

UN Global Compact Communication on Progress 2022

WE SUPPORT



DUFRY

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STATEMENT OF THE CHIEF EXECUTIVE OFFICER

2022 has been a positive year for Dufry and the company has delivered a strong performance. This is all the more remarkable considering the various geopolitical and economic challenges seen throughout 2022.

Our commitment to advancing the development of our Environmental, Social and Governance (ESG) engagement in line with the growth of our business has continued throughout 2022. Moreover, ESG has been set as one of the four key focus pillars of our new company strategy Destination 2027.

As a signatory member of the UN Global Compact, we have worked towards ensuring that the Ten Principles are embedded in the Group's business strategy and integrated into the day-to-day operation of our company. This includes our continuous fight against bribery and corruption, the collaboration with our partners to protect human rights and labor standards, as well as the several initiatives to reduce our environmental impact.

In 2022, we have further increased transparency and disclosure of our ESG efforts with the publication our first TCFD Report (Task-Force on Climate-Related Financial Disclosure), where we outline risks and opportunities that climate change poses for Dufry's business and explain how we can overcome or benefit from them. With respect to environment, we have made significant progress in our emission reduction plan. Beyond receiving approval of our emission reduction targets by the Science Based Targets initiative (SBTi), we have already substituted 20% of our electric energy consumption (base year 2019) with renewable energy – equal to the total electricity consumption of our operations in Brazil, Greece, Switzerland and the UK. Moreover, we have introduced a supplier and logistics provider engagement process, to reduce Scope 3 emissions in line with our set objectives.

Dufry has also made progress in a number of ongoing initiatives, including the replacement of shopping carrier bags for more sustainable options and the development of our sustainable product identification initiative, to support our customers in making responsible product choices.

Diversity & Inclusion (D&I) remained an important area of focus in 2022 as well. First, we introduced a series of D&I training sessions sponsored by the members of the Group Executive Committee and myself. These trainings explain why D&I is fundamental and how we can improve inclusive behavior within our company, our customers and the communities in which we operate. Then we conducted our second D&I Survey involving Dufry employees across all countries. The findings of this survey will serve help us to develop targeted initiatives to further support employees to better manage work, family and life-balance topics. A detailed overview of all our initiatives is available in both this Progress Report and the 2022 Dufry Annual Report.

While we are pleased with the ESG milestones and accomplishments achieved throughout 2022, our ambition is high and we will continue to foster our engagement over the coming year. Our commitment to the 10 principles remains strong and more present than ever at all levels of our organization.



Xavier Rossinyol
Chief Executive Officer, Dufry

| Principle | Our Vision | Specific Measures |
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| HUMAN RIGHTS & LABOR | | |
| <p>Principle 1: Businesses should support and respect the protection of international human rights.</p> <p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses.</p> | <p>Dufry’s commitment to Human Rights is addressed in the Dufry Code of Conduct and the Dufry Supplier Code of Conduct. Both of these codes are built on the basis of globally recognized principles – like those established by the International Labor Organization (ILO) and the United Nations – and set the expected behavior of both Dufry employees and its suppliers when it comes to the protection of Human Rights and Labor Practices. Both of the codes are publicly available at the company’s website www.dufry.com.</p> <p>Dufry also has strong internal compliance bodies and mechanisms to ensure that its employees are educated in the matter and to control the existing codes and policies regarding the protection of Human Rights.</p> <p>More details are available in the Trusted Partner chapter of Dufry’s 2022 ESG Report.</p> | <p>✓ In 2022, we have further increased the reach of our supplier certification process by adding additional providers from all main product categories – from 117 by the end of 2021 to 152. These suppliers represent 59% (2021: 52%) of the Group’s procurement budget (COGS). As of 31 December 2022, suppliers accounting for 52% of Dufry’s overall procurement budget had accepted or acknowledged the Supplier Code of Conduct (2021: 45%). On top of monitoring suppliers to ensure compliance with the principles stipulated in Dufry’s Supplier Code of Conduct, the Company will continue to reach additional suppliers going forward.</p> |
| <p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> | <p>Dufry respects legally recognized unions and internal forums created to represent its employees’ interests as well as the right of its employees to collective bargaining. In this regard, the company has a policy tailored to each location, subject to the specific laws and regulations.</p> <p>More information is available under the Freedom of Association section of the Employee Experience chapter of Dufry’s 2022 ESG Report.</p> | |
| <p>Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.</p> | <p>We offer and promote working environments where everyone receives equal treatment, regardless of gender, color, ethnic or national origins, disability, age, marital status, sexual orientation or religion. In addition, we adhere to local legislation and regulations in all the countries where we operate. Any kind of child labor or forced labor is strictly forbidden and clear recruitment procedures and regular workplace controls ensure that this never occurs at any location. All this principles are covered in Dufry’s HR Policy, available on the corporate website www.dufry.com.</p> | <p>✓ In 2022, we have conducted a series of D&I training initiatives such as among others a masterclass in groups of 20 attended by over 300 senior leaders and their direct reports as well as a video-training campaign, reaching all our employees. Details are available in the Employee Experience section of Dufry’s ESG report.</p> |
| <p>Principle 5: Businesses should uphold the effective abolition of child labor.</p> | <p>Additional information is available in Dufry’s Code of Conduct, Dufry’s Supplier Code of Conduct and the Employee Experience chapter of Dufry’s 2022 ESG Report, all disclosed on the company website.</p> | <p>✓ Moreover, we have conducted our second Diversity & Inclusion (D&I) survey covering 100% of our global employee base to identify opportunities to further evolve our D&I engagement and targeted initiatives. The response rate of over 63% provides a good base to understand our staff’s main D&I issues and concerns.</p> |
| <p>Principle 6: Businesses should uphold the elimination of discrimination with respect to employment and occupational activities.</p> | | <p>✓ We have progressed with the rollout of the employee communication tool – Beekeeper – to connect with non-desktop staff, now reaching over 90% of our headcounts.</p> |

Principle

Our Vision

Specific Measures

ENVIRONMENTAL PROTECTION

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Dufry follows a consistent process to assess its operations from an environmental perspective, to identify the current and future environmental impacts of its activities and to promote initiatives that respect the environmental balance.

✓ Early 2023, SBTi validated Dufry’s emissions reduction target following the SBTi criteria. These objectives are the following:

Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility.

Moreover, Dufry has established Environmental Management Guidelines applicable to all group entities which define environmentally acceptable practices. Additionally, the company undertakes initiatives geared to reduce the environmental impact of its operations and engages with other stakeholders – such as suppliers and airport partners – to collaborate in achieving this goal.

- Dufry commits to reduce absolute Scope 1 & 2 GHG emissions by 94.2 % by 2030 from a 2019 base year
- Dufry commits to increase annual sourcing of renewable electricity from 0 % in 2019 to 100 % by 2025 and to continue annually sourcing 100 % renewable electricity through 2030.
- Dufry commits that 74 % of its suppliers by emissions covering purchased goods and services will have science-based targets by 2027.
- Dufry commits to reduce absolute Scope 3 GHG emissions of upstream transportation emissions by 28 % by 2030.

Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies.

More information is available in the Protecting Environment chapter of Dufry’s 2022 ESG Report.

✓ We have already substituted 20% of our electric energy consumption with renewable energy in 2022 – equal to our total electricity consumption of our operations in Brazil, Greece, Switzerland and the UK – and we have setup a supplier and logistics provider engagement process to reduce scope 3 emissions to reach our set objectives.

✓ We also continued implementing our plan to phase-out plastic carrier bags and replacing them with more sustainable options now covering 26 countries.

✓ We have continued our Sustainable Product identification initiative highlighting those products that are aligned with customers’ personal values and which fulfill defined sustainability criteria, and so helping our customer make more sustainable product choices. We have published our first TCFD Report for the 2022 business year in early 2023, outlining climate change risks and opportunities for our business.

ANTI-CORRUPTION

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

As stipulated in Dufry’s Code of Conduct and Supplier Code of Conduct, Dufry has a zero tolerance policy towards bribery and corruption. In this regard, the company has established strong control and education bodies to ensure all of its employees understand the company’s position and guarantee compliance with the principles established in the Dufry Code of Conduct.

✓ During 2022, we have continued deploying and repeating our compliance training for our managers at all levels of the organization and across all the regions. 740 managers were trained or retrained during 2022. Compliance training is also extended to non-managers and reaches over 14,500 employees via online update trainings and communications campaigns.

More information is available in the Trusted Partner chapter of Dufry’s 2022 ESG Report.