functions and geographies, continued with the mission of ensuring women's advancement at Dufry. It supports talented women rise to leadership positions within the company, and helps employees to manage work, family and life-balance topics. The goal of this initiative is especially important to give visibility to women that are progressing in the company, as this gives inspiration to others. Other corporate initiatives, such as the talent program (more details available in the Social section of this report), strive to incentivize women's progression within Dufry.
- The ongoing development of a fair compensation and of the gender pay gap reduction program remained an important part of our efforts in 2019. Through different initiatives across locations such as the UK (one of Dufry's largest operations) and Switzerland, compensation schemes were analyzed and remediation plans established if needed.
- Fostering dialogue with employees is a vital part of our strategy, based on the understanding that our staff are our most valuable asset. In 2019, we conducted a new wave of the Engagement Survey with the participation of 25,213 Dufry employees – representing 73% of our workforce. This was the first survey after the roll-out of the global corporate initiative ONEDUFRY, aimed at harmonizing our corporate culture and values. It served to measure the level of assimilation of the program and the level of adoption of the drivers allowing Dufry to succeed in creating a great place to work and to drive results. Follow up meetings and plans to improve engagement are now being put in place and will continue over next year.
- Continue our plan to monitor our Supply Chain sustainability and include additional suppliers to acknowledge our Supplier Code of Conduct.
- Ongoing evolution of our ESG strategy: The implementation of the Lead Independent Director function strengthens our governance structure at the highest level. Amongst other attributions the function oversees the further evolution of the ESG strategy.

Further details on these topics can be found under the headings of the respective dimensions on the pages 84 – 100 of the 2019 Annual Report, as well as on pages 58 – 60 for customer and privacy related topics.

ECONOMIC DIMENSION



- Create a sustainable and profitable company.
- Foster customer satisfaction and shopping experience to trigger their recognition.
- Support local economies by buying local goods and services, paying local taxes and employing local staff.

ENVIRONMENTAL DIMENSION



- Minimize our environmental impact by operating an integrated and efficient logistics chain to transport products.
- Reduce our waste and energy consumption.
- Support our landlords in their initiatives to protect the environment.

SOCIAL DIMENSION



- Maintain quality work environments for our employees.
- Responsible procurement practices.
- Support the communities in which we live and work.

COMMUNITY ENGAGEMENT

For many years, Dufry has placed significant importance on supporting charitable causes as a way of giving back to society. This has been done in a number of ways, such as by making donations to non-profit organizations, supporting cultural events and entities or giving visibility to some social or humanitarian initiatives. And we intend to continue giving our strong support.

Sponsoring and supporting disadvantaged children, young people and their families, together with enabling them access to education, has remained the main line of action in our corporate community initiatives. At country level, similar projects have been supported and, in some of these operations, our employees have actively participated in the process of selecting the projects we support, reinforcing the engagement and motivation to collaborate with the initiatives.

We are very proud of the efforts carried out by our staff in supporting disadvantaged communities and charitable initiatives even during their free time. Where and when possible, we have supported and funded them and made the individuals and their great work visible to the rest of their colleagues, by using our internal communication channel. This serves a two-fold purpose by a) helping them to obtain additional support and b) it is a way of recognizing and thanking them for their philanthropic support.

Finally, it is also important to mention the role of our customers, who have helped us to raise additional funds with the purchase of certain products – including bottled water, chocolates and perfumes – in support of different NGOs, and by making donations in the boxes available in some of our airport locations.

The initiatives described below are just a short selection of the main projects we support. Our relationship with some of these charities has spanned many years, the earliest project having started in 1995, and we are very happy with the progress made so far. During 2020 we will unveil a cross-national charity project in collaboration with SOS Children Villages, one of our long-standing charity partners. So far we have confirmed the participation of Dufry stores in 23 countries and we expect this new project to help us boost the reach of our support even further.

SOS Children's Villages supported programs in Brazil, Mexico and Russia

Dufry and SOS Children's Villages have been working together for the past ten years, supporting families worldwide with the aim that no child should grow up alone. Back in 2009, Dufry started to sponsor a first project with preventive care in Igarassu, Brazil. The construction of a social center was a tangible example of investing in the care for children and youth. Dufry has been continuing to support the running costs and training classes of the center ever since. In 2019, our donation benefited nearly 400 infants, young children and teenagers with their mothers and enabled them to join family strengthening programs with child-minding and day care centers. In addition, we financed the yearly family-budgets, medical costs and school fees for children in the SOS Children's Village of Igarassu.

In Russia, Dufry has again been supporting the running costs of the SOS Children's Villages center in Lavrovo since 2015. Lavrovo lies in the heart of Russia, about 350 kilometers south of Moscow. The SOS Children's Villages considers foster care as a priority form of child upbringing in Russia. Dufry's funding in 2019 supported a child's village family during one year to receive the loving care and requirements to shape their own future. Starting in 2020 this program will be partly self-sufficient and partly financed by other sources. As an alternative Dufry will support a new project, a family strengthening program in Nairobi, Kenya.

In Mexico, Dufry supports SOS Children Villages Family strengthening programs in Comitán. The programs of SOS Children's Villages in the social center in Comitán ensure that children are included in early childhood development programs. Mothers have better opportunities to go to work and earn their own income, while counting on day care solutions for their children. Fathers receive rising awareness in educational matters and are better involved in family responsibility, improving the quality of life for these families. The financial support covers expenses for food, school expenditures, medical assistance and educational staff. Dufry's contribution in 2019 supported more than 1,000 beneficiaries.

Since 2013, Dufry has also run an additional financing channel to benefit the worldwide work of SOS Children's Villages, by installing coin collection boxes in various Dufry shops all over the world. To intensify the commitment with this organization, and in the context of the 10-year anniversary of our relationship, Dufry and SOS Children's Villages are now evaluating new plans to make the work of SOS Children's Villages even more tangible for Dufry shops, co-workers and partners. In cooperation with this organization, we will be deploying a new cross-national initiative that will serve to reach even more locations and engage with more customers and this will start to come to fruition in the first part of 2020. Each coin or note is a little milestone for the future of the children and youth at the different SOS Children's Villages projects.

One Water – selling bottles to provide sustainable clean water service

World Duty Free continues to be one of The One Foundation's main commercial supporters, a place it has held almost since the beginning of the partnership in 2016. World Duty Free sells the charity's bottled "One Water" and branded jute bags in all of its UK airport stores. To date, World Duty Free has raised £2.2 million for clean water and sanitation projects, changing in the process over 414,000 lives.

Broadening our community engagement with additional projects.

In 2019, World Duty Free has helped improve water services in low-income areas in Nairobi through the promotion of household connections and pre-paid water dispensers. World Duty Free's support has also helped to repair broken water points in rural communities in Malawi, to train community members to manage and maintain their water points for future sustainability, and to help deliver piped water systems in Rwanda. Over the years, World Duty Free employees have been selected to go on trips to Malawi as part of a staff incentive to celebrate stores that have shown the most growth in terms of sales. Employees who were nominated to go

on the trip are real advocates for the brand, and the experience provides them with a chance to see for themselves the work that One Water is doing. These journeys to Africa are a great way to inspire our staff to get involved and keep supporting the One Water projects, taking back to the stores and our customers, what they have learnt.

United Nations' global campaign #YouNeedToKnow

Achieving a more sustainable world is the ultimate goal of the United Nations initiative, #YouNeedToKnow. Started at the UN's Geneva operations a couple of years ago, #YouNeedToKnow is aimed at raising awareness for the 17 Sustainable Development Goals (SDGs) that were agreed by all 193 nations in 2015.

Since 2016, soon after the SDGs were set, Dufry has been supporting the initiative by giving visibility to the 17 SDGs and the #YouNeedToKnow campaign. Every year, a key event is marked in the agenda – the World Economic Forum in Davos, Switzerland. At Zurich Airport, Switzerland's main hub for serving international flights, many of the World Economic Forum delegates arrive and/or travel through this airport. Our Swiss team, in coordination with the UN, runs special activities in this airport, sharing with passengers the importance of the SDGs and the role that each individual can play in order to achieve them. Similar activities are performed by our team at the Basel Airport.

One of the major communication tools for the campaign is a booklet, developed by the UN called "170 daily actions to transform our world". It offers examples of small and incremental – but also fundamental – changes everyone can adopt to live responsibly and to be accountable to the next generation. Some of the actions described in the booklet will become a central piece of a joint campaign by the UN and Dufry and will be launched across Dufry's network in early 2020.

Continuation of Charity Water Project in Zurich and Basel Airports

The Charity Water project was launched in 2014 as a joint project between Flughafen Zürich AG and Dufry. Since then, Zurich duty-free mineral water has been sold in favor of several charity organizations, which are usually changed every year. The newest one is the one started this year with "Schweizer Berghilfe" (Swiss Mountain Aid), an NGO which supports communities and projects in the Swiss mountains. Swiss Mountain Aid is an organization exclusively financed by dona-

tions, with the aim of improving the livelihoods and living conditions of the people in the Swiss mountain area. It promotes the self-help of the mountain population and thus helps to develop many economic and living spaces, to preserve the regional culture and to cultivate the cultural landscape. In the 12 months supporting Schweizer Berghilfe the initiative raised CHF 426,400 for the NGO's projects.

Since mid-September 2019, the Children's Hospital (Kispi) Zurich is being supported by Dufry. The Children's Hospital is a non-profit private institution serving all children and adolescents. It is the largest university children's hospital in Switzerland and one of the leading centers for pediatric and adolescent medicine in Europe. Each year, approximately 2,300 dedicated employees are committed to the well-being of more than 100,000 young patients from the first day of life to the age of 18. A similar activity is also carried out at Basel Airport, in partnership with the NGO Krebskranke Kinder in support of Children with Cancer.

Dufry continued to support Foundation RgZ, which is supporting the development, way of life and social integration of children, teenagers and adults with movement disorders, development problems and mental and/or multiple disabilities, regardless of the severity. The 260 RgZ employees foster, teach, support and engage more than 2,700 children, young people and adults every year in the greater area of Zurich, Switzerland.

Sponsoring children's education in Haiti

During 2019, Dufry also continued its support to the Hand in Hand for Haiti Foundation, with the sponsoring of their Student Sponsoring Program. Hand in Hand for Haiti runs the "Lycée Jean-Baptiste Pointe du Sable", which was built as part of the collective response to the humanitarian crisis in Haiti, following the catastrophic earthquake of January 12, 2010. Located in the village of Saint Marc, north of Port-au-Prince, the school provides trilingual education in French, English and Creole to pupils. Dufry's donation in 2019 supported 25 students to receive free education and it also covered the costs of meals, health services, uniforms, school supplies, and bus transportation to and from the school.

Rio de Janeiro, Brazil – Helping to build the future of young teenagers

Since 1995, Dufry has been sponsoring a social promotion program in Rio de Janeiro, offering free professional education to 30 young people every year from communities around Galeão Airport. Every day, these teenagers go to the program where they participate in various classes and education modules such as English, computer classes, retail operations, professional orientation, teamwork, leadership, rules of etiquette, ethics and citizenship. Classes can be attended by 16 to 20 year-old female or male teenagers. The students also receive free meals, medical and dental care, uniforms, school and educational material, as well as transportation assistance. Dufry supports the students with their career progression too, alerting them to any job opportunities within Dufry's organization, or with external partners. Employability rates usually reach high levels for those teenagers taking part in the program. Since its beginning over 24 years ago, the program has benefited almost 730 teenagers in total.

Dufry employees are extremely proud to be involved in this initiative and regularly participate as volunteers, as well as acting as mentors to individuals taking part. Every year, 60 volunteers from Dufry and other partners are involved in this important social action.

Support of disadvantaged children remains our main line of action.

Hudson Group supports Communities in Schools in the United States

In 2019, Hudson Group, Dufry's North American business, continued its long-term partnership with Communities in Schools (CIS), the largest and leading dropout prevention group in the United States, through its fund-raising program.



1

2



1 **IGARASSU | BRAZIL**
Dufry continued to sponsor SOS Children Village preventive care in Igarassu, Brazil.

2



2 **COMITÁN | MEXICO**
SOS Children Village in Comitán, Mexico, improves education and quality of life.

CIS and its over 160 local affiliates in the United States work directly inside schools, building relationships that empower at-risk students to stay in school and succeed in life. The organization works with nearly 1.5 million students and is proud of its success rate: 99% of their students stayed in school and 93% of their seniors graduated or received a GED (General Education Development credential). To date, Hudson has raised and donated over \$3 million for the cause, and has also supported various local programs in the communities we serve, including schools and libraries.

Manchester HOME project

Opened in 2015, HOME is Manchester's cultural organization founded by the merger of two of the city's long-standing arts venues – Cornerhouse, established in 1985 and the Library Theatre Company, founded in 1952. World Duty Free's partnership with the Greater Manchester Arts Centre (HomeMcr) supports work with local schools, youth centers and community centers in the Wythenshawe area (south of Manchester).

Since 2016, World Duty Free has funded workshops at The Wythenshawe Community Workshop and projects at the Wythenshawe Primary & Secondary School. These projects provide opportunities to young people and pupils to expand their horizons, develop new skills and increase their confidence. The opportunity for children and young people to take part in creative workshops that help to develop a range of skills, are fun, but most importantly, the projects give the group a chance to maximize their potential for future training and employment.

World Duty Free's support allowed 196 participants from 7 different groups to take part in a total of 16 workshops in 2019. There were 2 building tours and 3 showcase events attended by 551 people. 81% of high school pupils reported that they felt more confident following participation and 72% reported that they felt more comfortable speaking in front of the class. World Duty Free will be continuing to support similar activities in 2020.

Mind – a new charity partner in the UK for 2019 – 2021

At the end of 2018, Dufry UK employees selected their charity partner for the next three years. We were delighted to start supporting Mind, the mental health charity supporting individuals who suffer from mental health problems, as of January 1, 2019. Mind won't give up until everyone experiencing a mental health problem gets both support and respect. Mind empowers people through advice, support and clear information. They campaign to improve services, battle stigma and end discrimination. As well as having a national reach through this work, they also have local presence across England and Wales through their network of 130 local Minds.

During our 3-year partnership, we have pledged to raise over £150,000 to support Mind's varied and holistic services. This includes online peer-to-peer support and a mental health Infoline, which received around 120,000 calls last year. The £50,000 that Dufry plans to raise each year could enable just under 10,000 calls to that busy Infoline; each response providing clarity and comfort when it's needed most.

In addition to supporting Mind, staff in Scotland and Northern Ireland will be supporting the Scottish Association for Mental Health (SAMH) and Inspire respectively. All three charities work towards the shared goal of supporting people with mental health problems and promoting awareness and understanding of mental health.

The first year has gone incredibly well with over £55,000 raised in total for the three charities. This has been raised through a range of activities including staff tester sales, brave skydives, bake sales on World Mental Health Day, and of course, generous donations from our customers into till point collection pots in the terminals. To bolster our fundraising during winter, we proudly promoted sales for Meghan the Christmas Bear with a £1 donation to Mind, SAMH or Inspire (depending on location of sale) for every bear sold.



3

3 NAIROBI | KENYA

In 2019, Dufry has supported the improvement of water services in Nairobi, Kenya.

Special Olympics support in Greece

Hellenic Duty Free Shops sponsored Special Olympics Hellas and created a special shopping bag to support this sports organization for athletes with intellectual and physical disabilities. With the support of all the staff more than 8,000 bags were sold, resulting in funds of more than €16,000 donated to the Special Olympics. Bloggers and influencers promoted the Special Olympics in their blogs and social media pages, as part of the dedicated PR program developed by our team in Greece.

At the "2019 Special Olympics World Games" in Abu Dhabi, which took place from March 14 to 21, 2019, the Greek delegation consisting of 91 people achieved a great performance that surpassed any previous results. The athletes returned to Greece with 64 medals (27 gold, 20 silver, 17 bronze).



3



4

4 RWANDA

In Rwanda, One Foundation trains community members to manage and maintain water points.

Humanitarian help in Mozambique

Dufry has donated 591 aid kits to the ASEM orphanage in Beira, a town heavily affected by the March 2019 Tropical Cyclone Idai in the central-east part of Mozambique. Beira is located about 1,200 km north from Maputo, the capital city of Mozambique, where Dufry operates stores at the airport.

The devastation caused by the cyclone in Mozambique North of Beira in March 2019, left 1.85 million people in need of humanitarian assistance. Due to the floods, many children have sadly lost relatives or have been separated from their families. They're also particularly vulnerable to deadly diseases like cholera and malaria in these dangerous conditions.

The kits included essential, nonperishable food items, including rice, biscuits, milk powder, flour, pasta, sugar and soya oil as well as soap, all packed in a plastic bucket that can be used to transport and to store water.

Hand in hand with the Rotary Club in Maputo, that supported Dufry in identifying where our contribution was most needed, and with the Rizwan Adatia Foundation that helped to prepare the kits and transported them from Maputo to Beira, the aid has been successfully delivered. The orphanage received the kits under the direct supervision of both Dufry's General Manager in Mozambique, Mario Dinis and ASEM founder, Barbara Hoffman. The Rotary Club in Beira also attended.

Ladybug Dufry École Maternelle – Kindergarten project in Senegal

In September 2019, the NGO Formacion Senegal completed the construction of the Kindergarten Ladybug École Maternelle in Nguiguiss Bamba, in the Louga region of Senegal. This school, 100 % funded by Dufry, can host 60 children aged between 0 and 7 years old and has been placed near a training and work cooperative, also built by this NGO, which is empowering over 140 women in the region. The location of this kindergarten close to the workshop allows women to leave their children being looked after, while they build their skills and develop their professional activity. The school project financed by Dufry provides children with early stimulation techniques and essential learning for young children. This is a pioneer initiative in this area of the Sahel, where schooling – in the best case scenario – usually doesn't begin until the age of seven. In addition to the construction of the infrastructure and the provision of resources, specific training will be carried out for three local people to permanently perform the functions of caregivers/teachers.

Ethiopian Enterprises

Dufry supported Ethiopian Enterprises to run its popular Raffle Rapture, celebrated every year during the Ethiopian New Year on September 11. Proceeds of the raffle were used to finance infrastructure for Ethiopian Enterprises's Arts&Crafts building at Lemlem Baro School. This center provides invaluable art and crafts lessons for their school students and also offers additional courses to both children and adults from the community.

Further donations and cultural events

Dufry supports many other social projects with local activities in countries in which it operates. In Spain, Dufry employees from Barcelona, Bilbao, Madrid, Sevilla and Valencia operations participated in several running events organized by Action Against Hunger as part of the Intercompany Challenge in the months of October and November 2019. For every kilometer run by a Dufry employee, the company funded 10 days of child nutrition treatments. With their efforts on the track, Dufry runners managed to raise over 7,830 days of nutritional treatments, a 40 % increase versus the previous year, equivalent to covering the treatment of 780 children with severe malnutrition.

During the Christmas campaign, Dufry Spain partnered with SOS Children Villages and the Spanish airport landlord AENA to jointly promote the sale of two products – Carremi Nougat – a popular Spanish product during Christmas – and one of the best-sellers perfume brands, Tous. Benefits from the sale of these two products were donated to SOS Children Villages and helped to refurbish an upgrade of the facilities of one of their children's homes in Spain.

In Turkey, Dufry entered a charity run with 40 employees. The aim was to support disadvantaged children with their education and the Dufry team managed to collect substantial funds for this purpose. Dufry also continued its ongoing collaboration with WWF and supported their Green Office program. The goal of this program is to reduce the ecological footprint, combat climate change and promote sustainable lifestyles in offices and beyond.

In Greece, Dufry also continued its long-term partnership with the Hellenic Red Cross, supporting their refugees program by giving monetary support and donating products to the organization for use in their lotteries and raffles to raise much needed funds.

In Australia, Dufry is a supporter of the Diamond Dinner for the Children's Cancer Institute. In 2019, this fundraising event once again brought together over 250 high-net worth individuals, celebrities and industry leaders to support the work of the institute that is wholly dedicated to childhood cancer. Dufry was the sponsor of this event and also displayed donation boxes at till points in our stores.

In Armenia, we have supported a Children's Cancer association as well as a project to build playgrounds, smart centers for kids and adults and the provision of medical devices to hospitals in depressed villages in this Country.

In Korea, through different donations, we support local students with high school scholarships, English classes for children of low-income families and Korean language teaching for multicultural families. In Jordan, Dufry employees supported SOS Children Villages joining an entertainment trip for orphans and adoptive parents, giving food and educational games to inspire creativity and their involvement in the society. The activity benefitted 25 children and 7 mothers.

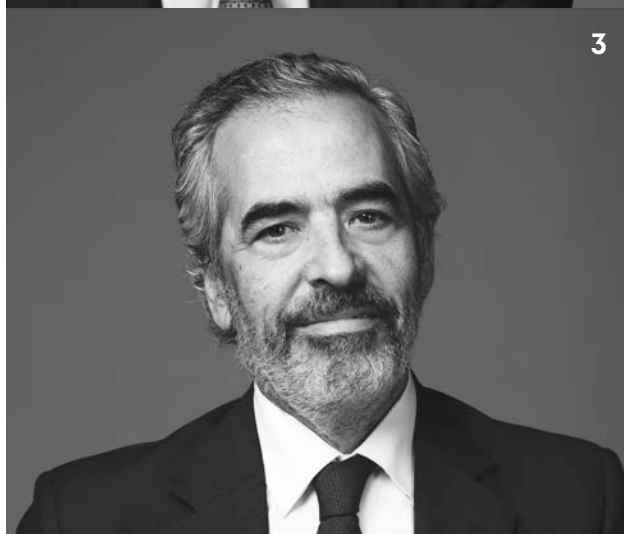
The annual sponsorship of cultural events also continued. Many local community events such as the Swiss Indoor tennis tournament in Basel, the Mutua Madrid Tennis Open, the Baloise Session, a three week music festival in Switzerland or the Fondazione Teatro Donizetti in Bergamo, Italy, received our support.

Having a broad and worldwide network of travel retail shops not only has an advantage for Dufry as the leader in our industry, but it also gives us a unique opportunity to spread the support of social programs worldwide. In many shops we maintain donation boxes and encourage our customers to participate in supporting specific local programs or helping victims of natural disasters. The amounts collected every year are truly surprising and we thank all participants for their generous donations. The charities that we pass them to welcome and really appreciate them.

Last but not least, there is a long list of causes our staff contribute to and help with their efforts, either by baking cakes for selling, looking for sponsors for sports challenges, or by helping colleagues and neighbors affected by natural catastrophes. Dufry has often facilitated the communication and the celebration of such events and in some cases, also contributed to and helped raise funds for these causes.

GLOBAL EXECUTIVE COMMITTEE MEMBERS

- 1 Julián Díaz González
- 2 Yves Gerster
- 3 José Antonio Gea
- 4 Luis Marin
- 5 Pascal C. Duclos



- 6 Eugenio Andrades
- 7 Javier González
- 8 René Riedi
- 9 Andrea Belardini
- 10 Roger Fordyce



AWARDS RECOGNIZING EXCELLENCE IN TRAVEL RETAIL

2019 AWARDS

Dufry constantly strives for operational and business excellence at internal and external level. As in previous years, this has been recognized by the outside world. Dufry is delighted and proud to have received a variety of awards, which reflect its competence as the leader in travel retail worldwide.

DFNI Product Awards 2019

Dufry's new Lindt Chocolate Boutique, which opened at Zurich Airport in April 2019, was awarded in the category "Best New Store" in the DFNI Awards celebrated early end-of-year 2019. The store is an excellent showcase for the famous Swiss chocolate brand. The 130 m² outlet brilliantly engages with millennial travelers courtesy of a fun Magical Selfie Mirror, while the Lindt Master Chocolatier station, Pick 'n' Mix Paradise unit and Gifting Station cater superbly to different confectionery purchasing motivations.

Sunglasses Awards

In the annual Sunglasses Workshop & Awards in Cannes held during the TFWA World Exhibition and Conference, Dufry achieved two awards: 'Best Dedicated Sunglasses Sales Team' for its team at Zurich Airport and 'Best Marketing Activity: On-Airport'.

Duty Free Readers' Choice Awards

Dufry Group won the recognition as the "Best Airport Retailer" in the Americas in the 2019 Regional Duty Free Readers' Choice Awards. The readers of the Americas, Asia and Gulf-Africa Duty Free & Travel Retailing magazines chose the winners by voting online in seven different categories for each of the three regions.

ACI-NA Concessions Awards

Airports Council International-North America (ACI-NA) recognized Hudson in three different categories. The Ink by Hudson store at Tucson International Airport won 1st place in the category 'Best New News & Gift Concept'; the MAC Lips concept implemented at O'Hare International Airport won 2nd place in the category 'Best New National Brand Concept'. And finally in the category 'Best New Local Concept' McNally Jackson Books at LaGuardia Airport got the 2nd place and Palmetto Distillery at Greenville-Spartanburg International Airport the 3rd place.

Mejores Patronos and Best Employer

Dufry Puerto Rico has been awarded 'Mejores Patronos and Best Employer' in the 2019 edition of the awards by the consultancy Kinecentric, in recognition of its high international standards.

The full list of awards won is available at:
www.dufry.com/en/company/our-awards

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