Avolta

Annual Report 2023


You have reached your destination.
Avolta

Avolta

Business Review 2023

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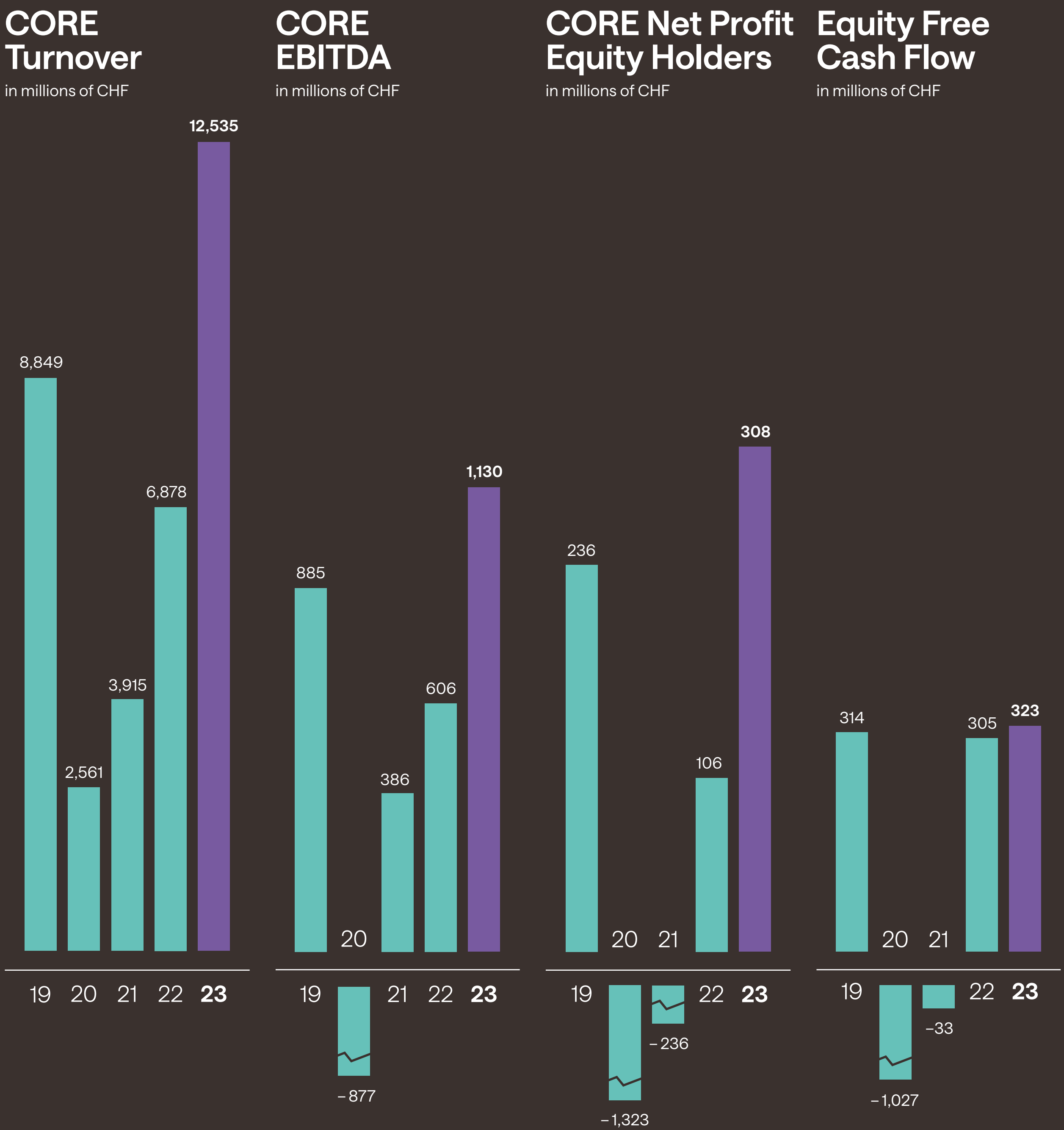
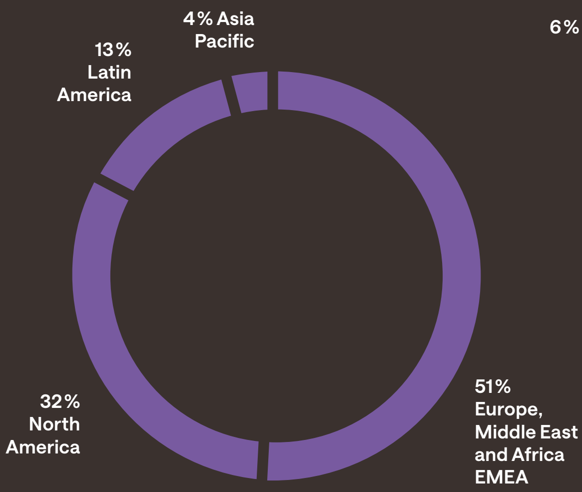
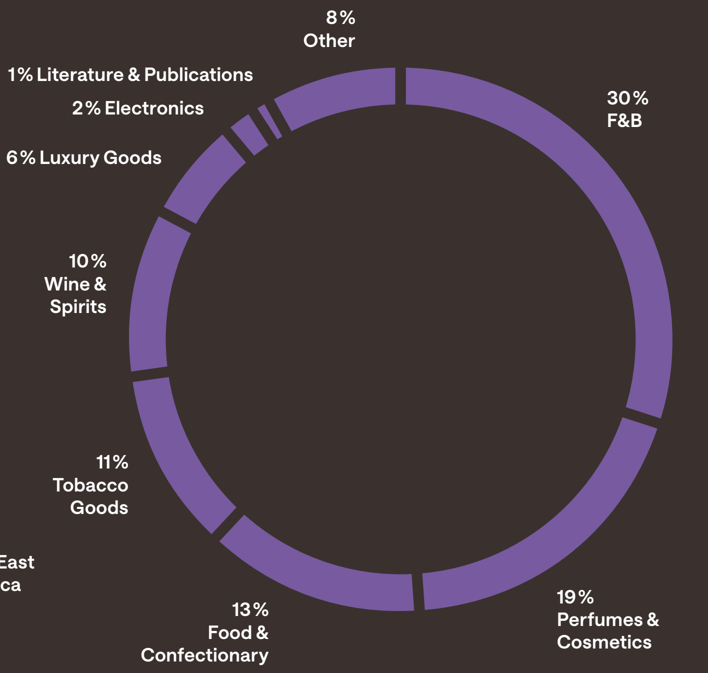
Avolta at a glance



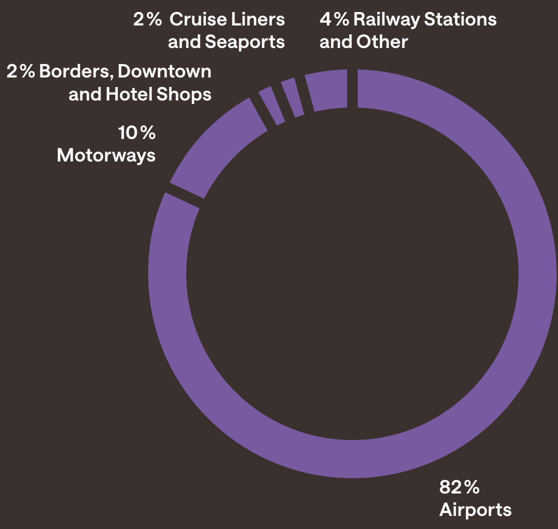
Net Sales by Region



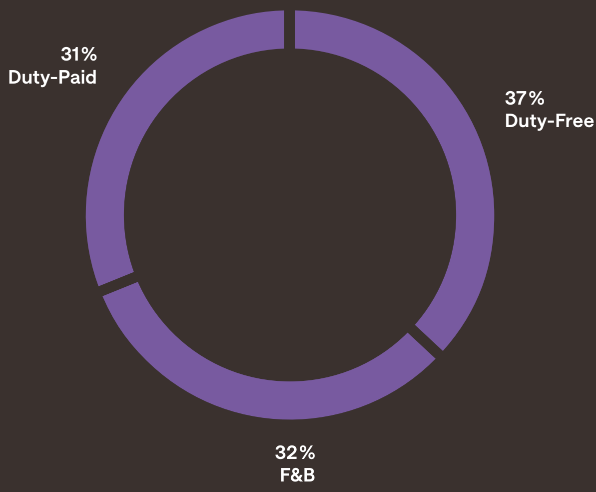
Net Sales by Product Category



Net Sales by Channel



Net Sales by Market Sector



Highlights 2023

Avolta – new company name launched and business combination completed.

On November 3, 2023, Dufry's shareholders approved the name change to Avolta, with an overwhelming majority of 99.77 % of the votes represented. The business combination – now under the new common name Avolta – has been successfully completed.

CHF 12,534.6 million CORE Turnover, 21.6 % CORE organic growth and 9.0 % CORE EBITDA margin.

Resilient travel demand with spend-per-passenger above pre-pandemic levels, resulted in strong CORE organic growth of 21.6 % YoY. Target CORE EBITDA margin was reached ahead of time.

Full CHF 85 million synergies expected in 2024, one year ahead of plan.

In 2023 CHF 30 million business combination synergies were realized, setting the base to deliver the full CHF 85 million in 2024, one year ahead of plan. Integration costs were cut by half with respect to the former estimated CHF 100 million and amount to CHF 25 million in each of the business years 2023 and 2024.

Net debt position further decreased to lowest level since 2015.

Avolta's net debt further decreased ahead of plan and reached CHF 2,696.1 million as of December 31, 2023, meeting covenant thresholds ahead of the required timing.

Strong cash flow generation confirmed.

Avolta confirmed its strong cash flow generation capability with Equity Free Cash Flow (EFCF) reaching above target CHF 323.0 million in FY 2023.

40 % Electricity consumption replaced with renewable energy.

In line with its target to eleminate emissions for Scopes 1 & 2 by 2025 for its retail business (Dufry scope base 2019), Avolta has increased the replacement of electric energy consumption with renewable energy sources from 20 % in 2022 to 40 % in 2023.

Joint ESG Strategy and Materiality Matrix implemented.

As one of the key business combination steps in 2023, Avolta has developed and implemented a fully integrated ESG Strategy and defined the new double materiality matrix for the combined company.

Avolta's TCFD report extended to cover full company scope.

In 2023, Avolta has further extended the scope of its TCFD Report – first published in early 2023 – to now cover the full scope of the combined company.

Successful extension of the Spanish concession contracts.

In 2023, Avolta successfully renewed the vast majority of its Spanish airport operation concession contracts for twelve years. The new contract encapsulates 21 airports with 120 outlets covering around 60,000 m^2 and serving approximately 132 million travellers annually (base 2019).

Message from the Chairman of the Board of Directors

Juan Carlos Torres Carretero
Chairman of the Board of Directors

Dear Shareholders,

Throughout 2023 the travel retail and F&B industry saw a strong momentum in demand and an ongoing resilient recovery. Airlines, airports, and other travel channel operators continued to build up capacities to manage the steadily increasing number of travelers.

This was a welcome evolution, confirming the historic resilience of the travel retail and F&B industry. Despite temporary disruptions, society's willingness to travel remained unbroken, and we expect this momentum to continue into 2024.

In addition to the favourable environment, three key developments shaped Avolta's evolution: long-term growth, sustainable profits and robust cashflow in the 2023 business year.

First, we sustained consistently high operational performance, building on the acceleration seen in 2022.

Second, we completed critical milestones in the business combination with Autogrill, a pivotal component of our «Destination 2027» strategy.

The emergence of the new global travel experience player is now a reality.

Third – the culminating and unifying element in our transformation – we renamed our company from Dufry to Avolta. The new name reflects our expanded scope and offers an enriched set of opportunities for all our stakeholders, in particular, for you as our valued shareholders.

From a performance standpoint, we benefitted from a global increase in demand, bolstered by our customers' unwavering propensity to travel and to spend. These positive trends are reflected in our operational results.

Our Consolidated CORE Turnover rose significantly, reaching CHF 12,534.6 million (2022 proforma: CHF 10,804.8 million), with CORE Organic growth of 21.6 % on the previous year proforma.

Our full-year 2023 CORE EBITDA, relying on strong commercial performance, increased productivity, and early synergy effects, amounted to CHF 1,129.6 million (2022 proforma: CHF 941.4 million), equal to a further improved CORE EBITDA margin of 9.0 % despite ongoing geopolitical and macroeconomic challenges.

Equity Free Cash Flow (EFCF) reached CHF 323.0 million (Dufry FY reported 2022: CHF 305.2 million) thus exceeding our expectations at the beginning of the year. The overall positive trend in results is evident in our CORE Net Profit, which rose to CHF 456.8 million (compared to CHF 244.1 million proforma in 2022).

Upon antitrust authority approval of the Dufry-Autogrill business combination and the transfer of Edizione's 50.3 % stake in Autogrill on February 3, 2023, the integration process for the combined company commenced, with the immediate announcement of the new high-level organization. We made substantial progress in the integration process, including early realization of synergies. On July 24, 2023, we completed the business combination with Autogrill, achieving 100 % ownership of Autogrill shares and subsequently delisting Autogrill from the Milan stock exchange.

The transition from Dufry AG to Avolta AG, marked by the change in our company name, represents the final

For a glossary of financial terms and Alternative Performance Measures please see page 271 of this Annual Report.

Avolta is a global travel experience player operating over 5,100 travel retail shops and restaurants across six continents.

step in our transformative business combination. With a majority of 99.77 %, shareholders overwhelmingly endorsed the name change to Avolta at the Extraordinary General Meeting of Shareholders on November 3, 2023.

This new name serves as a visual symbol, communicating the expanded scope of our combined entity. With its robust commercial foundation, diversified portfolio, and unwavering commitment to customer-centricity, Avolta opens new avenues of growth and further elevates our commitment to sustainability.

Avolta represents a new home for our 76,962 team members worldwide, fostering a sense of belonging and unity throughout the entire team.

In conjunction with the name change to Avolta, the ticker symbol for our shares on the SIX Swiss Exchange was updated to «AVOL» on November 9, 2023. As of December 31, 2023, Avolta's market capitalization stood at CHF 5,048.5 million.

Our shares commenced the 2023 business year at CHF 38.51, reaching a peak at the end of July at CHF 44.91 and then trended lower in a volatile stock market environment that was influenced by geopolitical and macroeconomic effects. The year concluded with our shares closing at CHF 33.08.

The average daily trading volume across all platforms was CHF 60.2 million, affirming the liquidity of our shares. The SIX Swiss Exchange remained a significant trading platform, where the average daily volume of Avolta shares reached CHF 19.2 million in 2023. Avolta's trading volumes are mainly concentrated on the SIX 31.8 % and BATS Chi-X OTC 51.5 % platforms. As is our tradition, we maintained an ongoing dialogue with our shareholders and the financial community, engaging in over 1,190 interactions through roadshow or conference meetings, calls and emails.

Continued support from shareholders, bondholders and lending banks.

Reflecting the positive company performance, 2023 saw Avolta achieve several improvements in credit ratings. S & P Global Ratings upgraded Avolta's credit ratings to BB, Outlook Stable in July, building upon an earlier upgrade in March. Moody's Investor Service also revised Avolta's credit rating to Ba3 with Outlook Positive in April, further affirming our financial health and promising outlook.

At the General Meeting of Shareholders in May 2023, shareholders had the opportunity to vote on several amendments to our Articles of Incorporation – driven by the new Swiss Corporate Law enacted on January 1, 2023. All proposed agenda items were approved.

At this AGM, we welcomed Mr. Sami Kahale as a new non-executive member of the Board of Directors. After his election, Sami Kahale joined as a member of the Audit Committee, the ESG Committee, and the Strategy & Integration Committee. On behalf of the entire Board of Directors, I extend our gratitude to our shareholders for their ongoing commitment and support.

Following the successful transfer of Edizione's stake in Autogrill in February 2023, the Board of Directors created additional board committees, aligning with the new scope of the company.

In this context, the former combined Nomination and ESG Committee was divided into two committees: the Nomination Committee and the ESG Committee. Additionally, the Board established the new Strategy & Integration Committee. The existing Audit and Remuneration Committees continue.

In preparation for the 2024 General Meeting of Shareholders, the Board of Directors resolved to propose payment of a dividend for the business year 2023. This marks a significant step as we resume dividend payments following pandemic-related suspension. The Board of Directors will propose the payment of an initial dividend of CHF 0.70 per Avolta share.

Dividend payment for business year 2023 proposed.

Aligned with our Destination 2027 strategy, our new capital allocation policy is designed to achieve profitable growth, sustainable cash flow generation and value creation for our shareholders. To strike a balanced approach encompassing deleveraging, growth, and returns to our shareholders, we have earmarked two thirds of our Equity Free Cash Flow (EFCF) for purposes such as deleveraging, relevant business development and small bolt-on M & A activities, while one third of the company's EFCF shall be allocated to dividends.

Dufry sources 40 % of its electricity consumption from renewable energy.

In 2023, we initiated a full integration of the ESG engagement from the two legacy entities into a combined Avolta ESG Strategy, while expanding our ESG initiatives and progressing with existing programs.

We have included ESG targets in the long-term incentive plan for management compensation, a practice we had started in 2022.

Our newly formulated ESG strategy is based on a combined materiality matrix, which considers the expanded company scope and diverse stakeholder communities.

This materiality matrix was developed through direct interactions with our stakeholders, complemented by thorough desk research, and adheres to the principle of double materiality.

The revised focus areas are: Create Sustainable Travel Experiences, Respect Our Planet, Empower Our People and Engage Local Communities. While laying the foundation for our future ESG engagement, we have expanded our existing initiatives – for example by augmenting the share of renewable energy in our electricity consumption (base year 2019) from 20 % to 40 %. I encourage you to explore pages 97 – 148 for a detailed overview of our ESG Report and progress in 2023.

Ongoing strong engagement for our communities.

Our global community engagement initiatives have continued to provide support to communities in the markets where we operate. In 2023, we assisted team members and the communities in Türkiye and Morocco following the devastating earthquakes and provided support to the local population in the areas most affected.

With respect to ongoing engagements, it is now the 14th year of our contribution to SOS Children's Villages initiatives in Brazil, Mexico, and Kenya. In a year where children and families needed extra support, our customers joined our efforts by purchasing our Captain Dufry plush bear, the profits being donated to SOS Children's Villages. In 2023, our commitment extended to community projects in different parts of the world including Switzerland, Greece, the United Kingdom, the United States, Canada, Italy, Türkiye, Syria, Morocco.

We can't do it alone.

Our team members and management teams played an integral role, generously contributing to the positive developments and achievements described above. We surpassed our targets for the year thanks to their unwavering dedication, continued commitment, and collaborative teamwork.

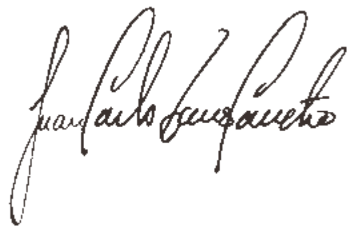
I extend my heartfelt gratitude and offer a sincere thank you to every single one of our team members for their support and continued motivation.

I would like to express my appreciation to our Avolta teams around the world for their exceptional dedication in providing our customers with outstanding service. At the same time, they have come together, forming new teams, embracing new ways of working and laying the foundation for the realization of our vision to revolutionize the travel experience.

My gratitude extends to our concession partners and brand suppliers for their close collaboration and contributions in strengthening our partnerships.

I look forward with confidence and optimism to future journeys together, thanks to the long-standing relationships and the ongoing trust of our business partners, shareholders, bondholders, and lending banks.

Sincerely,



Juan Carlos Torres Carretero

I look forward with confidence and optimism to future journeys together.

CEO´s Statement

Xavier Rossinyol
Chief Executive Officer

Dear all,

I am delighted to be reporting to you for the first time under our new company name, Avolta, and I am proud to share the remarkable achievements that our united team has accomplished together. 2023 was an extraordinary year. Together we successfully executed the Dufry-Autogrill business combination, realizing the early delivery of substantial synergies, and made strong improvements to our financial KPIs.

Our transformation to Avolta is a milestone in our Destination 2027 strategy, and marks the emergence of a new and united company, now a tangible reality standing as a distinctive counterpart for our business partners and a new home for all our team members around the world. We describe Avolta as being more than the sum of its parts and we see this illustrated in our daily interactions with customers, suppliers, concession partners and, particularly, when we participate in concession tenders. We are unique in our set up, we are more diversified and resilient, and our point of differentiation is appealing to the market.

A full overview of our new name, Avolta, including our identity and our values, which foster our One Company spirit, can be found in the dedicated poster at the beginning of this annual report.

2023 was an extraordinary year, in which we successfully delivered the business combination of Dufry and Autogrill.

Key focus on delivery

Following the successful completion of the Dufry-Autogrill business combination, the official name change of our company in November 2023 cued the emergence of Avolta as a fully unified company. Aligned with our traveler-centric Destination 2027 strategy, where we seek to make travelers happier by creating a holistic travel experience revolution, we are now operating as One Team and One Company, harnessing our collective expertise across travel retail and F&B, and paving the way to deliver innovative value propositions.

Introducing smart-stores and incorporating advanced digital technology with live-data-collection will enhance our intelligence thus further optimizing efficiency and profitability of commercial areas, whilst also contributing to expand online engagement with existing and potential customers. Newly designed retail and F&B concepts with a strong sense of place, flexible and changing assortments, including onsite entertainment, activations and digital gamification will provide customers with holistic and engaging experiences. The power of the newly combined entity multiplies the potential for innovation and yields benefits for travelers, concession partners and brand suppliers alike, granting access to hybrid offerings and expanded service opportunities.

We are already leading the transformation of travel experiences around the world. Notably, at Stockholm's Arlanda Airport (Sweden), our new Store of the Future, combines the value-rich store-in-store retail concepts with a hybrid twist. Similarly, at Milan's Malpensa Airport where we unveiled our Hudson Café with Baci, mixing travel retail with a sophisticated menu, both of these examples opened during the second half of 2023.

Delivering on our way to Destination 2027 – Full customer centricity, digital engagement and travel experience revolution.

Reporting on such a momentous year, it is only fitting that I extend my gratitude to the Avolta Board of Directors and Management Team for their unwavering support throughout the successful completion of the business combination and the establishment of

For a glossary of financial terms and Alternative Performance Measures please see page 271 of this Annual Report.

Avolta is now operating as One Team, One Company, harnessing its collective expertise across travel retail and F&B.

our new unified entity. Sharing a common vision on our journey to implementing Avolta's Destination 2027 strategy is of paramount significance, and your dedication and collaboration are invaluable assets in achieving our goals.

Avolta – Growing more diversified and resilient than ever.

Operationally, the 2023 business year was characterized by consistent growth in demand across all regions, whether they were further along in their recovery or just beginning to reopen and experience the acceleration of regional and international travel. Both leisure and business travelers confirmed their commitment to travel and to spend, demonstrating remarkable resilience in the face of ongoing disruptions and uncertainties stemming from geopolitical and macroeconomic factors. Throughout this period, the Avolta team remained dedicated to executing with excellence and prudent cost management.

Further improvements to all major KPIs

Driven by these favorable trends and boosted by positive momentum across all its regions, Avolta's 2023 Consolidated Turnover reached CHF 12,789.5 million (2022 proforma: CHF 10,804.8 million), while CORE Turnover (excluding fuel net sales) amounted to CHF 12,534.6 million. This translates into a CORE Organic Growth of 21.6 % for the combined company against FY 2022 (proforma). New concessions (net) contributed positively with 1.4 % on a proforma basis, while translational currency effects on Turnover were – 5.6 %, primarily due to fluctuations in USD, EUR and GBP. CORE EBITDA also saw significant growth, reaching CHF 1,129.6 million (2022 proforma: CHF 941.4 million) resulting in a margin of 9.0 %.

This impressive outcome was driven by our commercial performance, increased productivity and the timely implementation of synergies. In 2023, we achieved CHF 30 million of our total synergies target of CHF 85 million, with the remainder set to be realized in 2024, a full year earlier than we expected at the time of announcing the Dufry-Autogrill combination.

Our Equity Free Cash Flow (EFCF) was also well above projections and stood at CHF 323.0 million, as compared to CHF 305.2 million (Dufry reported FY 2022). This remarkable acceleration highlights the company's strong cash flow generation capability and effective cost control.

Relevant KPIs deliver further improvement.

We continued to reduce our Net Debt, which stood at CHF 2,696.1 million, down from CHF 2,810.7 million in 2022, meeting covenants ahead of schedule and providing comfortable headroom. As of December 31, 2023, Avolta's available liquidity amounted to CHF 2,637.9 million compared to CHF 2,343.0 million at the end of 2022 (Dufry standalone balance sheet). In the first half of 2023, Avolta used the RCF's «Accordion» feature to enhance flexibility and onboard some of Autogrill's lending banks alongside Dufry's existing providers. In this way, Avolta increased the facility by an overall CHF 648.9 million (EUR 665 million) by the end of December 2023. The same terms and conditions as the initial RCF amount applied. Our focus on deleveraging continues, as we target a leverage of 1.5-2.0x net debt / CORE EBITDA. In the event of relevant business developments or small bolt-on M & A projects, we allow a maximum of 2.5x, with the intention of promptly returning to target as we progress towards our strategic goals.

Further enhancing our geographical diversification, Avolta achieved particular success this year in strengthening our footprint around the world with important contract extensions and new wins. Extensions played a key role here, with the significant renewal of the vast majority of Avolta's Spanish airport operation contracts for twelve years – a highlight. Including 21 airports with 120 outlets covering around 60,000 m² of retail space, this contract represents the service of approximately 132 million travelers annually (base 2019). The awarded commercial space, both retail and F&B, represent a 30 % increase compared to the previous setup as well as a considerable expansion of sales categories. Also worth mentioning include the renewed seven-year concession contract at Belgrade to operate a total of eight duty-free shops; the seven-year extension in Kuala Lumpur International Airport (Malaysia) for F&B, and the fifteen-year extension at Harry Reid International Airport (Las Vegas, USA).

Delivering on the partnership with our concession partners – Success in contract extensions and footprint expansion.

When we look at the new contracts won, of particular interest is our strategic joint venture with Hubei Airport Group to oversee the operations of Wuhan Tianhe Airport's Terminal 2 as master concessionaire for retail, F&B, convenience and hybrid concepts, managing a total of 77 outlets. Our scale in the APAC region, particularly in the People's Republic of China, also saw Avolta entering into a new five-year contract at Chongqing Jiangbei International Airport for four duty-paid stores. In North America, we were awarded a long-term duty-free contract for Boston Logan International Airport, alongside an extension for our duty-paid business. We also won long-term contracts for both retail and F&B areas at Oakland International Airport, and signed a new fifteen-year duty-paid contract at Fresno Yosemite International Airport (all located in the USA). In Latin America, Avolta signed a ten-year contract at Vitória Airport (Brazil) as well as a twenty-year contract to operate a duty-free store at the international bridge «General San Martin», the primary crossing point between Argentina and Uruguay. In the EMEA region, we achieved success by winning new retail and F&B concessions at several airports including Helsinki Airport (Finland), and Hamad International Airport in Doha (Qatar) in joint venture with Qatar Airways. Representing a selection of our developed partnerships, these examples underscore our commitment to growth and excellence across our regions, and position Avolta as a global leader in the airport concessions industry.

Planet, People and Communities – ESG Strategy fully integrated.

A cornerstone in our long-term strategy, we remain committed to enhancing our sustainability engagement as part of our ESG (Environmental, Social and Governance) activities. In 2023, we took significant strides forward through the formulation of an updated, integrated ESG strategy for the combined entity. We have redefined the scope of our materiality matrix and adapted our four focus areas – Create Sustainable Travel Experiences, Respect Our Planet, Empower Our People and Engage Local Communities – to encompass our extended stakeholder community.

While defining the groundwork for our ongoing ESG journey, we remained committed to building on existing initiatives and broadening our activities to include the newly integrated F&B business. In this context, we made significant advancements, including the revision of the Avolta Code of Conduct and the expansion of the Diversity, Equity and Inclusion (DE&I) training programs for our team members. To ensure comprehensive coverage of our ESG efforts, we have extended the scope of our TCFD Report (Task Force on Climate-related Financial Disclosures) to cover the entirety of Avolta. We have also formulated a joint Community Engagement Strategy, designed to enhance our support for the local communities in which we operate. Finally, we updated our Avolta Supplier Code of Conduct to the new company reality and launched a recertification process that now covers 49% of our global purchasing volume. For a detailed and comprehensive overview of our ESG strategy, engagement, and the progress we have achieved in 2023 please refer to our ESG Report on pages 97–148.

Encouraging outlook continues

The 2023 business year closed with a buoyant travel momentum and resilient customer demand. While we acknowledge the persistent geopolitical and macro-economic challenges, we remain optimistic on the overall outlook for our business. Key indicators underpinning these assumptions include the robust willingness of travelers to explore and make purchases through our channels, with spending levels consistently exceeding pre-pandemic levels. As a company, Avolta plays a significant role in contributing to this positive outlook. Our resolute and well-defined traveler-centric strategy is finely tuned to the current and evolving needs of the travelers, with our solid financial position further reinforcing our ability to navigate challenges and capitalize on opportunities.

TEAM MEMBERS: THANK YOU FOR DRIVING OUR SUCCESS

The shared and united spirit among our team members is a joy to observe, and I am deeply grateful to be a part of this. The sense of unity has been clearly demonstrated across our in-

Avolta is well equipped to redefine Travel Experience globally through its customer centric strategy and solid financial position.

ternal celebrations as we marked our transition to Avolta. To our dedicated colleagues: thank you all for your commitment and for the tireless efforts you have contributed to our company. Your perseverance, especially during this demanding period of simultaneous sales growth and business integration, more than earns the sincere respect and gratitude from the Global Executive Committee and myself. Your extraordinary motivation reflects a remarkable level of dedication that inspires us all.

To our external business partners: thank you for each contributing in your unique ways to support Avolta. Our collaboration with concession partners, brand suppliers and the financial community remains a steadfast and essential component of our continued success. On behalf of the Global Executive Committee and myself, we look forward to continuing this shared journey of partnership with you all.

On a more personal note, I extend my gratitude to our Chairman, Juan Carlos Torres, and the esteemed members of the Board of Directors for their trust and support in shaping Avolta's evolution.

Thanks to all key shareholders, particularly to Alessandro Benetton with Edizione and our long-term strategic investors

Finally, and with meaning, I thank our shareholders and bondholders for their enduring support, trust and contributions in propelling Avolta's mission to revolutionize the travel experience. Your partnership is invaluable as we continue to innovate and inspire this ever-evolving landscape.

Our first year together as One Company has been a success, now onwards to Destination 2027.

Journey on,

Xavier Rossinyol

Our Organizational Structure – Global Executive Committee

As of December 31, 2023

Chief Executive Officer
Xavier Rossinyol

Chief Financial Officer
Yves Gerster

President & CEO Asia-Pacific
Freda Cheung

Group General Counsel
Pascal C. Duclos

President & CEO North America
Steve Johnson

Chief Public Affairs & ESG Officer
Camillo Rossotto

President & CEO Europe, Middle East & Africa
Luis Marin

Chief Commercial & Digital Officer
Vijay Talwar

President & CEO Latin America
Enrique Urioste

Chief People & Culture Officer
Katrin Volery

Avolta's Investment Case

Global market leader in airport travel retail and F&B.

Approximately 20 % market share in airport retail with 11 % market share of the broader travel retail market as well as the leader in travel F&B.

2.3 billion potential customers globally.

Access to 2.3 billion travelers across a truly global network. We constantly re-define the value proposition to customers, in close collaboration with concession partners and brands, based on a unique global database of traveler insights providing first-hand intelligence to drive growth.

Avolta – Unique access to Travel Retail and F&B.

Clearly defined Destination 2027 strategy predicated on longer-term growth in USD 86 billion travel retail market and resilience of USD 28 billion global travel F&B concession market.

Vast array of retail concepts and F&B formats for concession partners.

Avolta has strong relationships with its concession partners and airport authorities and is a reliable partner delivering outstanding results through a vast offering of unique shop and F&B concepts.

Travel Experience Revolution benefitting customer conversion.

Unique value proposition for travelers with new strategy focusing on enhanced store concepts, data-driven customer insights and digitalization, thus benefitting customer conversion and spending with increase of 1.5 % – 2 % annually.

Long-term growing industry offering new opportunities.

Mid-term global PAX CAGR of 3.5 % – 4 %, with growth opportunities especially in Asia and in F&B.

5 – 7 % CAGR mid-term turnover growth.

Mid-term turnover growth driven by underlying passenger growth and increases in spend per passenger thanks to the Travel Experience Revolution and organic business development, as well as potential M & A opportunities.

Over 7 Years average remaining concession life.

Remaining average concession life of over 7 years, across a highly diversified portfolio with top 10 concessions accounting for less than 18 % of sales.

Sustainable profits and highly variable cost structure.

Operational improvement culture, highly variable cost structure and continuous efficiencies drive mid-term profitability improvements.

Strong risk-adjusted cash flow generation.

Long-term track-record of low capital intensity, strong cash generation and fast deleveraging.

Resilient business driven by high level of diversification.

Proven resilience of travel retail and F&B further supported by Avolta´s diversification across geographies, channels, formats and concepts, and its strong stakeholder relations.

Board of Directors
Members

As of December 31, 2023

Juan Carlos Torres Carretero

Alessandro Benetton

Sami Kahale

Heekyung Jo Min

Enrico Laghi


Xavier
Bouton


Mary J.
Steele
Guilfoile


Luis Maroto
Camino


Ranjan
Sen


Joaquín
Moya-Angeler
Cabrera


Eugenia M.
Ulasewicz


Lynda
Tyler-Cagni

Global Executive Committee

Members

As of December 31, 2023

Steve Johnson

Pascal C. Duclos

Camillo Rossotto

Yves Gerster

Freda Cheung


Xavier Rossinyol
Enrique Urioste
Katrin Volery
Vijay Talwar
Luis Marin

Vision & Strategy

Destination 2027

Avolta's vision, mission and strategy was crafted based on a deep research, analysis and understanding of the evolution of the current market trends, customer insights and our stakeholders' needs. The vision of «Destination 2027» is to make travelers happier through a holistic travel experience including retail and F&B propositions. Diversified and resilient as One Team, we are in a position to generate sustainable long-term value for all our stakeholders, including team members, travel concession partners, brand suppliers, and, finally, our shareholders.

Destination 2027 builds on four key pillars, each of them powered by our people: Travel Experience Revolution, Geographical Diversification, Operational Improvement Culture and ESG.

Travel Experience Revolution

Avolta creates unrivalled and holistic travel experiences by continuously adapting and evolving its value proposition with a full customer-centric approach based on data insights. The environments where we define, plan and operate travel retail and F&B concepts provide options for stand-alone retail and F&B solutions, as well as combined offerings – including flexible, local, entertaining and hybrid formats – to customize to the traveler's needs in every single location. State of the art digital engagement initiatives further enhance the overall customer experience along their whole journey.

Traveler profiles and expectations are constantly monitored across our global footprint to identify new behaviors and requirements. Demographics and data analysis play a

Destination 2027

fundamental role in our business as changes in customer profiles and preferences can occur rapidly. For this reason, Avolta sets a high priority on consumer intelligence, extrapolated from internal operational information, regular customer field surveys, monitoring of social media channels and external research. This constant process of listening closely to customers allows us to continuously fine-tune our offerings, not only matching, but exceeding expectations of our clients.

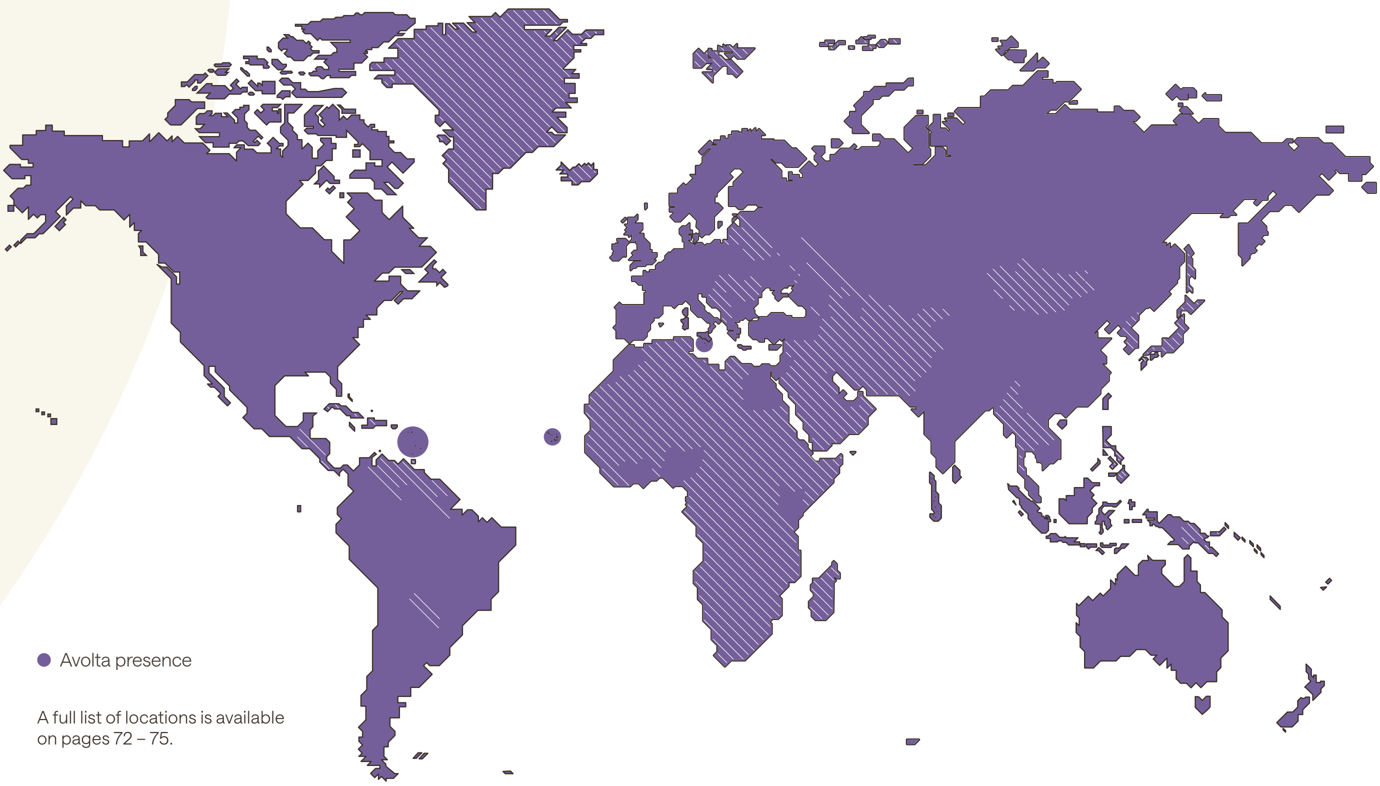
Traveler insights and intelligence play a key role in identifying new customer profiles and expectations.

Maximizing the travel experience can only be achieved through the strong and close collaboration of travel retail and F&B operators with concession partners and brand suppliers. Each one of these partners has a key role to play – operators can create attractive experiential environments, tailoring offerings and services based on refined customer insights and help to create a sense of place. We share those with brands, allowing them to further innovate their products and experiences. In parallel, concession partners contribute by optimizing space allocation and passenger flows, supporting the setup of flexible and hybrid concepts. Avolta seeks a permanent and close collaboration with concession partners and suppliers through the ongoing monitoring of airport, location and outlet performance, flexibly adapting retail and F&B concepts in order to maximize passenger satisfaction, sales, and spend-per-passenger.

Close cooperation with brand suppliers and concession partners.

The key element in making customers happier and providing a flawless holistic travel experience is the unique combination of travel retail and F&B under one roof, generating benefits for customers and concession operators alike. Advantages materialize through the creation of sense-of-place shop and restaurant designs reflecting local cultures

Global Presence



● Avolta presence

A full list of locations is available on pages 72 – 75.

Making customers happier and providing a flawless holistic travel experience through the unique combination of travel retail and F&B.

and traditions as well as through hybrid and mixed store formats, which immediately expand and mutually enhance the value proposition and the relevance for customers. This generates additional cross selling and promotion opportunities offered to customers digitally or through vouchers, encouraging travelers to visit and browse several outlets. The same applies to the relevance and the reach of loyalty programs, which result in a higher attractiveness for customers and an increased number of touch-points and engagement opportunities for the operators.

Our people deliver customized services at top levels.

Our front-line team members play a key role in delivering a transformational shopping and dining experience to our customers. We will continue to further customize engagement with shop and restaurant concepts and service levels adapted to specific needs by geography and passenger profile in order to create memorable experiences and the best possible added-value. These advanced engagement initiatives will be supported by comprehensive training, dedicated incentive schemes and technology support.

Self-learning smart stores and data-driven offering.

Highly focused use of technology allows Avolta to learn from customer behavior within the shops on an anonymized basis. This provides valuable insights on where to enhance and adapt assortments or allocate additional team members to increase customer service. Data insights optimize both store or F&B concepts and assortment management, while driving performance by initiating concept innovation.

Enhanced digital engagement pre-, post- and in-store.

Avolta's digital strategy is all about closely engaging with existing and potential customers throughout their travel journey and is focused on achieving three main goals:

- Further engage with frequent travelers and establish deeper connections. Increase their loyalty by leveraging CRM initiatives, offer and service personalization as well as new mobile apps and partnerships
- Excel in sales influenced by new digital touchpoints created with partners across the whole travel journey, by expanding the reach of Reserve & Collect, and evolving the omni-channel engagement and sales approach
- Transform the shopping and dining experience in-store. Intensify the use of technology for enhanced engagement and experience. Develop new services for targeted customer audiences, e.g. the Avolta Employee App.

All these initiatives are driven by social media and CRM communication to keep travelers informed about surprising initiatives, activations and in-store experiences. Partnering with suppliers to feature brand-specific content throughout the complete journey is key.

Geographical Diversification

Diversification is a recurrent theme in Avolta's overall strategy, as diversification enhances resilience and supports growth. Geographic and channel diversification reduces exposure to single contracts or local and regional external impacts as shown by the share in sales: the largest concession accounts for less than 4% of our business, while the ten biggest represent less than 18% of 2023 sales.

With respect to the geographic diversification the focus is on further developing North America's footprint, developing a dedicated strategy for the top Asia-Pacific countries and the Chinese travelers in particular, as well as to foster and grow the company's position in the rest of the world. In all geographies the aim is to optimize the combination of duty-free, duty-paid and F&B offers by either growing organically through new contract wins or joint-ventures, as well as by benefitting from bolt-on M&A opportunities where strategically feasible.

With respect to North America, Avolta has a presence in approximately 100 airports – with a significant overlap of retail and F&B – and sees potential incremental organic growth opportunities in what is typically a very resilient market. For our existing concession partners, our new hybrid concepts, including F&B and travel retail, enhances our offer, consequently boosting customer experience while allowing airports to optimize retail space, passenger flows and ultimately spend-per-passenger and revenue generation.

Extend North American footprint further.

Moreover, the unique sets of expertise in both the travel retail and F&B sectors increase Avolta's attractiveness when participating in tenders in new locations where we are not yet present. The comprehensive know-how on passenger shopping and dining behaviors and insights covering both domestic and international profiles across North America – as well as rest of the world – is an important competitive advantage put at the service of each airport operator. In cases where the airport wants only one partner to manage all its commercial spaces, Avolta can provide extensive master concessionaire services.

Until 2019, Asia-Pacific was the fastest growing travel retail market and is expected to resume this leading position in the coming years. Equally, Chinese travelers contributed to close to 40% of Asia-Pacific's passenger volume – and this is expected to grow further over the medium-term.

Focus on key Asia-Pacific markets and Chinese travelers.

Based on this insight, the key success factor in Asia-Pacific is to strongly engage with Chinese passengers domestically as well as when they travel internationally to neighboring countries such as Vietnam and Indonesia, amongst others, given that 80% of Chinese international travel is within the Asia-Pacific region. A strong local presence and a dedicated strategy focused on this geographic area is therefore key to harnessing the high spending power of the Chinese customer.

Avolta already has a solid footprint in the Asia-Pacific region with operations in 11 countries and featuring a wide variety of retail formats and F&B concepts, and is well positioned for further expansion in existing and new locations. Channels cover duty-paid, duty-free and F&B. Similar to other geographies, the opportunity of offering airport operators hybrid and combined retail and F&B concepts through one single partner creates additional potential to grow organically in this important region. As an example, in 2023 Avolta entered into a joint-venture with Hubei Airport Group, to act as master concessionaire at Wuhan Tianhe Airport's newly built Terminal 2 in central China.

Another important asset in Asia-Pacific and China is the partnership with Alibaba, established in 2020. This also includes an equity participation by Alibaba in Avolta. On the one hand, it secures a strong onsite presence in Hainan, through the joint presence of Alibaba and Avolta in a joint-venture in the Global Duty Free Plaza of the Mova Hall

Avolta operates in 73 countries in over 1,000 airports, motorways and other locations worldwide.

Avolta supports communities by sourcing local products, providing job opportunities and engaging in community projects.

Shopping Center in Haikou, with a retail area of close to 39,000 m² and featuring several hundred international brands. On the other hand, it extends Alibaba's ecosystem into travel retail, allowing to engage more closely with Chinese travelers worldwide through different online-channels and services thus fostering Avolta's omni-channel approach. These include customer services covering the whole travel journey i.e. from pre-ordering and buying before the trip, buying and collecting during the trip to repurchasing after the trip. By leveraging Alibaba's presence and access to all relevant online-platforms in the region, the joint-venture secures a strong digital customer engagement and wide-spread presence in the market.

Avolta is currently present in 73 countries covering six continents. Avolta has some of its largest footprints and strongest positions in North America, Europe, the Middle East and Central & South America. Some of these geographies feature a dense network of operations in single countries as in North America, Europe or regionally as in Central & South America. Expected growth in passenger numbers over the next five years coupled with expanded offerings creates attractive scale prospects.

Grow our already robust position in the Rest of the World.

In many of these markets Avolta's combined expertise of travel retail and F&B is seen as an additional asset by concession operators wanting to offer their passengers an enhanced customer experience, while at the same time simplifying space management and improving performance of their overall retail area. Leveraging existing partnerships in these markets and providing attractive alternatives in new locations, including airports, train stations and motorways, will permit Avolta to strengthen its footprint in some of the world's most important tourist destinations.

In all these markets, further growth can be driven organically, through joint-ventures or by bolt-on M&A transactions alike.

Operational Improvement Culture

The most important element in successfully implementing our Destination 2027 strategy will be on how we – as One Team and One Company – approach its implementation and execution. In all we do, we will establish an ongoing culture of operational improvement to jointly drive growth, profitability and cash flow generation. For us, this means identifying operational savings by actively managing our business and customer portfolio.

Zero-base-budgeting methodology.

Key trends and methodologies to actively drive costs as well as reset and improve efficiency require focusing on what is critical and needed to run the business. Identifying new technologies to implement new ways of working, leveraging the power of digital data, as well as increasing flexibility and agility are key to this. We understand the concept of zero-based-budgeting in the wider sense, assessing every single activity, how it contributes to the business, and how it can be improved.

Active portfolio management driving profitability.

We will regularly screen and assess our concession portfolio with respect to its profitability to react in a timely manner with respect to renegotiating or exiting contracts which do not fulfil our concession specific objectives and expectations. Over time this will allow us to consistently improve portfolio quality and performance.

In this context, we will also engage in an ongoing evaluation, analysis and discussion with some of the most critical airports to jointly identify and develop possible growth and efficiency levers. The key prerequisite being a permanent and cyclical performance review and re-evaluation of the portfolio, starting with the pre-contractual due-diligence and extended throughout the duration of each concession.

ESG – inherent part of all we do

Avolta's ESG engagement is based on four key pillars: Create Sustainable Travel Experiences, Respect Our Planet, Empower Our People, Engage Local Communities. For each focus area Avolta develops targeted initiatives to make its ESG engagement tangible and to focus on topics where the company can make a real impact.

Implementation and development of the comprehensive ESG strategy is managed through strong governance, making sure it is at the center of the company's activities and securing sustainable growth for our stakeholders.

Through its presence in 73 countries and across over 1,000 locations Avolta is an important employer – in 2023 we employed 68,459 people (FTE) – thus providing job opportunities for communities around the world. Additionally, Avolta has traditionally supported local communities by sourcing local products & services and engaging in dedicated community projects, implemented at companyp level, by our local teams and / or in collaboration with our concession partners. This allows us to provide specific and tangible support where it is most needed.

Detailed information on Avolta's ESG strategy and implementation progress is available in the ESG Report 2023 on pages 97 – 148.

Avolta – New unified brand reflecting the company's long-term vision

At the Extraordinary General Meeting held on November 3, 2023, Dufry shareholders approved by an overwhelming majority of 99.77 % the change of the company name to Avolta. This new branding encapsulates our long-term vision of creating the travel experience revolution by putting the traveler at its core and unifying the travel retail and F&B businesses under one strong entity. While the new brand will provide an inclusive new home for all team members and lead all internal and external communication, the former consumer-facing brands, including Dufry, Autogrill, Hudson and World Duty Free, to name a few, will continue to operate as previously.

Detailed information on Avolta's new brand name and architecture is available in the dedicated poster at the beginning of the Annual Report 2023.

Destination 2027 Strengthens Avolta's Investment Case

Building on the four key pillars of our Destination 2027 strategy, solid financial planning teamed with a strong cash flow generation capability and risk management are key features of Avolta's clear and focused strategy, which is powered by our people. Together they secure value creation for investors and shareholders. The company has always fostered a disciplined financial approach to all its projects, whether organic or acquisitions. We carefully analyze every project or significant investment with detailed projections and with a focus on minimum return requirements. 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 and in our recent history contributed to safeguard the resilience of the company.

As part of our financial risk management, we minimize business risks by implementing a highly variable cost structure. These defensive characteristics help protect the business in the case of downturns, which under normal conditions tend to be local and temporary, and thus provide a solid and resilient profile. For further information on our equity story as the world's leading global travel experience player, please refer to the section Investors on page 86 of the Annual Report 2023.

Customer-Centric Shop and Restaurant Concepts

Avolta's quest to create unrivalled and holistic travel experiences builds on putting customer-centricity at the core of all its initiatives and on continuously evolving its value proposition and offerings.

To increase customer attraction, we continually analyze customer insights and data gained from different sources to identify new customer trends and behaviours. Intelligence gained is then translated into a variety of shop and restaurant characteristics – flexible, local, entertaining, smart, hybrid – which allow us to fulfil the new customer expectations, while at the same time continuing to learn and to adapt our concepts.

Evidently, this evolution is only possible through a tight collaboration with our concession partners and brand suppliers, who provide the respective area allocation, passenger flows and product innovation.

Flexible

Flexible store and restaurant formats allow Avolta to react quickly to new trends and / or to create seasonal hot-spots and pop-up offerings, thus constantly driving spend-per-passenger and optimizing profitability of commercial spaces.

Local

Providing shops and F&B environments with a strong sense of place drives the attractiveness of the commercial areas and creates more relevance and authenticity for each individual location resulting in higher spending. Customers are attracted by cultural themes and traditions, leading them to browse the shops or to enjoy a local dining specialty, all contributing to delivering a unique travel experience.

Entertaining

Getting the customer's attention and attracting them into the stores or to sit down in a restaurant is one of the main challenges in travel retail and F&B. Entertaining elements appealing to the customer's curiosity or attention helps them rest, relax and enjoy the commercial spaces and piques their interest to try new experiences.

Smart

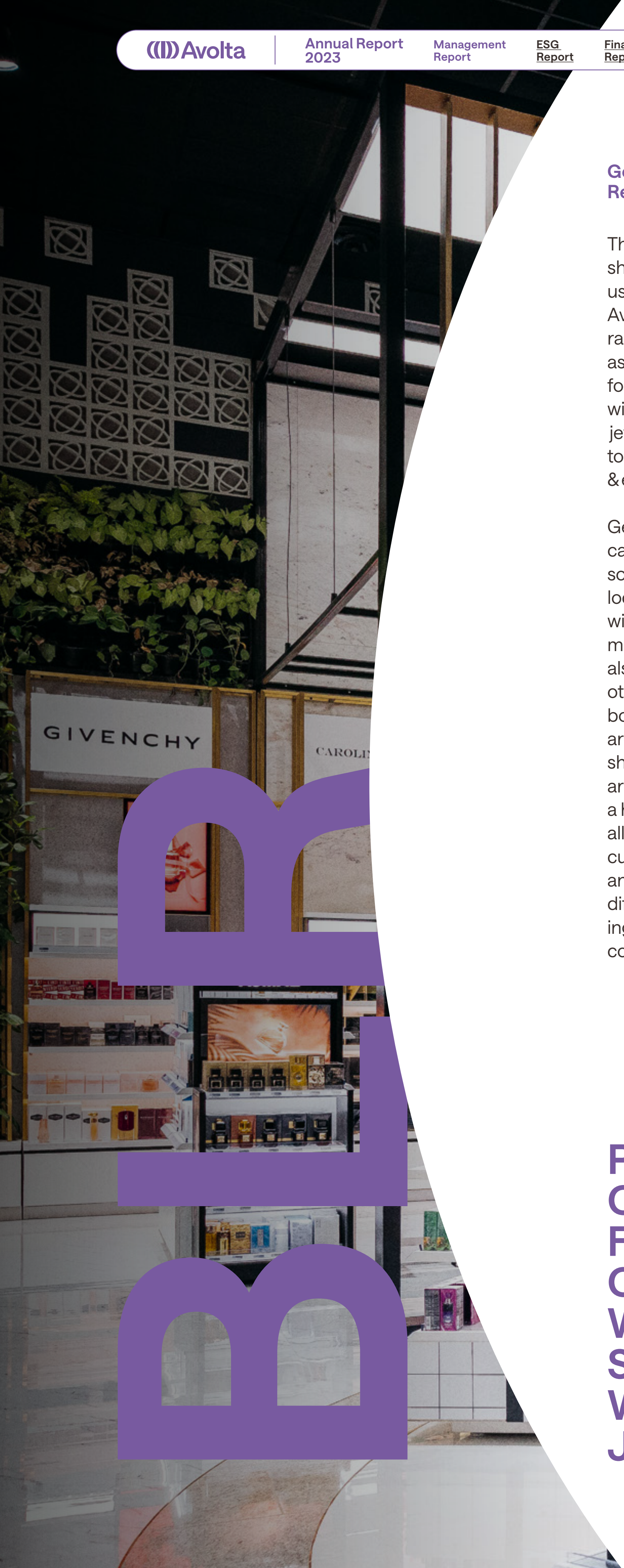
Collecting data and studying the customer's shopping behaviour is key to evolving assortments and services. Learning directly from the customers on how they browse the shops, where they stop and what attracts them provides constant valuable insight for each specific commercial area and is the base to best allocating the right assortments or resources. The shop becomes a self-learning entity, constantly improving its performance.

Hybrid

Mixed and hybrid store formats expand and mutually enhance the value proposition and the relevance for customers. The more holistic experience combining shopping, F&B, treatments and entertainment allows Avolta to drive cross-selling and promotion opportunities and to connect physical presence with digital engagement before, during and after travelling.


BLR
GIVENCHY
Cartier
AMOUAGE
ENHANCE
YOUR
SHOPPING
EXPERIENCE!
Chloé
DIESEL

General Travel Retail Shops



General Travel Retail Shops

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

General travel retail shops carry a large product assortment and are typically located in central areas with high passenger flow, mostly in airports, but can also be in seaports and other locations. In airports, both departure and arrival areas can be fitted with this shop concept. The shops are also characterized by a high level of digitalization allowing a close in-store customer communication and engagement with the different nationalities visiting the stores during the course of the day.

In the duty-free segment, these shops can be identified by carrying the name of several retail brands in our portfolio, including Dufry, Nuance, World Duty Free, and Hellenic Duty Free among others, or a name combination linking to the specific location, such as Zurich Duty-Free or Stockholm Duty-Free.

In the duty-paid segment, the general travel retail shops are known as Dufry-Shopping and provide a similar assortment range and brand variety to domestic passengers offering them a similar shopping experience to the one offered to international travelers. As of December 31, 2023, Avolta operated 786 general travel retail shops.

**Perfumes
Cosmetics
Food
Confectionary
Wines
Spirits
Watches
Jewelry**


GRAND
OPENING
LUXURY CHOCOLATE
MOLTON BROWN
CAUDALIE
Lindt
FRAGRANCES
HUGO

HAK

Convenience Stores

Convenience Stores

Our convenience stores offer a wide product assortment that passengers may need when traveling. The range includes soft drinks, confectionary, packaged food, travel accessories, electronics, personal items, souvenirs, newspapers, magazines and books. Within this concept, we use different brands according to each locations's passenger profile. North America is home to most of our convenience stores, with more than 752 shops. In addition, we operate Hudson stores in 15 countries outside North America.

"Hudson" is our most important brand in the convenience segment, it is highly valued and has strong customer recognition. As "The Traveler's Best Friend", Hudson's goal is to provide passengers with anything they 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. The innovative Hudson Nonstop shop leverages Amazon's just-walk-out and Amazon One technologies, allowing travelers to enter the store with their credit card or through palm recognition, pick up their travel items, and eliminating the need to wait in checkout lines or stopping to pay in-store.

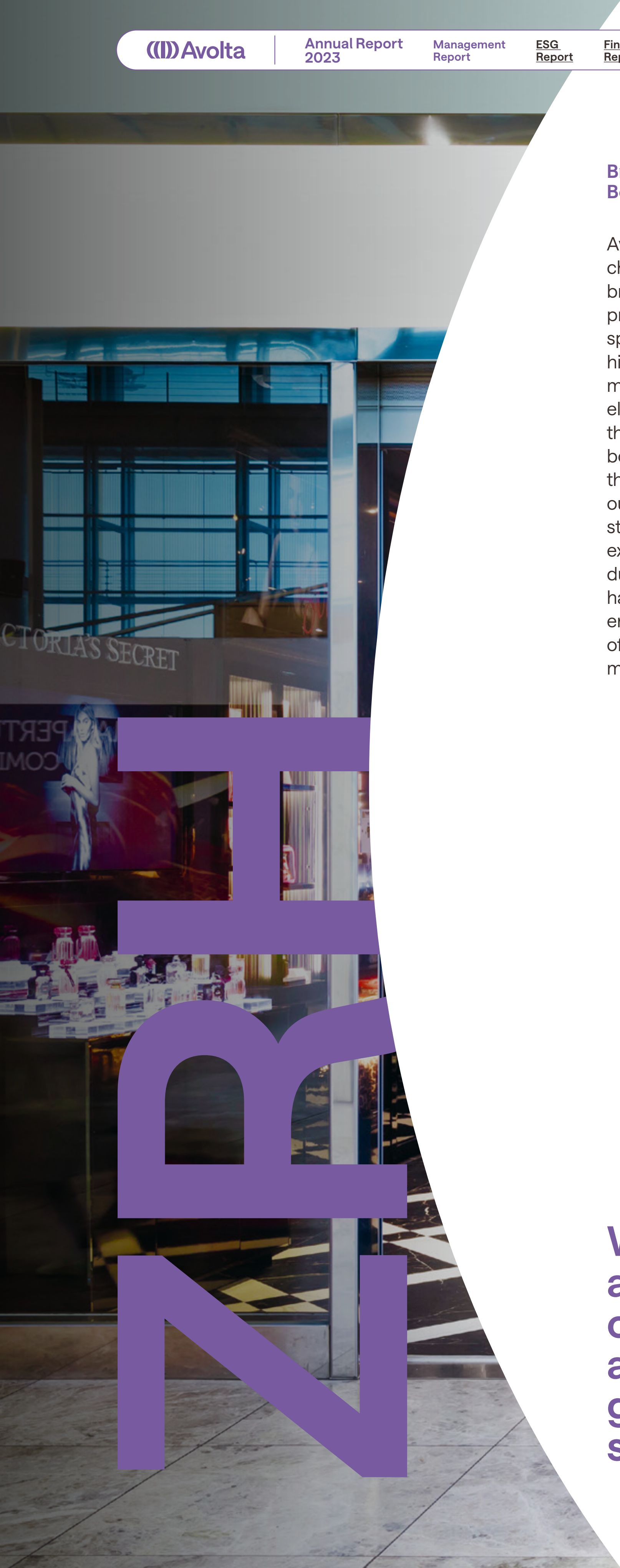
In line with our goal to create hybrid shop concepts Hudson has most recently been successfully combined with F&B concepts offering travelers a complete new experience. Recent examples are the Hudson Café with Baci at Milan Malpensa Airport in Italy and the Hudson Decanted at Dallas Fort Worth International Airport (USA) combining Hudson's Nonstop concept with a wine bar.

Soft drinks
Confectionary
Packaged food
Travel accessories
Electronics
Personal items
Books & Souvenirs
Newspapers & Magazines


fresh grab & go
POPCORN INDIANA
m&m's
JACK LINK'S
TERIYAKI
PARM CRISPS
HARVEST SNAPS
SNICKERS
WHOPPERS
Kisses
Reese's
HARIBO Goldbears
BLACK FOREST
Spree
Mike and Ike
JOLLY RANCHER
SOUR PATCH Kids
LIFE SAVERS
Starburst
Skittles
Welch's Fruit Snacks
Trolli
MONSTER ENERGY
Simply Orange


ZRH
VICTORI
VICTORIA'S SECRET
THREE NEW SCENTS
LOVE

Brand Boutiques



Brand Boutiques

Avolta is a partner of choice for global and local 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.

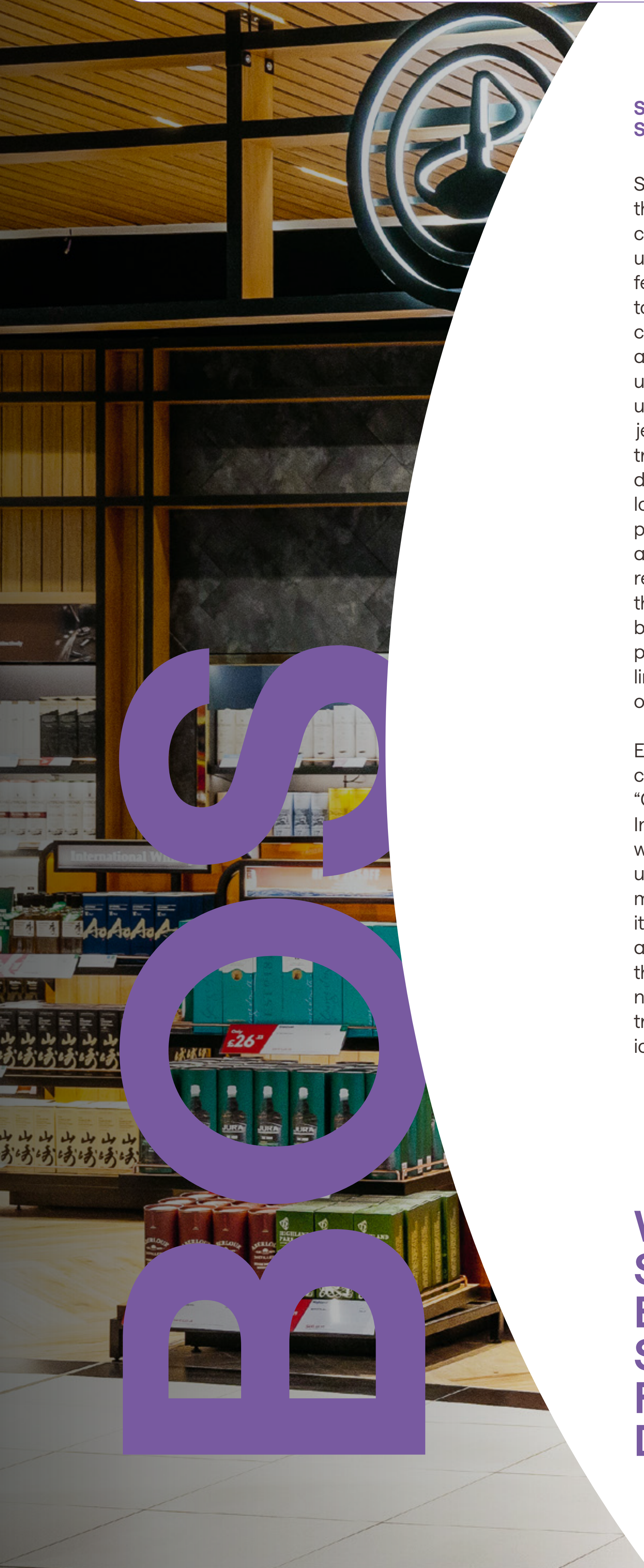
As of December 31, 2023, Avolta operated 248 brand boutiques, such as: Armani, Burberry, Bally, Bvlgari, Cartier, Chloe, Coach, Ermenegildo Zegna, Hermès, Hugo Boss, Jo Malone London, Lacoste, LaPrairie, Lindt, MAC, MCM, Michael Kors, Montblanc, Omega, Polo Ralph Lauren, Salvatore Ferragamo, Swarovski, Swatch, Tod's, Tumi, Versace, Victoria's Secret and others. See also a selection of brands on pages 94 – 95.

We design these shops as standalone boutiques or integrate them as a shop-in-shop in our general travel retail stores.


A'S SECRET
MIST & LOTION COLLECTION
€29
Horario de Venta
Opening hours
06 : 00
22 : 00
VICTORIA'S SECRET


BOS
WORL
SINGLE MALTS
DUTY FREE
NOW AVAILABLE
Twin Packs

Specialized Shops



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 often use this concept 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 and 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; "Gifts & Toys" with its wide selection of toys, and gifting items; "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 for a selection of finest single malt or blend whiskies; "Master of Time" for luxury watches and jewelry; "Temptation" and "Timebox" for fashion watches and accessories; "Travel Star" for luggage and travel essential products and "Atelier", a women's leather accessories store as well as the "mind.body. soul." shop-in-shop concept featuring a selection of health and well-being products.

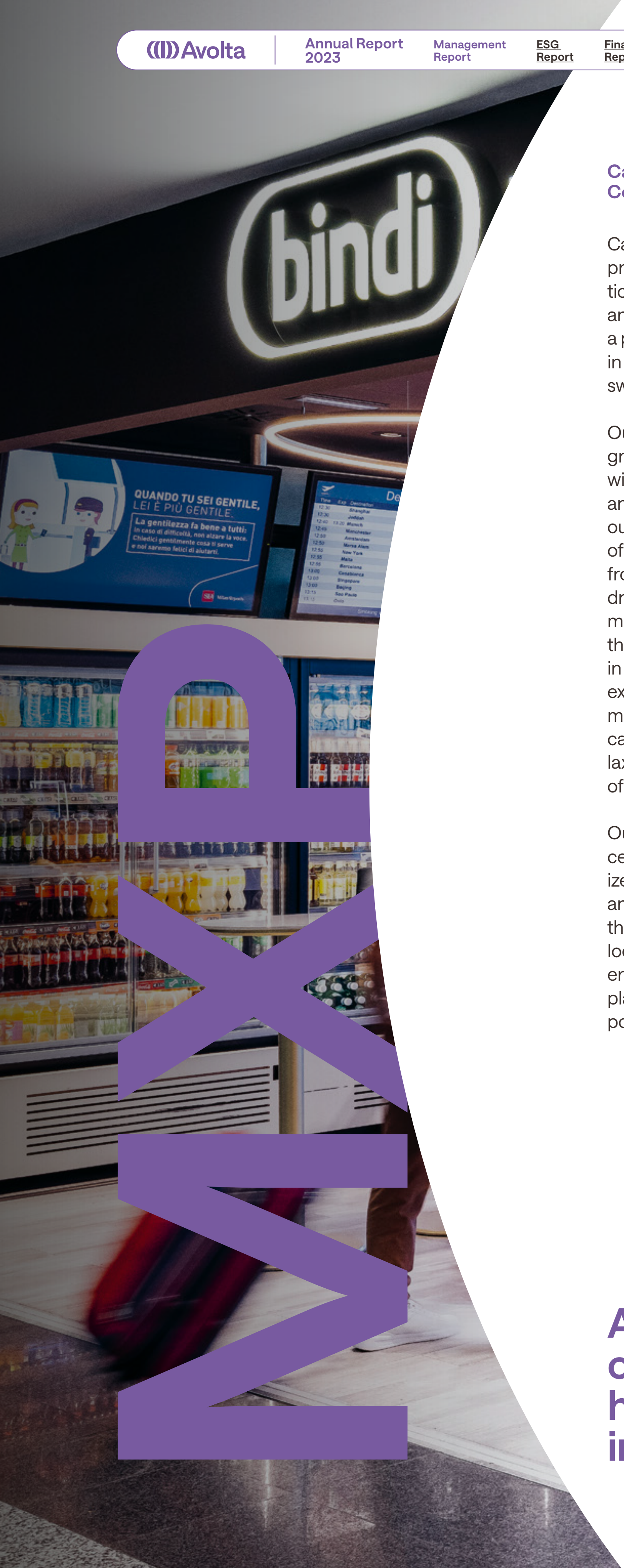
The most recent specialized shop concept launched in 2023 is "Haute Parfumerie" featuring high-level and innovative perfumes. As of December 31, 2023, Avolta operated 449 shops under the Specialized Shops / Theme Stores concept.

Watches & Jewelry
Sunglasses
Electronics
Spirits
Food
Destination products


TENNESSEE WHISKEY
TENNESSEE
Hennessy
Whisky of the Month
JAMESON


MXP
bindi
Dolci e Caffe
QUANDO TU SEI GENTILE,
LEI È PIÙ GENTILE.
Departures
Terminal 1
PLASTICA
CARTA
INDIFFERENZIATO

Café Concepts



Café Concepts

Cafés are an ubiquitous presence in travel locations, embodying comfort and convenience. They are a place for travelers to relax in a cozy atmosphere or swiftly grab a quality coffee.

Our Café Concepts integrate a casual service style with a range of beverages and light bites. Leveraging our Italian heritage, we offer a variety of options from coffee and tea to soft drinks and cold beverages, maintaining relevance in the local market. Their role in enhancing the traveler's experience is both fundamental and multifaceted, catering to the need for relaxation and the demands of a busy itinerary.

Our expert team of concept developers, specialized in geographic areas and categories, ensures that these cafes adapt to local flavors and themes, enhancing the sense of place. The evolving brand portfolio, managed by our F&B centers of excellence, meets travelers' diverse tastes and contributes to immersive customer experiences. Our Café Concepts create a unique sense of place, enhancing the overall travel experience.

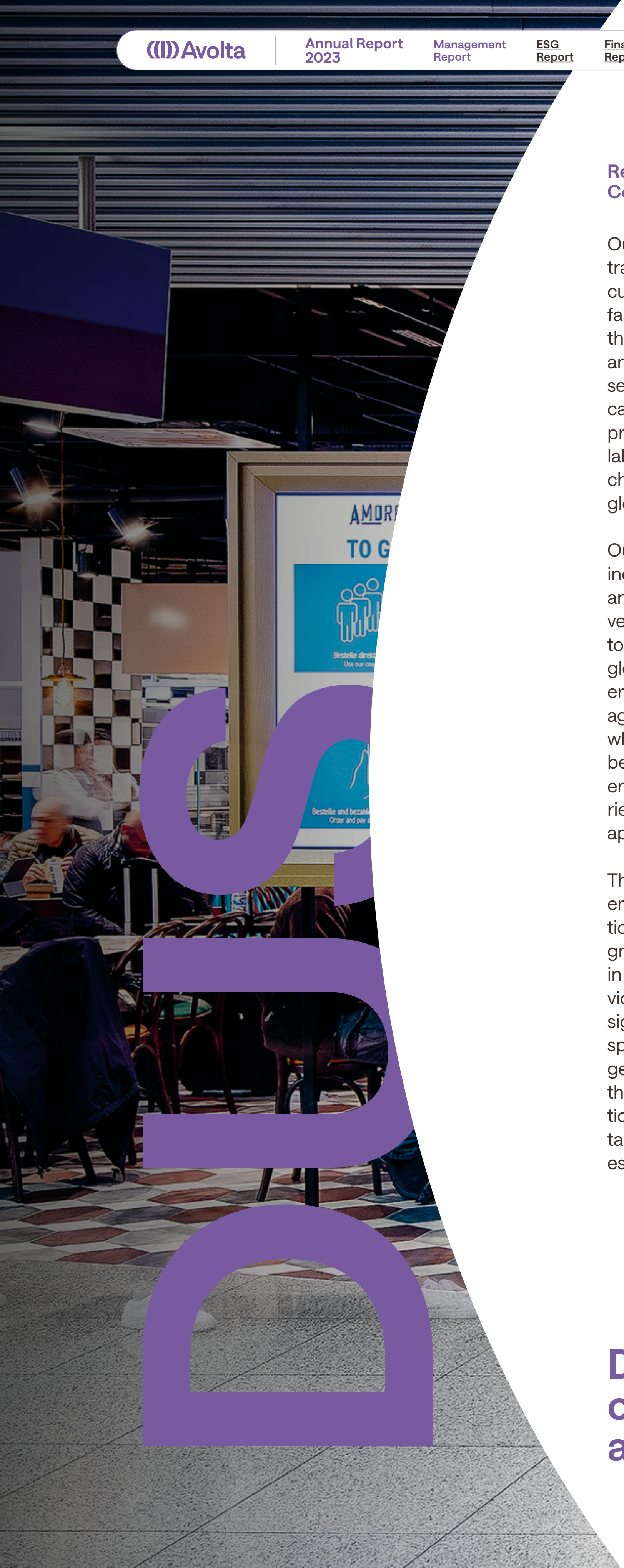
This year we have opened a variety of Café Concepts around the world; in North America we brought in popular local concepts, “Southern Grounds” and “Beatrix Market” to Jacksonville International Airport and Charlotte Douglas International Airport respectively. In Italy we opened our own “Motta Milano 1928” in Rome Fiumicino Airport, as well as our “Wascoffee Lab” in Palermo Borsellino Airport. We took our Italian “Puro Gusto” brand to Chongqing Airport in China, while in Finland we opened an “Espresso House” in Helsinki Airport.

A cornerstone in our offering, rich in Italian heritage, essential in the traveler’s journey.


bindi
Dolci e Caffè
RUBINO CHEESECAKE
Crumble al burro con cuore di salsa ai lamponi e alle fragole con delicata crema al formaggio e glassa al cioccolato bianco
Butter crumble with a heart of raspberry and strawberry sauce with delicate cream cheese and white chocolate glaze
6,50€


DUS
AMORE
TO GO
Bestelle direkt an der Theke.
Use our counter service.
ORDER HERE

Restaurant Concepts



Restaurant Concepts

Our Restaurant Concepts transform travel hubs into culinary destinations. From fast-casual to full-service, through to quick service and counter service or self-service, these restaurants cater to all schedules and preferences, featuring collaborations with renowned chefs and successful global brands.

Our diverse brand portfolio includes both franchised and proprietary brands, developed in-house to cater to the varied needs of our global network. This differentiation allows us to leverage brand success and, when relevant, develop bespoke, one-off formats, enhancing customer experience and maximizing appreciation and sales.

These restaurants not only embody local and international flavors but also integrate the latest innovations in food development, service technology, and design. They can align with specific themes or passenger preferences, enriching the ambiance of the location and offering travelers a taste of the destination's essence.

2023 saw some exciting Restaurant Concept openings across cuisines and service formats globally; in India we opened our "Carluccio's" in Kempegowda International Airport, while in the UAE we opened the well-known "Jones the Grocer" concept. We brought popular Brazilian-Japanese fusion concept, "Temakinho", and our own "Sophia Loren" to Rome Fiumicino Airport, Italy. Our "Amore Do Eat Better" concept was opened in both Düsseldorf Airport, Germany, and Athens International Airport, Greece. In North America we opened our "Manuka Market" at Daniel K. Inouye International Airport, and took local brand "The Pharmacy Burger Parlor" to Nashville International Airport.

Diverse, innovative, catering to every imaginable culinary desire.


AMORE Do Eat Better
ORDER HERE

HAM

Bar Concepts

Bar Concepts

Serving as social hubs at airports, train stations, and other transport locations, Bars offer travelers a space to unwind and connect, adding a lively dimension to their transit experience.

Our Bar Concepts create vibrant social spaces in transit locations, offering a spectrum of beverages and light fare. From casual pubs to upscale venues, they are responsive to cultural nuances and trends, enhancing the sense of place and meeting diverse traveler preferences. These bars are not just for refreshment but are destinations in their own right.

Bar Concepts typically feature a variety of beverages, from cocktails to craft beers, coupled with small bites or appetizers. These concepts can easily incorporate local beverage traditions or theme-specific elements, creating an immersive experience that resonates with the location's character. This flexibility not only meets the diverse preferences of travelers but also enhances the sense of place within the transit environment.

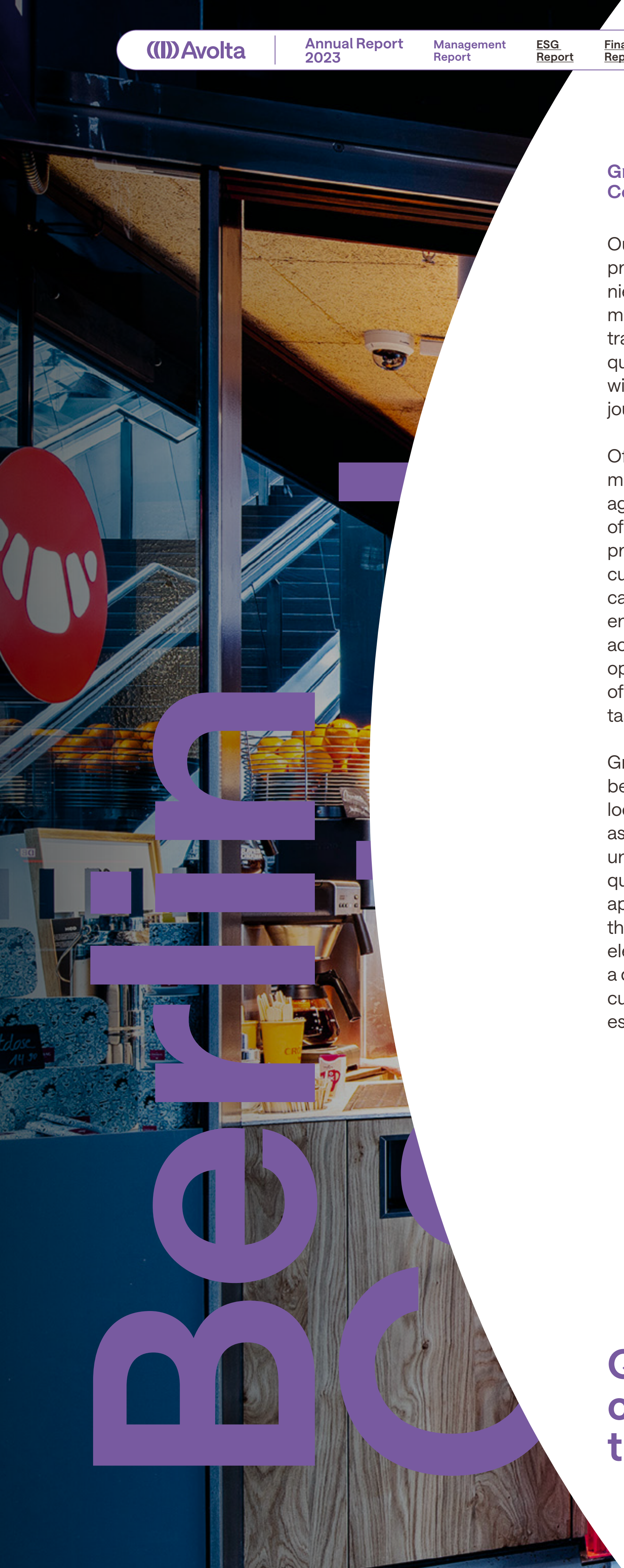
The trends in Bar Concepts were clearly visible in our 2023 openings, with a taste for indulgence seeing the successful opening of our visually stunning "Bubbles Wine and Seafood Bar" in Schiphol International Airport in the Netherlands, as well as the "Berlucchi Franciacorta Sparkling Bar" in Italy's Rome Fiumicino Airport and recently in our opening of "Bottega Prosecco Bar and Craft Beer" in Abu Dhabi International Airport's newest terminal in the UAE. In Indonesia, we brought to life a large Bar-Restaurant in I Gusti Ngurah Rai Airport with "Wolfgang Puck Kitchen + Bar". While in North America we teamed up with a local craft beer brand to open our "Hudson Brewing" bar at Toronto Pearson International Airport, and our own "The Wise Omega Bodega" is off to a solid start at Memphis International Airport.

Versatile social hubs for celebrating, unwinding, and connecting.


ewgate
BEER & BITES

Berlin Central

Grab & Go Concepts



Grab & Go Concepts

Our Grab & Go concepts prioritize speed and convenience without compromising on quality, ensuring travelers have access to quick, quality food options without interrupting their journey.

Offering pre-packaged meals, snacks, and beverages, they cater to a variety of dietary preferences and provide a glimpse into local culinary delights. Strategically placed, these outlets ensure travelers have easy access to essential F&B options, providing a variety of options to suit different tastes and dietary needs.

Grab & Go concepts can be tailored to showcase local specialties or themed assortments, adding a unique flair to the standard quick-service model. This approach not only meets the practical needs of travelers but also gives them a quick taste of the local culture or the thematic essence of the location.

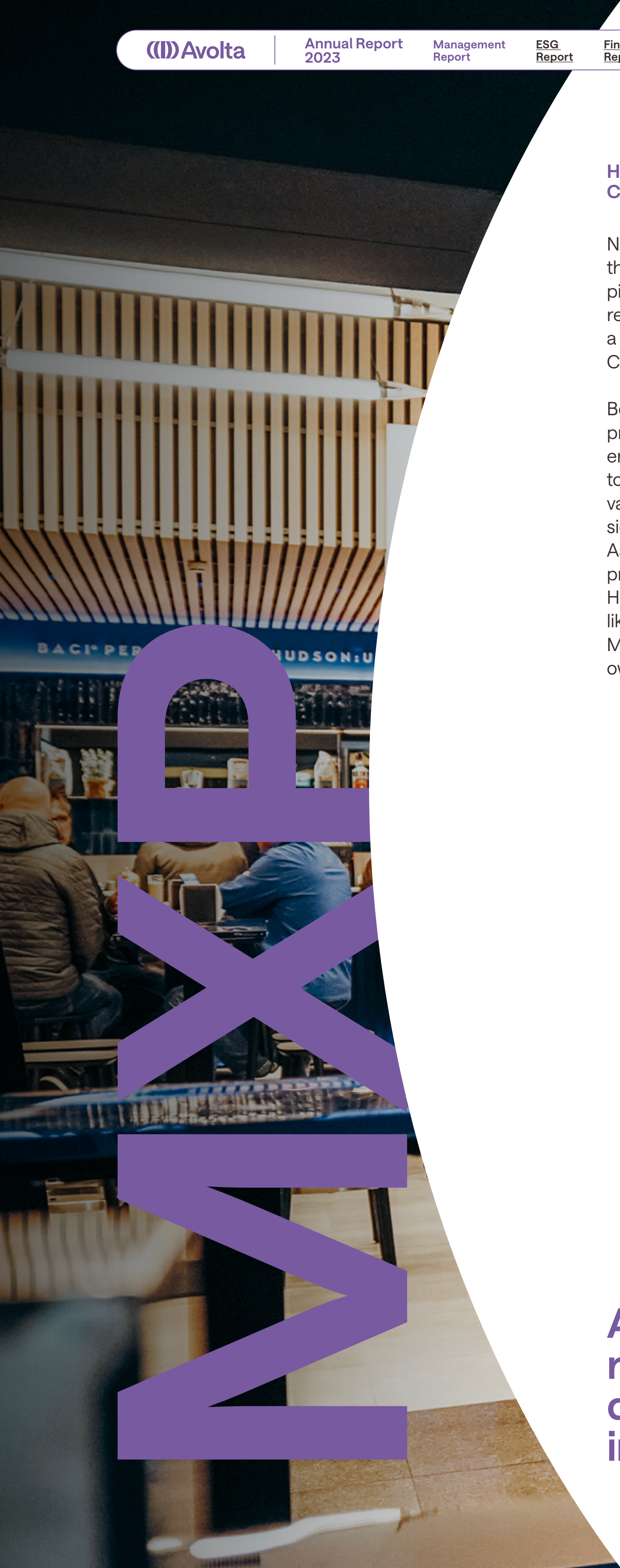
2023 saw the notable openings of Grab & Go concept "Viva" at Italy's Rome Fiumicino Airport, while in the UAE we opened a Grab & Go iteration of our "Urban Food Market" concept at Abu Dhabi International Airport's newest terminal.

Quick, quality, convenient – ideal for the traveler on the move.


LE CROBAG
grab & go
ngsangebot
NUR 1.00
Butter-Croissant
oder Laugen-Croissant

MXP

Hybrid Concepts



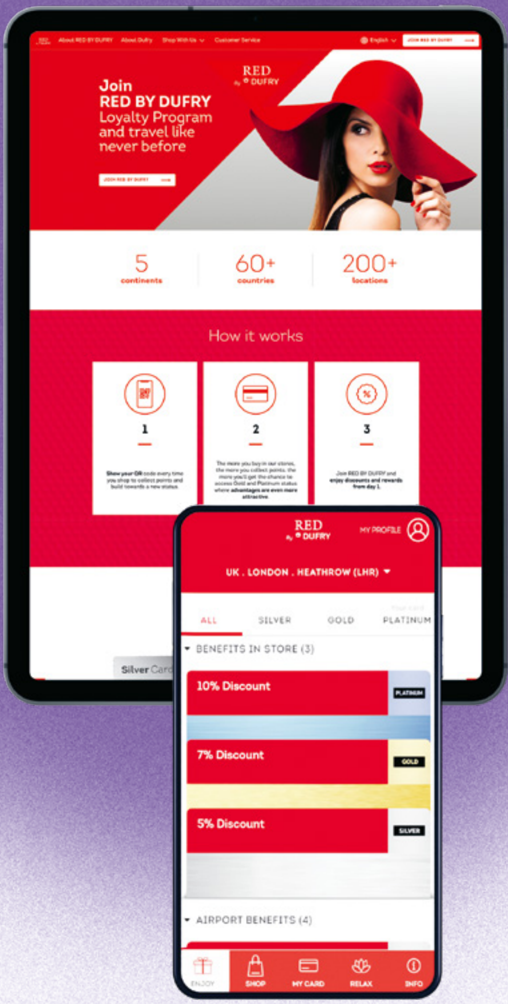
Hybrid Concepts

Now, under Avolta, we have the unique opportunity to pioneer the integration of retail and F&B as we define a new category: Hybrid Concepts.

Beyond just co-locating products, they offer an enhanced, integrated customer experience and a value-add for our concessionaires and travelers alike. As demand grows, we're proud of our successful Hybrid Concept launches, like the "Hudson Café Milano" which sees our very own convenience store, Hudson, integrating with Italian favorite chocolate, Baci, to create a memorable hybrid experience in Milan's Malpensa airport, alongside important tender wins in 2023, including our Spanish tender, showcasing our ability to blend retail appeal with F&B allure in a single, cohesive setting.

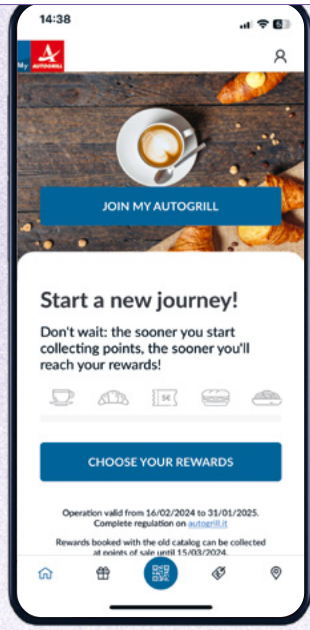
A seamless fusion of retail and food & beverage, defining a new category in travel.


CAFÉ
MILANO
marketplace
BIBITE
DRINKS
GRAB & GO
Sant'Anna
UN VIAGGIO DI EMOZIONI
Baci
SCATTA UN SELFIE
E CREA LA TUA
CARTOLINA



Red By Dufry

The company's customer retention program Red By Dufry is implemented in 51 countries across 316 locations. A complete overview and the respective information is available here: www.redbydufry.com



My Autogrill

My Autogrill is the loyalty program of Autogrill that includes a rewards catalog, discounts, and services dedicated to members. My Autogrill also has an app and is valid at Autogrill Italy and Nuova Sidap stores. myautogrill.it

Mini Apps

Along with the Mini-Apps currently in use at the Global Duty Free Plaza in Hainan for the Chinese customers, Avolta will develop similar applications going forward to support customers in other geographies, offering them easy to use digital and online shopping experiences and customer engagement features.

Online Channels & Services

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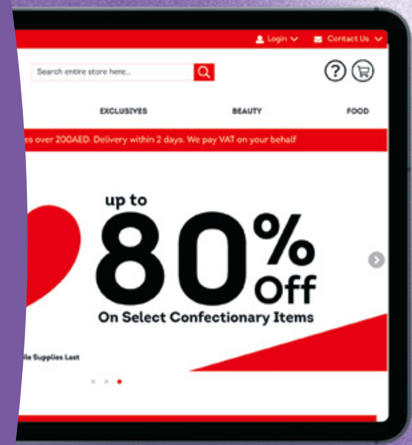

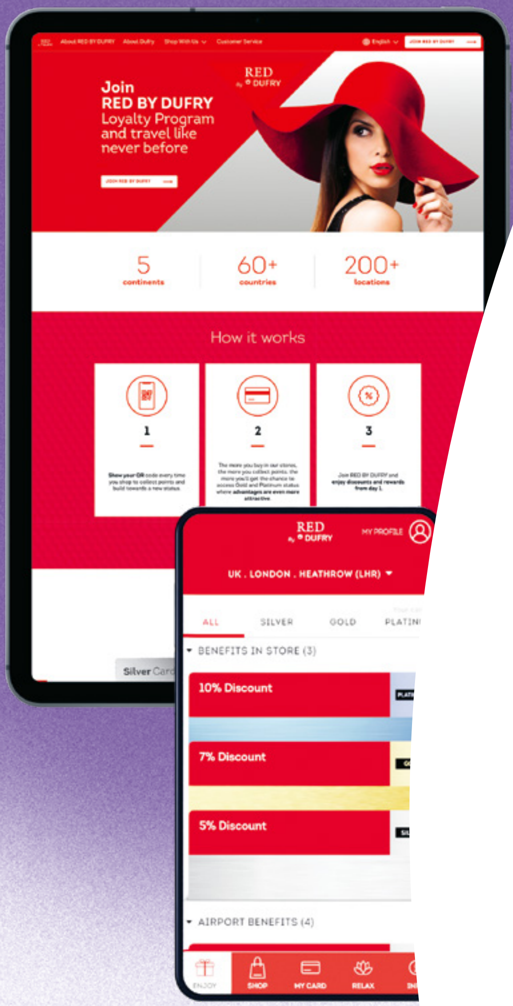

Mini Apps

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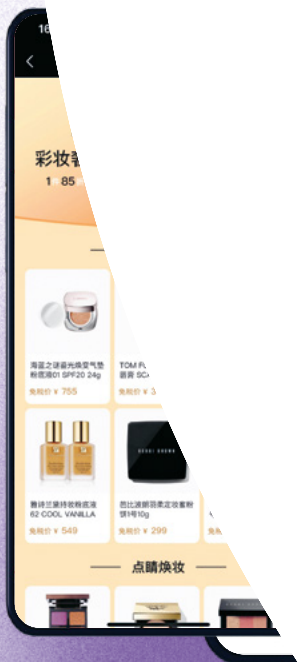


Online Channels & Services

Avolta has been connecting its physical stores with digital applications and customer services for many years and continues to develop new digital touchpoints to engage with customers along the whole travel journey.

Starting from when a trip is planned, customers can reserve their most wanted products through Reserve & Collect and just collect their goods and pay at departure or arrival. Our highly digitalized stores, welcome travelers in different languages during the day, which are aligned with the flight schedules to suit the respective nationalities, and clearly highlight the latest travel retail exclusives or novelties.

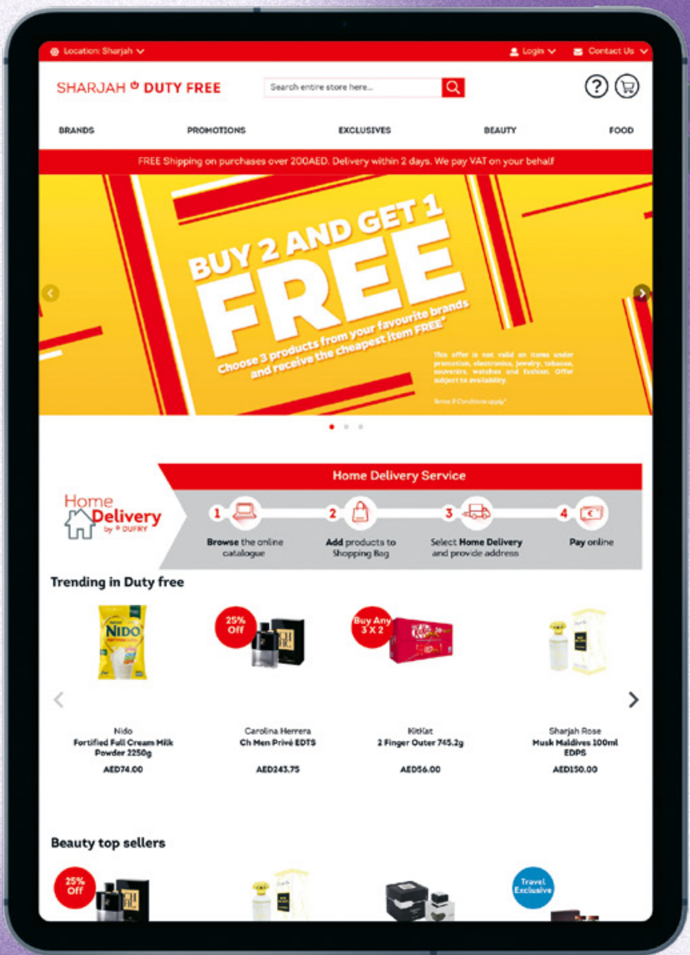
Avolta customers benefit globally from attractive and unique airport-specific services through our Red By Dufry customer loyalty program. When approaching airports or other locations where Avolta operates shops, Red By Dufry identifies the customer and sends them the latest updates on the locally available promotions – an easy and convenient way to earn and redeem benefits globally in the Avolta shops or through our partners.

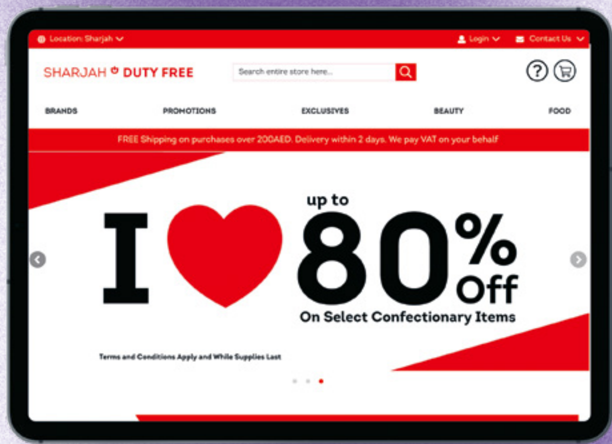
Forum by Dufry is the company's own social media channel, where our brand partners can feature their novelties, special editions and stories related to their products, thus having direct access to their customers.

Increased digital customer experience services and mini-Apps are in use in several operations in South East Asia and in selected operations in Hainan, where Avolta participates in the Global Duty Free Plaza Stores. They support local shopping behaviors and are integrated in popular Apps such as Alipay and WeChat. Functionality and services offered are in line with local duty-free sales regulations; e.g. the possibility of home-delivery, thus offering a comprehensive shopping, payment and service experience for online and offline use.

Reserve & Collect

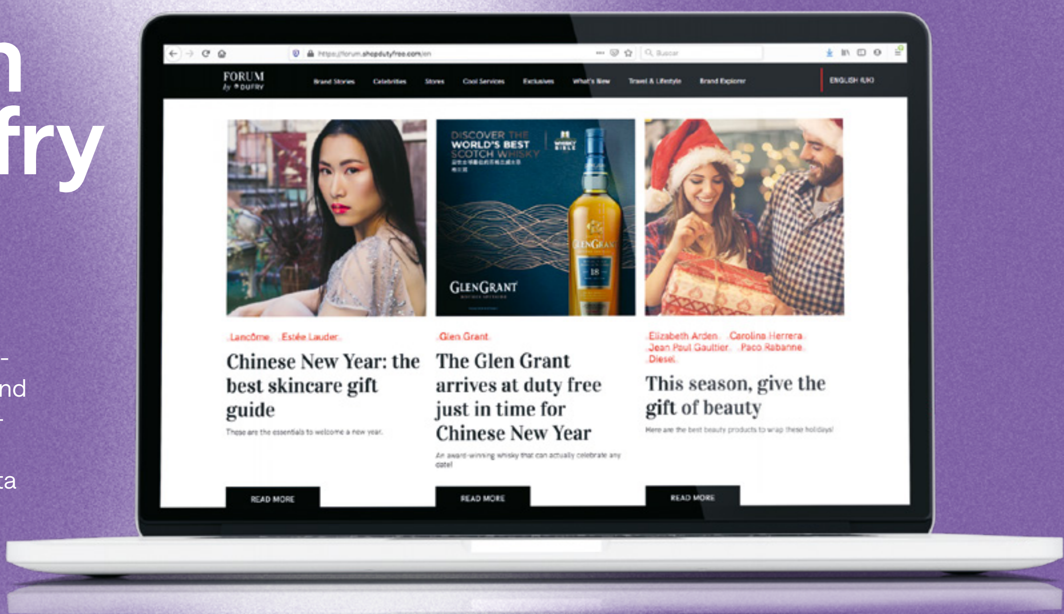
Reserve & Collect is available globally in 223 locations across 45 countries and can be accessed through the dedicated website: www.shop-dutyfree.com





Forum by Dufry

Forum by Dufry can be visited at https://forum.shopdutyfree.com/en and connects brand partners and customers in an aspirational environment and gives access to all Avolta online services.



Europe, Middle East and Africa

Strong business performance crowned by important Spain concession renewal

Europe, Middle East & Africa (EMEA), Avolta's largest region covering 35 countries, enjoyed continued healthy performance, thanks, in particular, to buoyant leisure demand in the major holiday destinations in Southern Europe, the Middle East and Africa, across both travel retail and F&B. In addition, the UK, the Nordics and Central Europe benefitted from increased international inbound travel – including the long-awaited returning travelers from Asia-Pacific.

In 2023, EMEA CORE turnover reached CHF 6,265.4 million versus proforma CHF 5,387.8 million in 2022 with proforma organic growth up 20.0 % YoY.

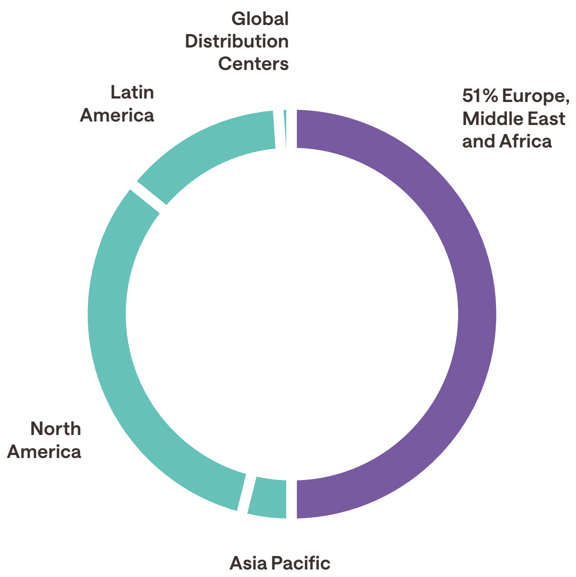
EMEA won a number of new contracts and extended important concessions. The highlight of the year was the renewal of the vast majority of Avolta's Spanish airport operations concession contracts for twelve years. The new contract encapsulates 21 airports with 120 outlets covering around 60,000 m^2 and serving approximately 132 million travelers annually (2019). The company also won new travel retail and F&B concessions at several other airports including Helsinki Airport (Finland) and Hamad International Airport (Doha; F&B joint venture with Qatar Airways).

A number of openings or significant upgrades and digital innovations in several relevant locations were made across the region. These included, in particular, the openings of the unique phygital Haute Perfumery concept in Zurich (Switzerland) and the Debonair Food Hall in Palermo's Falcone Borsellino International Airport (Italy).

Significant refurbishments included the opening of the Next Generation store in the Stockholm Arlanda Airport (Sweden), combining Swedish hospitality and a sense of place with digital innovation, as well as those undertaken at the Glasgow and Manchester Airports (UK). Amongst one of the first new hybrid concepts, the Hudson Café with Baci, was opened at Milan Malpensa Airport (Italy).

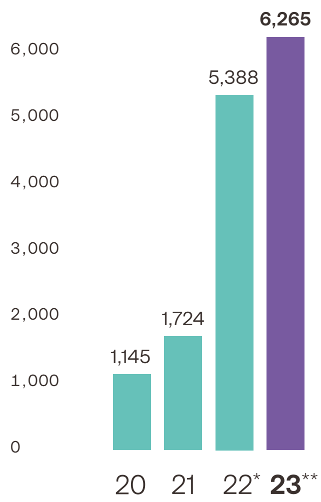
In 2023, a total 1,514 m^2 of retail space was opened, in countries such as Spain and Türkiye, and 17,949 m^2 refurbished.

Portion of turnover 2023



Turnover (in millions of CHF)

6,265



* Proforma.

** CORE Turnover.

Key reported data 2023

Number of outlets
2,329

Retail sales area in m^2
212,323

Employees in FTE
26,107

Europe, Middle East and Africa

Abu Dhabi – Abu Dhabi Airport
Shawa Lebanese Grill offers fresh authentic Lebanese street food in vibrant and rustic surroundings.

London – London Stansted Airport
Avolta inaugurated the mind.body.soul. concept at London Stansted in a shop-in-shop format.

Milan – Milan Malpensa Airport
Avolta hosts the world's first permanent Prada Beauty airport counter, located in Terminal 1 of Malpensa Airport.

Rome – Fiumicino Airport
With a quality offering that includes a fresh oyster bar, Sophia Loren restaurant offers travelers the flavors of authentic Italian cuisine.

Zurich – Zurich Airport
The Gallery is a place to linger and dream while embarking on a journey into the world of Asian cuisine.

Amsterdam – Schiphol Airport
Bubbles Seafood & Wine Bar is a modern, sophisticated bar, offering quality seafood, wine and other beverages to travelers.

Edinburgh – Edinburgh Airport
With more than 300 different whiskies to choose from, the refurbished World of Whiskies space at Edinburgh Airport is a must visit.

Stockholm – Arlanda Airport
With more than 2,500 m² of walk-through space, Stockholm Duty-Free doubles the size of Avolta's previous store at Arlanda.

Helsinki – Helsinki Airport
Located in the heart of the airport's gate area, Avolta's new Helsinki store is highly visible to passengers.

Asia Pacific

Significant acceleration against 2022

Avolta's footprint in the Asia-Pacific (APAC) region has increased considerably on the back of the business combination, executed in 2023. The company now has a presence in 11 countries. The performance in APAC improved significantly from the 2022 low base, driven by domestic and intra-regional traffic and thanks to a gradual recovery in inbound and outbound international travel. In total, regional proforma organic growth totalled 84.4% YoY.

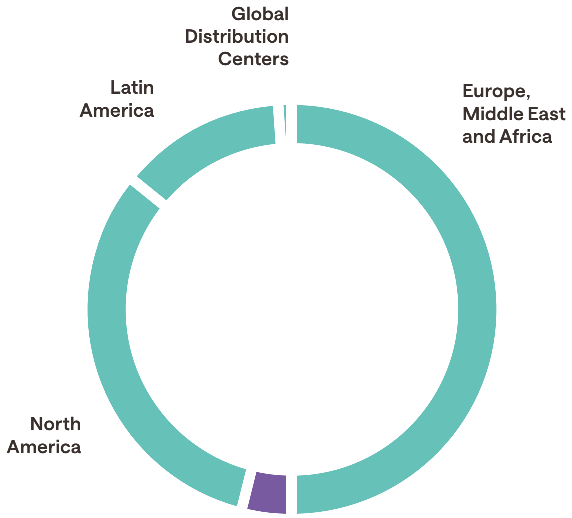
In 2023, turnover reached CHF 557.8 million versus proforma CHF 314.9 million in 2022. While Chinese outbound traffic was hampered by capacity constraints, other nationalities' propensity to travel domestically, intra-region, and internationally, became increasingly evident.

During 2023, Avolta secured some attractive new contracts and successfully extended important existing concessions within the region. Of note is the joint venture agreement with Hubei Airport Group to operate the Wuhan Tianhe Airport's Terminal 2 as master concessionaire for travel retail, F&B, convenience and entertainment, serving 27 million passengers annually (base 2019). Equally, we extended our footprint in the People's Republic of China thanks to a new five-year contract for four duty-paid stores at Chongqing Jiangbei International Airport.

Elsewhere, newly opened or extended concessions within the region included the seven-year extension of our F&B contract in Kuala Lumpur International Airport (Malaysia) and the opening of additional travel retail and F&B operations at Bali's Gusti Ngurah Rai International Airport (Indonesia). Avolta also opened new retail stores and F&B outlets at Bangalore International Airport (India), where the company has a fifteen-year joint venture to operate duty-free shops.

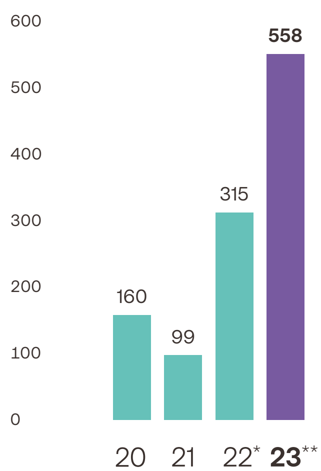
In the year under review, Avolta opened a total of 3,835m^2 and refurbished 3,636m^2 of retail space across the APAC region.

Portion of turnover 2023



Turnover (in millions of CHF)

558



* Proforma.

** CORE Turnover.

Key reported data 2023

Number of shops

334

Retail sales area in m^2

21,826

Employees in FTE

5,804

Asia Pacific

Bangalore – Kempegowda Int. Airport
Duty-Free store in the departures area of the newly opened Terminal 2, boasting over 3,600 m² of retail space across departures and arrivals.

Malaysia – Kuala Lumpur Airport
Catering to health-conscious travelers, FRESH serves healthy food and drinks, preparing them on the spot or for immediate takeaway.

Shanghai – Shanghai Hongqiao Int. Airport
This 54 m² dedicated boutique is La Mer's first standalone store in China's Duty-Paid travel retail channel.

Bali – I Gusti Ngurah Rai Int. Airport
A polished casual, full service restaurant and bar, Wolfgang Puck Kitchen + Bar offers distinctly unique F&B with attentive service.

Chongqing – Chongqing Jiangbei Int. Airport
Avolta inaugurated five standalone luxury beauty boutiques at Chongqing Jiangbei.

Chongqing – Chongqing Jiangbei Int. Airport
Crystal Jade is a Singapore-based culinary brand with multiple Michelin Bib Gourmand awards regarded for its authentic Shanghainese cuisine.

North America

Robust growth underpinned by strong traffic trends and solid demand

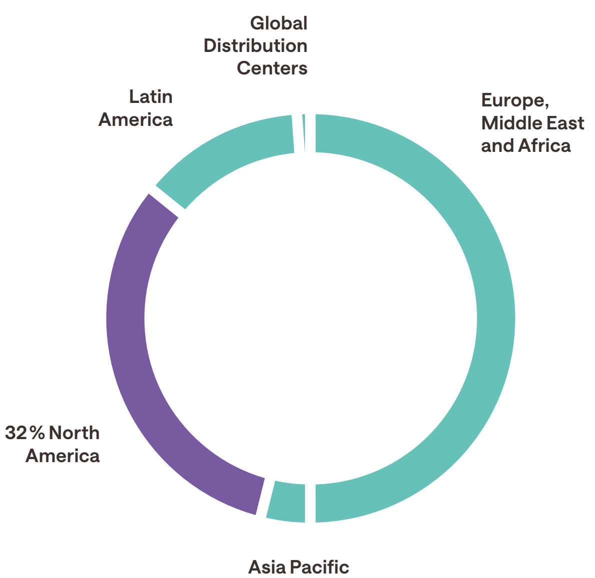
Avolta's new North America region was defined in the context of the business combination. The magnitude of the business generated across the US and Canada, through 113 locations, underlines the importance of these operations for Avolta – a market that also features a motorway business potential.

While in the US, both F&B and travel retail experienced robust growth, underpinned by strong traffic trends and solid demand from both domestic and international travelers, Canada benefitted from the progressive return of Asian travelers during this period. In 2023, turnover reached CHF 3,971.4 million versus proforma CHF 3,683.0 million in 2022; representing proforma organic growth of 14.3% YoY.

Avolta signed a contract extension at the Harry Reid International Airport in Las Vegas (USA) through to 2038. We have already opened a number of stores and transformed our F&B, specialty retail and travel convenience portfolio through a combination of digital innovation, brand partnerships and reimagined stores. Furthermore, having been awarded a twelve-year duty-free contract in Boston Logan International Airport's International Terminal E modernized in early 2023, we have opened several duty-free stores. New specialty retail stores were also opened at John F. Kennedy International Airport in New York, while the company was awarded a new fifteen-year travel convenience contract for Fresno Yosemite International Airport (California). Avolta also opened new dining venues in Jacksonville International Airport, Fort Lauderdale-Hollywood International Airport, Birmingham-Shuttlesworth International Airport, Charlotte Douglas International Airport, Hartsfield-Jackson Atlanta International Airport, Salt Lake City International Airport, San José Mineta International Airport, Orlando International Airport and Chicago O'Hare International Airport (all USA).

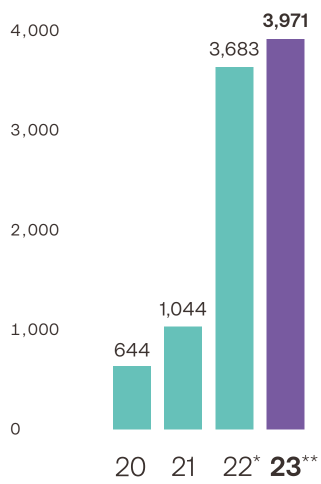
Overall, Avolta opened a total of 5,498m^2 of travel retail space and refurbished 6,775 m^2 in its North America region.

Portion of turnover 2023



Turnover (in millions of CHF)

3,971



* Proforma.

** CORE Turnover.

Key reported data 2023

Number of shops
2,092

Retail sales area in m^2
114,881

Employees in FTE
29,851

North America

Boston – Boston Logan Int. Airport
The Connoisseur Collection is inspired by Boston's rich heritage of whisky clubs and the vibrant history of the Rowes Wharf trading port.

Chicago – Chicago Midway Int. Airport
The Atrium, a one-stop-shop for top global and local brands, diverse gift options and luxury items.

Las Vegas – Harry Reid Int. Airport
The Hudson Nonstop store, powered by Amazon's Just Walk Out technology, is part of Avolta's innovative retail transformation.

Newark – Newark Liberty Int. Airport
Boardwalk General Store is one of Avolta's newest convenience stores in Newark.

Birmingham – Birmingham-Shuttlesworth Int. Airport
Tacos Locos is a celebration of the bold flavors of Mexican cuisine in the heart of BHM, offering chef-driven dishes and craft cocktails.

Nashville – Nashville Int. Airport
The Pharmacy Burger Parlor at BNA is an airport outpost of a popular local restaurant, offering travelers a delicious taste of Nashville.

Nashville – Nashville Int. Airport
Parnassus Books is the airport outpost of Nashville´s must visit independent bookstore.

Charlotte – Charlotte Douglas Int. Airport
Born in Chicago, Beatrix Market offers travelers an all-day bakery and coffee counter, along with quick, grab-and-go bites and snacks.

Montréal – Montréal-Pierre Elliot Trudeau Int. Airport
A tribute to Montréal's Griffintown neighborhood, Brasseur de Montréal restaurant features local craft beers, poutine and chef-inspired dishes.

Latin America

Considerable recovery across the whole region

The Latin America region (LATAM) experienced an important performance acceleration over the course of the year. Main drivers of this included increased demand in Argentina, positively impacted by local currency developments, as well as in Mexico and the Caribbean, thanks to strong momentum in leisure travelers. Brazil continued to improve as international traffic returned while demand also rose across the cruise line channel, one of the traditional businesses in the Caribbean.

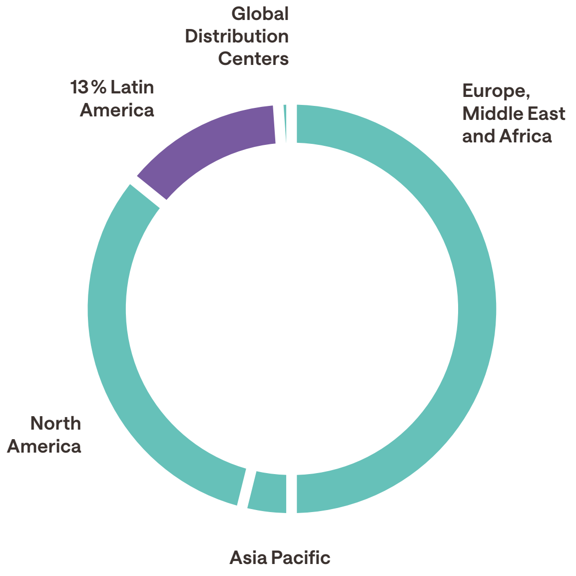
In 2023, turnover reached CHF 1,653.7 million versus proforma CHF 1,310.5 million in 2022; with proforma organic growth up by a remarkable 32.5% versus 2022.

During 2023, successful concession wins or extensions included a ten-year contract for a newly opened duty-paid store at Vitória Airport (Brazil). Avolta also inaugurated a 1,586 m² main duty-free store at Sangster International Airport (SIA) in Montego Bay (Jamaica). Moreover, Avolta signed a twenty-year contract to operate a duty-free store at the international bridge «General San Martin», the main crossing point between Argentina and Uruguay.

Finally, Avolta proudly announced the opening of a stunning new luxury Swarovski boutique onboard the Norwegian Cruise Line (NCL) "Norwegian Escape" cruise ship. The 56 m² bespoke boutique is the first at sea and will offer the full product range including jewelry, watches and writing instruments.

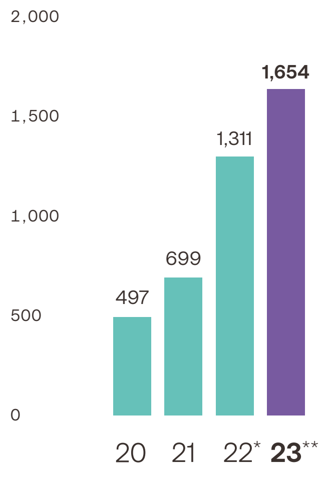
In all, over 2023, Avolta opened a total 896 m² of new retail space and refurbished 6,884 m² in the LATAM region.

Portion of turnover 2023



Turnover (in millions of CHF)

1,654



* Proforma.
** CORE Turnover.

Key reported data 2023

Number of shops
400

Retail sales area in m²
128,436

Employees in FTE
5,991

Latin America

Mexico City – Benito Juárez Int. Airport
A striking tequila tasting area welcomes customers and invites them to sample the many exceptional tequila brands available.

Mexico City – Benito Juárez Int. Airport
The souvenir store in Terminal 2 embodies a robust sense of place, deeply intertwined with Mexican tradition and folklore.

Dominican Republic – Las Américas Int. Airport
Las Americas Collection store is a multi-brand concept offering an array of products including watches, jewelry, sunglasses, fashion and accessories.

Recife – Recife Int. Airport
Recife's 268 m² Dufry Shopping store is located airside and features a Hudson convenience shop-in-shop concept.

Belo Horizonte – Confins Int. Airport
The Dufry Shopping mega store in Belo Horizonte is one of Avolta's largest stores of this duty-paid concept.

Montego Bay – Sangster Int. Airport
Strong sense of place with "Rum Vibes" showcasing local spirits, including many Jamaican rums.

Over 1,000 locations worldwide

Europe, Middle East and Africa

Armenia
- Gyumri
- Yerevan

Austria
- Arnwiesen
- Feistritz
- Göttlesbrunn
- Hinterbrühl
- Innsbruck
- Lanschütz
- Lindach
- Linz
- Matrei
- Pandorf
- Salzburg
- Weer
- Wien
- Wien Westbahnhof
- Ybbs

Belgium
- Aishe-en-Refail
- Antwerp
- Bruges
- Brussels
- Brussels Central
- Brussels Noord
- Froyennes
- Ghent
- Hasselt
- Mannekensvere
- Namur
- Ranst
- Ruisbroek
- Sprimont
- Thieu
- Verlaine
- Wanlin
- Zaventem

Bulgaria
- Burgas
- Sofia
- Varna

Cape Verde
- Boa Vista
- Praia
- Sal

Côte d'Ivoire
- Abidjan

Denmark
- Copenhagen

Egypt
- Cairo

Finland
- Helsinki

France
- Ambrussum
- Beaune
- Beziers Montblanc Nord
- Blois-Villerbon
- Brou
- Chartres - Gasvilel - Bois Paris
- Calais
- Cambarette Centre
- Cambarette Sud
- Canaver
- Carrousel du Louvre
- Centre France
- Chien Blanc - Lochères
- Corbières
- Corbières Nord
- Dijon - Brognon
- Disney Hotels
- Dracé Plus
- Eurotunnel France
- Fort-de-France
- Granier Chambéry
- Jardin des Arbres
- Jura
- L'Isle-d'Abeau
- L'Isle-d'Abeau Sud
- Lafayette
- Matoury
- Metz - St. Privat
- Miramas
- Montélimar Est
- Montélimar Ouest
- Morainvilliers
- Morainvilliers Nord
- Morières
- Nemours - Darvault
- Nice
- Perrogney - Noidant
- Plaines de Beauce
- Pointe-à-Pitre
- Porte de la Drôme
- Ressons Est
- Sommesous
- Taponas-Boitray
- The Village
- Toulouse
- Troyes
- Villeroy
- Volcans d'Auvergne
- Wancourt Est

Germany
- Berlin
- Bochum
- Bonn
- Bremen
- Darmstadt
- Dessau
- Dresden
- Duisburg
- Düsseldorf
- Eisenach
- Erfurt
- Essen
- Frankfurt
- Fribourg
- Göttingen
- Halle
- Hamburg
- Hannover
- Heidelberg
- Jungfernstieg
- Karlsruhe
- Kiel
- Köln
- Leipzig
- Magdeburg
- Mainz
- Mannheim
- München
- Münster
- Neumünster
- Nurenburg
- Ohlsdorf
- Postdam
- Rosenheim
- Rostock
- Saarbrücken
- Siegburg
- Sternschanze
- Stuttgart
- Wiesbaden
- Wurzburg

Ghana
- Accra

Greece
- Akrata
- Alexandroupolis
- Athens
- Athens Leptokaria
- Chania
- Corfu
- Doirani
- Evzonoi
- Heraklion
- Igoumenista
- Ioannina
- Kakavia
- Kalamata
- Karpathos
- Kastanies
- Kastellorizo
- Katakolo
- Kavala
- Kefalonia
- Kipoi
- Kos
- Krystallopigi
- Limnos
- Mertziani
- Mykonos
- Mytilene
- Nea Anchialos
- Niki
- Ormenio
- Patras
- Piraeus
- Preveza
- Promachonas
- Rhodes
- Sagiada
- Samos
- Santorini
- Skiathos
- Spathovouni
- Symi
- Thessaloniki
- Zakynthos

Ireland
- Ballymahon

Italy
- Aci Sant'Antonio Ovest
- Acquasparta
- Acquedoldi Sud
- Adda Sud
- Adige Brennero Est
- Adige Brennero Ovest
- Adige Est
- Adige Ovest Oil
- Affi
- Alento Est Oil
- Alfaterna Est
- Alfaterna Ovest
- Arda
- Arno Est
- Arrone Ovest Oil
- Assago Carrefour
- Assago Forum
- Assago Ovest
- Asti Est
- Aurelia Sud
- Autoparco Brescia Est
- Badia al Pino Est
- Badia al Pino Ovest
- Bagali Est
- Bari
- Baronissi Est
- Baronissi Ovest
- Bazzera Nord Oil
- Bazzera Sud
- Bentivoglio Ovest
- Bergamo
- Bettole di Novi Est
- Bettole di Novi Ovest
- Bevano Est
- Bevano Ovest
- Bologna
- Bolzano
- Bordighera Nord Oil
- Bordighera Sud
- Bormida Est Oil
- Braccagni
- Brembo
- Brembo Oil
- Brembo Sud Oil
- Brianza Nord
- Brianza Sud
- Brindisi
- Brughiera Est Oil
- Brughiera Ovest
- Brugnato Est
- Brugnato Ovest Oil
- Calaggio Nord Oil
- Calatabiano Ovest Oil
- Calstorta Nord
- Campagna Nord
- Campagna Ovest
- Campiglia Marittima
- Campiglia Marittima Ovest
- Campiolo Ovest
- Campora Est
- Cantagallo
- Cantagallo Est Oil
- Capalbio

- Caracoli Nord
- Carate Brianza Ovest
- Carcare Est
- Cascina
- Cascina Bar
- Casilina Est
- Casilina Esterna
- Casilina Ovest
- Castagnolo Ovest
- Castel Guelfo
- Castelbentivoglio Est
- Castelbentivoglio Ovest
- Castelfranco
- Castellaro Nord Oil
- Castelnuovo del Garda
- Cecina Ovest
- Ceriale Nord
- Ceriale Sud
- Chianti
- Cigliano Nord Oil
- Cinisello Nord
- Civita Nord
- Civita Sud
- Civitanova Nord Oil
- Civitanova Sud
- Colle Tasso Sud
- Collesalvetti Sud
- Cologno Monzese Est
- Conero Est
- Conero Ovest
- Conioli Sud Oil
- Coppetella Est
- Cremona Nord
- Cremona Sud
- Crocetta Sud
- Dorno
- Dorno Oil
- Drove Est
- Drove Ovest
- Duino Sud
- Esino Ovest
- Esino Ovest Oil
- Fella Est Oil
- Feronia Est Oil
- Fine Est
- Flaminia Est
- Flaminia Ovest
- Florence
- Foglia Ovest
- Follonica
- Francavilla Fontana
- Frascati Est
- Frascineto Est
- Frascineto Ovest
- Gallarate
- Gargallo Ovest
- Genoa
- Ghedi Est
- Ghedi Est Oil
- Ghedi Ovest
- Giovi Est
- Giovi Ovest
- Giovinazzo Nord
- Giovinazzo Sud
- Golfo Aranci
- Gran Bosco Est Oil
- Grosseto Banditella
- Irpinia Sud
- Isola Rizza
- La Macchia Est
- La Macchia Est Oil
- La Macchia Ovest
- Laimburg Est
- Laimburg Ovest
- Lambro Sud
- Lambro Sud Oil
- Lario Est
- Lario Ovest
- Latina Pontina
- Lazise
- Ledra Est Oil
- Limena
- Limenella Sud Oil
- Livorno
- Lucignano Ovest Oil
- Magra Est
- Magra Ovest
- Mantova
- Mascherone Est Oil
- Medesano Est
- Medesano Est Oil
- Medesano Ovest
- Melara Est
- Melfi
- Mercato Saraceno
- Mercato Saraceno Est
- Metauro Est
- Milan
- Milan Cadorna
- Milan Centrale
- Milan Famagosta
- Milan Garibaldi
- Milan Linate
- Milan Malpensa
- Milan Pertini Oil
- Modugno
- Molteno
- Monferrato Est Oil
- Monte Baldo Ovest
- Montealto Nord
- Montealto Sud
- Montefeltro Ovest
- Montepulciano Est
- Montepulciano Ovest
- Montequiesa Nord
- Montriggioni Est
- Montevarchi
- Montevelino Nord
- Naples
- Nettuno
- Nichelino Nord
- Nichelino Sud
- Nogaredo Est Oil
- Nogaredo Ovest
- Novate Milanese Nord
- Novate Nord
- Noventa di Piave
- Nure Nord
- Nure Sud
- Ofanto Nord
- Olbia Monti
- Olivarella Sud
- Orio al Serio
- Padova Australia Oil
- Paganella Ovest Oil
- Palermo
- Parma Colorno
- Paretola Sud
- Pero Nord
- Piani d'Ivrea Nord
- Piani d'Ivrea Sud
- Piceno Est
- Pieve S. Stefano Est
- Pieve S. Stefano Ovest
- Piombino Oil
- Pisa
- Pisa Uberti
- Po Brennero Est Oil
- Po Est
- Po Ovest
- Pomezia
- Pontedera Sud
- Pontevalleceppi
- Porto di Piombino
- Porto Torres
- Postumia Nord
- Postumia Sud
- Potenza
- Povegliano Ovest
- Prenestina Est
- Prenestina Ovest
- Rinovo Nord Oil
- Rio Ghidone Ovest
- Rio Vivo Est
- Ripa Sud
- Riviera Sud
- Rivoli Nord
- Rogliano Est
- Rogliano Ovest
- Rome
- Rosarno Ovest
- Rozzano Nord
- Rubicone Est
- Rubicone Ovest
- S. Liberato
- S. Teresa di Riva Est Oil
- S. Vincenzo
- Sacchitello Nord
- Sacchitello Sud
- Saint Vincent Ovest Oil
- Sala Consilina Est
- Sala Consilina Ovest
- Salerno Est
- Salerno S. Leonardo
- San Benedetto Ovest
- San Casciano Est Oil
- San Casciano Ovest Oil
- San Cristoforo Nord
- San Demetrio Ovest Oil
- San Giuliano Est
- San Giuliano Ovest
- San Lorenzo Ovest
- San Pelagio Ovest
- San Rocco
- San Zenone Ovest
- Santerno Est
- Scaligera
- Scaligera Sud
- Scarmagno Est
- Scarmagno Ovest Oil
- Scillato Sud
- Sebino
- Sebino Sud
- Secchia Est
- Secchia Ovest
- Secchia Ovest Oil
- Selargius
- Seriate
- Serramendola Est
- Serravalle
- Serravalle Pistoiese
- Serravalle Pistoiese Nord
- Settimo Torinese Sud
- Siena
- Sile Ovest Oil
- Sillaro Ovest
- Somaglia Est
- Somaglia Ovest
- Spello
- Spoleto Oil
- Stradella Nord
- Stradella Sud
- Stura Est
- Stura Ovest
- Teano Est
- Termini Imerese Sud
- Terni Nord
- Terni Sud
- Tesina Sud
- Tesina Sud Oil
- Tevere Ovest
- Tiburtina Sud Oil
- Tindari Sud
- Tirreno Est
- Todi
- Tolentino
- Tor Bell Monaca
- Torre Annunziata Ovest
- Torre Cerrano Est
- Tortona Nord
- Tortona Sud
- Tortoreto Ovest
- Tramatza Est
- Tramatza Ovest
- Trebbia Nord
- Tremestieri Ovest
- Trieste
- Turchino Est
- Turin
- Val di Sona Est
- Valle Aterno Ovest Oil
- Valleggia
- Valtrompia Nord
- Valtrompia Sud
- Verbano Est
- Verbano Ovest
- Vercelli
- Venezia Mestra
- Venezia S.Lucia
- Verghereto
- Verona
- Verona Tagenziale
- Versilia Ovest
- Vicolungo
- Villa Morosini Ovest
- Villabona Nord Rotatoria
- Villabona Sud
- Villanova Sud

- Villarboit Nord
- Villoresi Est
- Villoresi Est Oil
- Villoresi Ovest
- Viverone Nord
- Viverone Sud
- Vomano Est
- Zevio

Jordan
- Amman Marka
- Amman Queen Alia
- Aqaba

Kazakhstan
- Astana

Kenya
- Nairobi

Kuwait
- Kuwait City

Malta
- Luqa

Morocco
- Agadir
- Casablanca
- Fes
- Marrakech
- Nador
- Oujda
- Rabat
- Tanger

The Netherlands
- Alkmaar
- Amersfoort
- Amsterdam
- Amsterdam Amstel
- Amsterdam Bijlmer Arena
- Amsterdam Centraal
- Arnhem
- Backwerk
- Broodzaak
- Den Bosch
- Den Haag
- Eindhoven
- Enschede
- Groningen
- Haarlem
- Hoorn
- Lelystad
- Roermond
- Rotterdam
- Stadskamer
- Sugar City
- Utrecht

Nigeria
- Abuja
- Lagos

Norway
- Oslo
- Stavanger

Qatar
- Hamad

Russia
- Moscow Domodedovo
- Moscow Mineralnye Vody
- Moscow Sheremetyevo
- Moscow Vnukovo
- Rostov
- St. Petersburg Pulkovo

Serbia
- Belgrade
- Kraljevo
- Nis

Slovenia
- Lukovica
- Mokrice
- Sempas

Spain
- Alicante
- Almeria
- Barcelona
- Fuerteventura
- Girona
- Gran Canaria
- Granada
- Ibiza
- Jerez
- La Palma (SPC)
- Lanzarote
- Madrid
- Malaga
- Menorca
- Murcia Corvera
- Palma de Mallorca (PMI)
- Reus
- Sevilla
- Tenerife Norte
- Tenerife Sur
- Valencia

Sweden
- Gothenburg
- Kalmar
- Karlstad
- Luleå
- Malmö
- Östersund
- Stockholm Arlanda
- Sundsvall
- Umeå
- Visby

Switzerland
- Basel
- Basel-Mulhouse
- Bavois
- Cornavin
- Forrenberg
- Fribourg
- Genève
- Gruyère
- Lavaux
- Lully
- Münsingen
- Olten
- Pieterlen
- Pratteln
- St. Margarethen
- Zurich

Türkiye
- Antalya
- Istanbul
- Kayseri
- Kutahya

Ukraine
- Odessa

United Arab Emirates
- Abu Dhabi
- Dubai
- Sharjah

United Kingdom
- Aberdeen
- Ashford
- Bedfordshire
- Belfast
- Birmingham
- Bournemouth
- Bristol
- Cardiff
- Cheshire Oaks
- Cumbria
- East Midlands
- Edinburgh
- Exeter
- Eurotunnel
- Euston
- Glasgow
- Humberside
- Inverness
- Jersey
- Leeds
- Liverpool
- London King's Cross
- London Gatwick
- London Heathrow
- London Luton
- London Stansted
- London St. Pancras
- Manchester
- Newcastle
- Norwich
- Nottinghamshire
- Prestwick
- Southampton
- Southend
- Suffolk
- Teesside
- Wiltshire
- Windsor

Cruise and Ferry ships
- Ariadne
- Asterion
- Blue Star I, II
- Blue Star Delos
- Blue Star Diagoras
- Blue Star Naxos
- Blue Star Paros
- El. Venezielos
- Elyros
- Hellenic Spirit
- Highspeed 4
- Kissamos
- Kriti Ship (Kriti I, II)
- Lefka Ori
- Nisos Chios
- Nisos Mykonos
- Nisos Rhodes
- Nisos Samos
- Patmos
- P&O European Causeway
- P&O European Highlander
- P&O Norbank
- P&O Pride of Hull
- P&O Pride of Rotterdam
- P&O Spirit of Britain
- P&O Spirit of France
- P&O The Pioneer
- Prevelis
- Superfast I
- Superfast II
- Superfast III
- Superfast XI

Asia Pacific

Australia
- Cairns
- Canberra
- Gold Coast
- Perth

Cambodia
- Phnom Penh
- Sihanoukville

China
- Beijing
- Chongqing
- Hong Kong
- Macau
- Shanghai Hongqiao
- Shanghai Pudong
- Xiamen

India
- Bangalore
- Delhi
- Hyderabad
- Prestige Shopping Mall
- Secunderabad
- Sujana Mall

Indonesia
- Bali
- Jakarta

Malaysia
- Kuala Lumpur
- Langkawi

Maldives
- Maldives

New Zealand
- Christchurch

Singapore
- Changi

Sri Lanka
- Colombo

Vietnam
- Cam Rahn
- Da Nang
- Hanoi
- Ho Chi Minh City
- Phu Quoc

North America

USA
- Albany
- Albuquerque
- Anchorage
- Atlanta
- Atlantic City
- Austin
- Baltimore/Washington
- Birmingham
- Boston
- Burbank
- Burlington
- Charleston
- Charlotte
- Chicago O'Hare
- Cincinnati
- Clearwater
- Cleveland
- Colorado Springs
- Columbus
- Dallas Fort Worth
- Dallas Love Field
- Dayton
- Denver
- Des Moines
- Detroit
- El Paso
- Fairbanks
- Fort Lauderdale Hollywood
- Fort Myers
- Fresno
- Grand Rapids
- Greensboro
- Greenville
- Harrisburg
- Honolulu
- Houston George Bush
- Houston Hobby
- Houston Space Center
- Indianapolis
- Islip MacArthur
- Jackson
- Jacksonville
- Jersey Gardens Mall
- Knoxville
- Las Vegas McCarran
- Lihue
- Little Rock
- Los Angeles
- Louisville
- Lubbock
- Manchester Boston
- Maui
- Memphis
- Miami
- Milwaukee
- Minneapolis
- Mobile
- Myrtle Beach
- Nashville
- New Orleans
- New York
- New York Empire State
- New York Grand Central
- New York JFK
- New York LaGuardia
- New York Penn Station
- New York Port Authority
- New York Union Station
- Newark
- Newburg
- Norfolk
- Oakland
- Omaha
- Ontario
- Orange County
- Orlando
- Orlando Sanford
- Philadelphia
- Phoenix Sky Harbor Airport
- Pittsburgh
- Portland
- Portland International
- Raleigh
- Richmond
- Roanoke
- Rochester
- Sacramento
- Salt Lake City
- San Antonio
- San Diego
- San Francisco
- San Jose
- Santa Ana
- Sarasota
- Savannah
- Seattle Tacoma
- Spokane
- St Louis
- Tampa
- Tucson
- Tulsa
- West Palm Beach
- Washington DC
- Washington Dulles
- Washington Ronald Reagan Airport

Canada
- Calgary
- Edmonton
- Halifax
- Montréal
- Toronto Billy Bishop
- Toronto Pearson
- Vancouver

Latin America

Antigua & Barbuda
- Antigua

Argentina
- Bariloche
- Buenos Aires Ezeiza
- Buenos Aires Jorge Newbery
- Cordoba
- Mendoza
- Rosario

Aruba
- Oranjestad

Bahamas
- Freeport
- Nassau

Barbados
- Bridgetown

Bonaire
- Kralendijk

Brazil
- Belém
- Belo Horizonte
- Brasília
- Campinas
- Curitiba
- Florianopolis
- Fortaleza
- Goiânia
- Natal
- Porto Alegre
- Recife
- Rio de Janeiro
- Rio de Janeiro Galeão
- Rio de Jainero Santos Dumont
- Salvador
- São Paulo Congonhas
- São Paulo Guarulhos
- Uruguaiana
- Vitoria

Chile
- Santiago de Chile

Colombia
- Bogota

Dominican Republic
- La Romana
- Puerto Plata
- Samana
- Santiago
- Santo Domingo (SDQ)
- Santo Domingo Punta Cana

Ecuador
- Santiago de Guayaquil

Grenada
- St. Georges's

Honduras
- Roatan

Jamaica
- Falmouth
- Montego Bay

Mexico
- Acapulco
- Cancun
- Cozumel
- Guadalajara
- Leon
- Mazatlan
- Mexico City
- Mexico State
- Monterrey
- Puerto Vallarta
- San José del Cabo
- Zihuatanejo

Puerto Rico
- Ponce
- San Juan

St Kitts & Nevis
- Basseterre

St Lucia
- Castries

St Maarten
- Philipsburg

Trinidad & Tobago
- Port of Spain

Turks & Caicos Islands
- Cockburn Town
- Providenciales

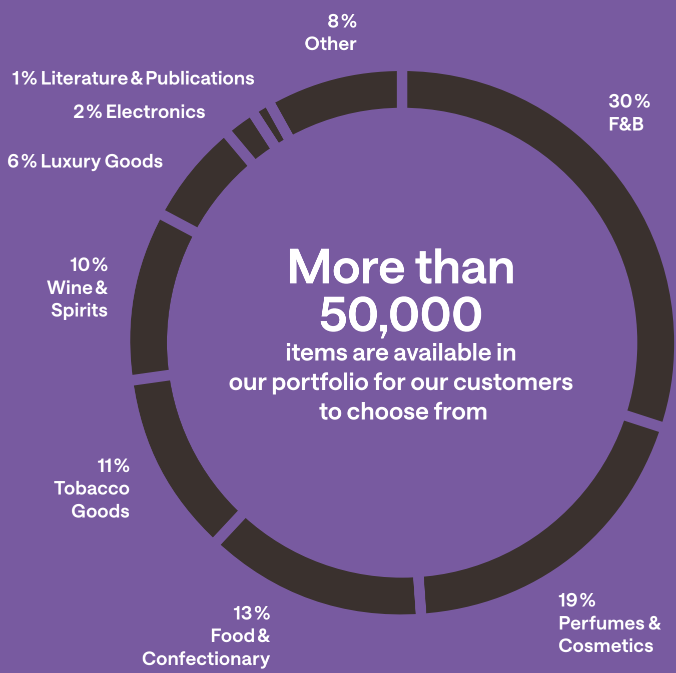
Uruguay
- Montevideo
- Punta del Este

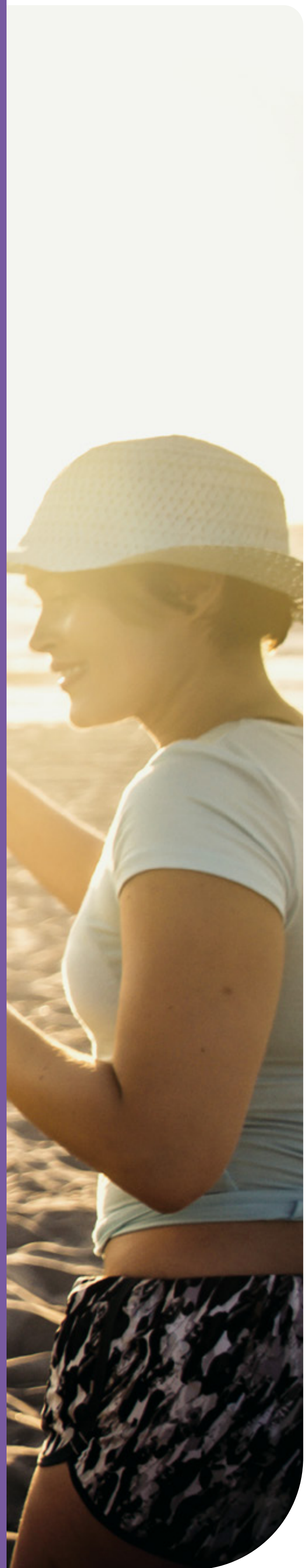
Cruise and Ferry ships
- Carnival Panorama
- Carnival Valor
- NCL Bliss
- NCL Breakaway
- NCL Dawn
- NCL Escape
- NCL Epic
- NCL Gem
- NCL Getaway
- NCL Jade
- NCL Jewel
- NCL Joy
- NCL Pearl
- NCL Sky
- NCL Spirit
- NCL Sun

Channels
- Airports
- Border, Downtown & Hotel Shops
- Railway Stations & Other
- Cruise Liners & Ferries
- Seaports
- Motorways

Customers – Enjoying a seamless travel experience

Avolta combines innovative travel retail and F&B offers into new hybrid commercial concepts.





In 2023, Avolta further intensified its commitment to carefully listen to customers, achieving full alignment with our customer-centric strategy. Close customer and traveler engagement through our regular in-shop and online surveys continued to provide valuable insights on evolving customer expectations. While the global trends for sustainable, healthy and eco-friendly products and food were confirmed along with premium and innovative offers, we also identified some additional changes in shopping and dining behaviors. These are currently being analyzed for future implementation.

Travel experience revolution coming to life.

Several recent new openings and refurbishments confirm Avolta's ability to revolutionize the traveler's experience through the introduction of innovative hybrid and highly experiential shopping and dining concepts. Showcases include the innovative "Haute Perfumery" concept, opened at Zurich Airport (Switzerland), the opening of the new "Debonair Food Hall" in Palermo's Falcone Borsellino International Airport (Italy), the significant refurbishments and Next Generation store at Stockholm Arlanda Airport (Sweden) as well as the new hybrid concepts, "Hudson Cafè" with Baci, opened at Milan Malpensa Airport (Italy).

Expanding healthy, wellbeing and sustainable offers

In 2023, Avolta continued fine-tuning its offers and service portfolio to increase the curated selection of healthy, wellbeing and sustainable products and menus. In this context we introduced 12 new retail brands to our portfolio across several categories. From an F&B perspective 46 new brands including vegetarian and vegan options have been presented to travelers on a global scale. Finally, we have again extended our premium offering in wine & spirits with low and zero alcohol options. For a detailed overview please refer to page 117 of the ESG Report 2023.

The innovative mind.body.soul. shop-in-shop concept offers a range of nutritious, energy-focused foods for health-conscious customers, alongside sustainable products for a better environment, and relaxation-focused products that help promote a sense of well-being. First launched in Amman (Jordan), the highly flexible concept can be customized to the specific wants and needs of different locations and customer profiles. The concept has already been expanded into new locations and is currently deployed in São Paulo (Brazil), Zurich (Switzerland), Helsinki (Finland), Toulouse (France), London-Stansted (UK), and most recently, Stockholm (Sweden) and Mexico City (Mexico). Further openings are planned in 2024 in Bali (Indonesia), Toronto and Vancouver (Canada) as well as in Siem Reap and Phnom Penh (Cambodia).

46 new F&B and 12 new retail brands introduced in our portfolio.

In close collaboration with our brand partners, we have further expanded our sustainable product identification initiative for the retail assortments to new locations and adding additional products from new brands. The selection features products that are sustainable under different aspects such as being Sustainable, Plastic Free, Recyclable or Refillable, Vegan, Palm Oil-Free or Supporting Communities.

To help customers shop considerately, these products get marked with dedicated tags and are easily identifiable in our shops and on our online platforms. Currently, the sustainable product selection includes over 1,964 products from 23 global suppliers covering the main categories –

Close customer and traveller engagement through regular online and in-shop surveys.

food, liquor, perfumes & cosmetics – and is available in 167 shops across 126 airports, worldwide. A detailed description of this ESG initiative is available in the ESG Report on page 115.

Helping customers to shop and eat considerately.

Similarly, Avolta helps consumers make conscious, responsible nutrition choices, for example by opting for certified-sustainable food, focusing on products prepared with a limited amount of ingredients or natural-origin ones, and items free from artificial colors or preservatives. In North America, for example, the selection of takeaway food includes items that respect animal welfare and are fair trade certified, supplied by B-Corp companies, or labelled as gluten free or BPA free.

For a more detailed description of these ESG initiatives please refer to the ESG Report on page 115.

Customer engagement along the whole journey

Every single day, Avolta welcomes customers representing more than 150 nationalities and we increasingly engage with them along their whole journey. Addressing travelers in the right language and presenting them with tasty meals, product novelties and attractive promotions is key to turn them into customers and driving sales. Digital services and tools are key elements to engage with customers along their whole journey from the moment they leave home until they reach their destination.

Pre-order online, pick-up at the airport.

Our New Generation Stores and the other more than 50 highly digitalized shops are cornerstones of this end-to-end shopping experience, changing their appearance depending on which nationalities are present at the airport at any given time of the day, based on flight schedules, and presenting the brands that best fit the respective customer profile. Similarly, digital online menus, touchscreen kiosks, QR codes, apps, and digital payment systems simplify customer's ordering process in our restaurants and F&B outlets.

Convenience is always a key sales proposition, and thus also a priority for Avolta. We believe that engaging with our customers before they enter our shops and well before they reach the airport, provides them with a great opportunity to pre-order products online before they even start their journey, and collect them conveniently once they are at the airport. Avolta's «Reserve & Collect» service is already available in 223 locations in 45 countries around the world and new locations are being added – the full list is available on our website: www.shopdutyfree.com.

Global loyalty program.

Avolta's loyalty program is a mobile application (App), which besides awarding points, offers exclusive advantages, discounts and airport benefits at Avolta retail shops. Members receive promotion notifications tailored to their preferences when approaching the airport. This allows Avolta to attract them to the shops and increase traveler conversion. Red By Dufry is live in 316 locations in 51 countries and is being continually expanded to further operations worldwide. For a full list of the locations offering Red By Dufry visit: www.redbydufry.com.

In Italy, Avolta also offers the «My Autogrill» loyalty program, working as an App and featuring a reward catalogue,

Currently the sustainable product selection includes

1,964 products from 23 global suppliers covering the main categories and is available in 167 shops across 126 airports, worldwide.

Red by Dufry

Red By Dufry is live and available in 316 locations across 51 countries.

Reserve & Collect

The service is already available in 223 locations in 45 countries around the world.

My Autogrill

My Autogrill is the loyalty programm of Autogrill valid at Autogrill and Nuova Sidap stores in Italy. www.myautogrill.it.

New combined Avolta Supplier Code of Conduct recertified with retail and F&B suppliers.

discounts and dedicated customer services. My Autogrill is valid in all Autogrill and Nova Sidap Stores in Italy: www.myautogrill.it.

Forum is Avolta's social media platform that provides stories from bloggers and influencers, as well as background information from brands, in an exclusive and inspirational environment. Moreover, Forum connects all our other digital initiatives such as Red By Dufry and Reserve & Collect. Forum is designed to position Avolta's travel retail shops as the place to find the latest trends and novelties for the main product categories – https://forum.shopdutyfree.com/en.

Connecting brands and customers.

While we foster experiences with an array of initiatives, such as activations, tastings, beauty treatments, novelties and delicious meals, we strongly focus on a comprehensive service portfolio for our customers. Our well-trained and highly motivated sales representatives and food & beverage servers help travelers navigate through a large variety of prestigious brands and advise them on attractive menu selections while providing them with valuable advice and information. For us, a satisfied customer is a customer who can trust us beyond the mere process of shopping or eating, but also just as equally when it comes to product, food and outlet safety as well as comprehensive after-sales services.

Seamless customer service.

Avolta is the only global operator in the industry to offer a true global return guarantee for products purchased in the company's travel retail stores. Whether you purchase something in Zurich, Rio de Janeiro, Amman, Casablanca, Hong Kong, Toronto, Mexico City, Bali or in any other of our locations in the world: if there is a problem with any product that you purchased at an Avolta network store, we will replace, refund or exchange your product within 60 days of purchase.

True global return guarantee for travel retail purchases.

In 2023, Avolta's customer service representatives, who can be reached in several languages by phone, email or online chat, attended 250,047 customers (see further details also on page 120). Our customer service team provides worldwide support through our dedicated and simple to use online platform: Customer Service | Avolta.

Customer satisfaction, responsible marketing & product safety

Customer satisfaction, responsible marketing and product safety is our first priority. We ensure that all products as well as food offerings reflect the respective health and safety regulations. Avolta complies with legal requirements at every location in which we operate and takes a proactive approach, working with governments and regulators to clarify any concerns.

Moreover, through active membership or close collaboration with industry and trade associations Avolta has helped to shape robust Codes of Conduct (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 as well as the Serve Safe Alcohol program in North America, in collaboration with the National Restaurant Association) and continues to emphasize its «We ID» campaign, to raise consumers' awareness about safe drinking by asking all customers to present identification when they purchase alcohol in our US stores.

Avolta has also defined its own Supplier Code of Conduct and in 2023 has shared it for recertification with an increased number of suppliers across the globe including suppliers of retail products as well as F&B). More details are available in the ESG Report on page 116.

When it comes to marketing and advertising initiatives, Avolta applies the same responsible stance that it shows in all its other activities. We commit to comply with marketing and advertising regulations in customer-oriented communication in the countries where we operate.

Fostering responsible marketing and retailing.

We expect the same behavior from our suppliers when using the space that we make available in our stores, F&B outlets and online channels for advertising and promotions. This also applies to product labelling, where we ask our suppliers to comply with the regulations of all the Avolta locations where their products are sold. Given that we operate in an environment where we serve many nationalities speaking different languages every day, we are proactively engaging with our industry trade associations and suppliers to find off-the-label solutions.

Customer privacy & data protection

In line with the expansion of its online activities and the increased use of digital applications involving customer data, the management and protection of customer privacy in the processes involving the handling of client information is an area of growing importance for Avolta. As a requirement of customs authorities as well as for contractual reasons – particularly when operating in airports or similar custom regime environments – the customer's personal data is collected, processed and retained in accordance with the privacy statement listed on the Avolta website: Privacy & Cookie Statement | Avolta (avoltaworld.com).

Growing importance of customer privacy and data protection.

The company's Reserve & Collect and Red By Dufry services require additional personal customer information to provide them with newsletters as well as marketing & advertising materials. To protect customer data and ensure it is handled correctly, Avolta applies the highest security standards securing compliance with different legal frameworks. The company operates a number of systems and security processes, including a robust cyber security system, a data protection policy and internal procedures and policies, which follow relevant laws and regulations. Dedicated trainings are also carried out on a regular basis for team members dealing with personal information.

Avolta continuously reviews and adjusts its processes to secure the alignment of our operations in accordance to the EU General Data Protection Regulation (GDPR) and the new Swiss Data Protection Law. This involves maintaining expanded documentation and information requirements, privacy risk assessments and ensuring the right of individuals (customers, team members, partners and suppliers) to request access to, or to correct, delete, or object to processing of their own personal data, and to request data portability. Avolta keeps monitoring new developments in data protection regulations and adapts accordingly where required.

Moreover, Avolta also undertakes internal Data Protection Audits and intrusion tests, on top of continuously discussing and improving the protection of customers' personal data through quarterly dedicated meetings. For any customer, team member or third party who wishes to report a grievance or who has questions regarding Avolta's data privacy, there is a specific compliance address to contact the company, with respective inquiries being coordinated by the Compliance and the Global Internal Audit & Investigations Department Avolta Helpline.

Industry recognition for retail expertise.

Avolta's expertise recognized by the industry

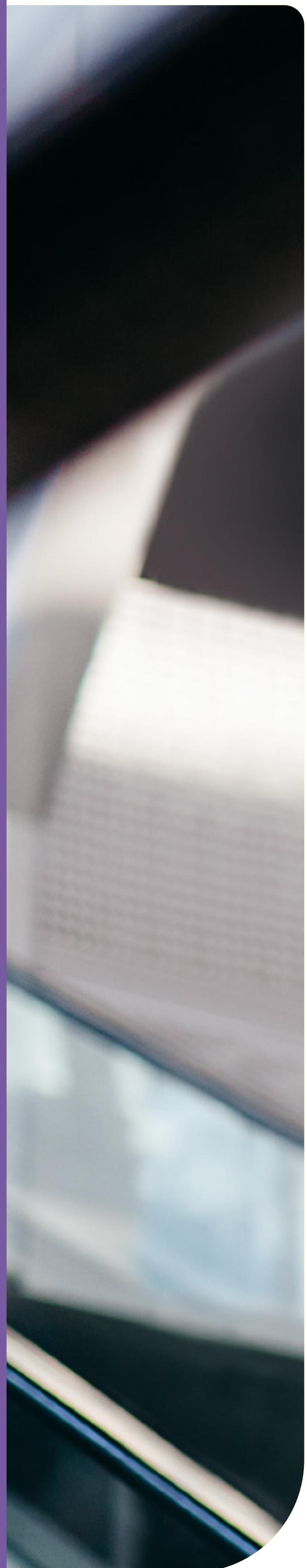
In 2023, Avolta's customer focus, retail and F&B excellence was once again recognized by different industry partners. A complete list of our awards is available here: Avolta Awards.

Concession Partners – Leverage unique F&B and Retail expertise

Avolta provides concession partners with an unrivalled selection of shopping, dining and hybrid concepts, allowing them to best leverage their commercial areas to create more and more of a sense of place.

5,100

Avolta's travel retail and F&B expertise comes from operating over 5,100 outlets in 73 countries across all continents.



Avolta has substantially expanded its expertise to operate all types of commercial spaces including both travel retail and F&B formats – and now even further to include operating as master concessionaire partner. Best-in-class concepts are developed based on detailed understanding of customer expectations as well as shopping and eating behaviors, creating value and maximizing revenue generation. The portfolio includes both dedicated and highly specialized concepts as well as hybrid formats allowing to completely revolutionize customer experience. The trust our concession partners place in Avolta allows our company to become the leading travel experience player, currently operating over 5,100 outlets in 73 countries located in airports, motorways, seaports, railway stations, downtown areas, border crossings, cruise liners & ferries, hotels and other locations with captive audiences.

Benefitting from the widest industry experience

Traditionally featuring a comprehensive portfolio of attractive concepts tailored to the individual needs of duty-free, duty-paid and F&B environments, serving domestic and international passengers, Avolta constantly renews and updates its formats to meet expectations of existing, and newly emerging customer profiles.

Intelligence on changing profiles and other customer insights is regularly collected through dedicated surveys, in-store technologies and by analyzing online engagement of our customers and social media channels. This forms the basis of successful marketing initiatives tailored to the requirements of every single airport or any other type of location. Our worldwide presence and the extensive intelligence of customer profiles are core competitive advantages and key drivers to increase sales and profitability, combined with our ongoing evolution of shop design and customer services.

Additionally, all these physical travel retail and F&B concepts are supported by a comprehensive array of online services and platforms, which considerably increase the number of touch-points along the traveler's journey. Complemented with the extensive expertise in all operational and regulatory aspects as well as the sustainability management systems provided by Avolta, concession partners receive a complete package to best operate their spaces in a profitable and sustainable way.

Smart stores, highly digitalized and with a great sense of place

In line with its strategy, Avolta continues to drive its shop and restaurant digitalization. This creates the ability to offer customers new services, increasing the level of direct interaction independently from nationalities and languages, while at the same time continuing to implement location-specific formats with highly attractive sense-of-place designs. Most recent examples include the newly refurbished duty-free shop at Arlanda Airport in Stockholm (Sweden) as well as "Haute Perfumery", opened at Zurich Airport (Switzerland), featuring phygital experiences helping the customer to identify the right fragrance.

Highly digitalized shops and F&B outlets – which include pre-order applications, loyalty program integration, phygital experiences as well as contactless shopping and palm recognition technologies – continue to evolve and are typically implemented during refurbishments or when building new outlets. For a more detailed description of our digital strategy, please also refer to pages 54 and 55.

Avolta's concepts provide for a high degree of customization, including sense-of-place designs, which remains an important aspect for our concession partners. Avolta knows how to perfectly match local requirements and specific customer profiles with efficient commercial formats, to best serve travelers' needs and to generate value for concession partners and Avolta alike.

Real Partnership for mutual value creation

Over the many years we have been in the business, we have advocated the importance of close collaboration between concession partners and operators of retail and F&B formats as a base for optimizing customer satisfac-

Highly digitalized shop and F&B concepts continue to evolve with hybrid offers and sense of place design.

tion and sales. By joining forces with our concession partners, we can, for example, in airports, create attractive commercial spaces that maximize spend from the traveler's arrival at the airport until boarding – and if legislation allows – also for arrivals duty-free.

Important contract wins and extensions

In 2023, Avolta successfully secured new concessions and contract extensions, thereby fostering the company's resilience with the necessary «operating licenses» to serve meals as well as selling products and services. In this context the remaining lifetime of its portfolio increased to currently over seven years from around six years in 2022.

Highlights – amongst others – of the 2023 contract wins include the joint venture with Hubei Airport Group to run, as master concessionaire, the Wuhan Tianhe Airport's Terminal 2 retail and F&B operations. Wuhan's Terminal 2 serves 27 million passengers (base 2019) through 77 outlets. The APAC business region also saw an expansion of its operations in the People's Republic of China by entering into a new five-year contract at Chongqing Jiangbei International Airport for four stores.

In North America, Avolta was awarded a new long-term duty-free contract, along with an extension for its duty-paid business, for Boston Logan International Airport, was awarded long-term contracts for both retail and F&B areas at Oakland International Airport and signed a new fifteen-year duty-paid contract at Fresno Yosemite International Airport (California).

In Latin America, Avolta signed a ten-year contract at Vitória Airport (Brazil) as well as a twenty-year contract to operate a duty-free store at the international bridge «General San Martin«, the main crossing point between Argentina and Uruguay. In EMEA, Avolta won new retail and F&B concessions at several airports including Helsinki Airport (Finland) and Hamad International Airport (Doha; F&B joint venture with Qatar Airways).

Extensions played a key role in 2023 with, above all, the renewal of the vast majority of Avolta's Spanish airport operation contracts for twelve years. This covers 21 airports, 120 retail outlets covering around 60,000 m^2 and serves approximately 132 million travelers annually (base 2019). The total commercial space awarded represents a 30% increase on the previous setup as well as a considerable sales category expansion in both retail and F&B. Worth mentioning are also the renewal of a seven-year concession contract at Belgrade airport to operate a total of eight duty-free shops, a seven-year extension in Kuala Lumpur International Airport (Malaysia) for F&B and a fifteen-year extension at Harry Reid International Airport (Las Vegas, USA).

First-class concession portfolio further expanded with 84 new outlets

In 2023, Avolta further increased its portfolio by opening and expanding 84 new retail shops and adding over 35,244 m^2 of retail space across all regions. At December 31, 2023, retail commercial space totaled 477,464 m^2, representing a solid footprint for our travel retail operations – and all the more impressive if counting also the commercial F&B areas.

Within our total concession portfolio, 25% have a remaining life-time of ten years or more, 26% have between six and nine years, another 28% have three to five years and the final 21% of our contracts have a remaining duration of one to two years. That 51% of contracts have a life-time of over six years, is testimony to the strong resilience of the Avolta business. On average, Avolta renews existing contracts, representing between 10% and 15% of our sales, each year, over and above new contract additions.

The company's concession portfolio is highly diversified and well balanced across emerging and mature markets in all six continents. The largest concession accounts for less than 4% of sales, while the 10 biggest concessions represent less than 18%, thus reducing cluster risk and exposure to impacts in any single market or operation.

Financial discipline to focus on investment returns

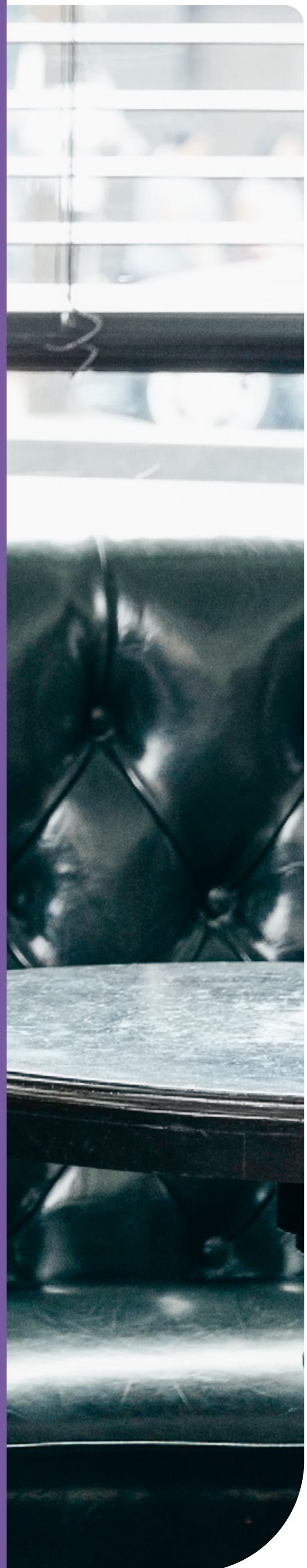
Avolta has tight financial discipline when evaluating new projects and opportunities. This has repeatedly proven its value during challenging business environments as it allows Avolta to optimize costs and flexible investments. Projects are analyzed individually on a commercial and financial basis. The many aspects of a project being assessed include development potential and analyzing initial investment requirements, as well as the expected development of traveler numbers and profile perspectives. Through a strict evaluation of these criteria and our disciplined approach on returns, we ensure that our concession portfolio remains of the highest quality and that each concession offers attractive returns for the company. This methodology is applied to all project types, irrespective of whether we participate in a tender process, engage in direct negotiations with concession owners or perform acquisitions.

As part of «Destination 2027», we have put active portfolio management at the core of our long-term strategy following the principle of full profitability evaluation for each concession contract and, at the appropriate times, renegotiation or exit from any concession that does not match our concession specific objectives. We continuously update and review our portfolio, including post-opening performances.

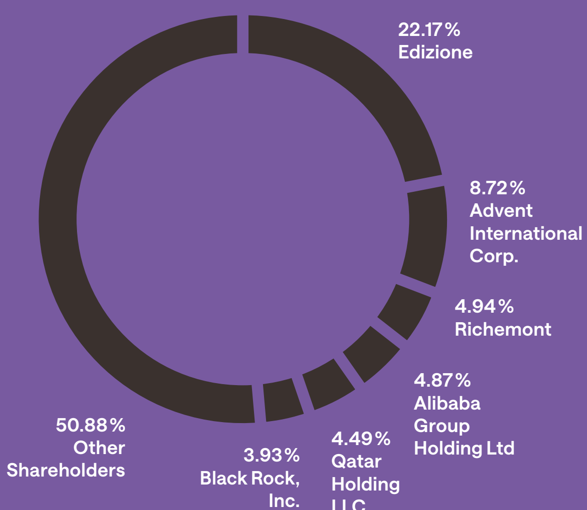
Avolta strives to create sustainable value for its shareholders. In 2023, we successfully completed the integration with Autogrill. With our new corporate name Avolta, our reinforced One Company, One Team is highly focused on our Destination 2027 strategy, revolutionizing the Travel Experience for our customers globally.

Investors –

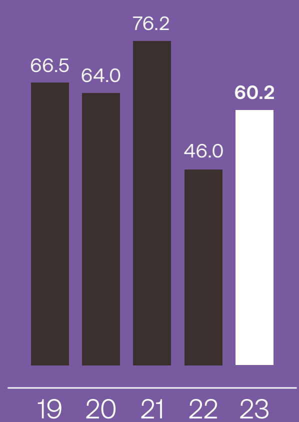
Uniquely distinct, Avolta is positioned to win with leading scale, integrated offering and customer knowledge



Shareholder Structure



Daily Average Volume



With a footprint that includes 73 countries, Avolta operates over 5,100 outlets and addresses 2.3 billion passengers across over 1,000 airports, motorways, cruise liners & ferries, seaports, railway stations and other locations. Our unique value proposition for travelers has been further enhanced by a new focus on innovative store concepts, hybrid offerings, data-driven customer insights and digitalization, thus benefitting customer conversion and spending. This continues to contribute positively to our strong industry fundamentals of travel retail and F&B – with secular long-term global passenger growth fueled by an increasingly affluent and expanding population across many countries.

Unique combination of Travel Retail and F&B.

From an organic growth standpoint, our strategic expansion continues with a keen focus on the highly attractive and resilient North American market. At the same time, we are enhancing our dedicated strategy for the Asia-Pacific region where we are bolstering our team to capture the growth driven by the continued recovery of the Chinese travelers and the rising trend of domestic, intra-regional and international travel among other Asian nationalities. In Europe, the Middle East, Africa and Latin America, Avolta continues to fine-tune its business development approach with clearly defined priorities and goals. Our Destination 2027 strategy targets mid-term annual organic turnover growth that outpaces passenger growth in the locations operated by Avolta. Over and above this, the fragmented nature of the industry presents opportunities for selective bolt-on M&A with Avolta aligning seamlessly to its new capital allocation policy as defined in 2023 (see dedicated paragraph below).

Resilient business

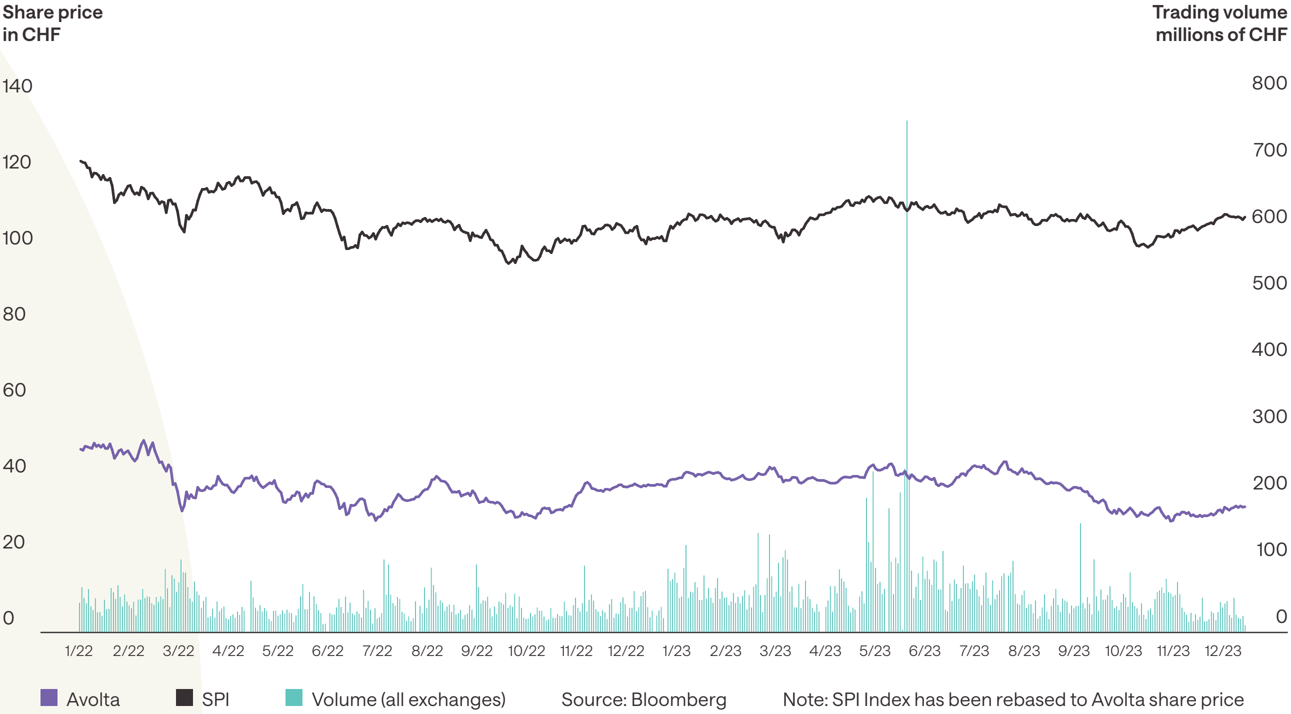
Despite the transient challenges faced by our industry and Avolta, we maintain a strong belief that travel retail and F&B is a resilient industry. This is underpinned by the steady increase in global passengers – as corroborated by external aviation industry sources – and the continued recovery momentum observed through to the end of 2023, as well as the willingness of people to travel and prioritize travel-related spending. Travel retail remains a central component of the overall travel experience, and customers continue to be drawn towards attractive product assortments, hybrid offerings and unique travel experiences. Future F&B growth is poised to be supported by favorable industry dynamics including limited in-flight offerings, a growing trend of travelers opting for pre-boarding «grab and go» services, increasing interest in regional cuisine and demand for new experiences and concepts.

Sustainable profits and strong cash flow generation

Avolta is committed to delivering turnover growth, improved CORE EBITDA margins and sustainable cash flow generation and evolve our ESG performance, in line with our mid-term outlook provided to the market. Our focus on enhanced profitability is rooted in a zero-based budgeting approach ensuring resources are allocated to activities that make the most impact for the customer, while leveraging technology to streamline work and operations. In line with this budgeting discipline, Avolta actively and systematically manages its concessions portfolio, prioritizing profitability and cash flow contributions. We expect ongoing medium-term improvements in CORE EBITDA gross margins. Having generated CHF 30 million in synergies in 2023, ahead of expectations, we project an additional CHF 55 million in synergies in 2024, achieving the full run-rate of CHF 85 million one year earlier than we expected at the time of announcing the Dufry/Autogrill combination. 2023 had, and 2024 will see integration-related costs of CHF 25 million annually. Our continuously improving profitability is driving a resilient, sustainable Equity Free Cash Flow (EFCF) conversion from CORE EBITDA.

Avolta systematically manages its concession portfolio prioritizing profitability and cash flow contribution.

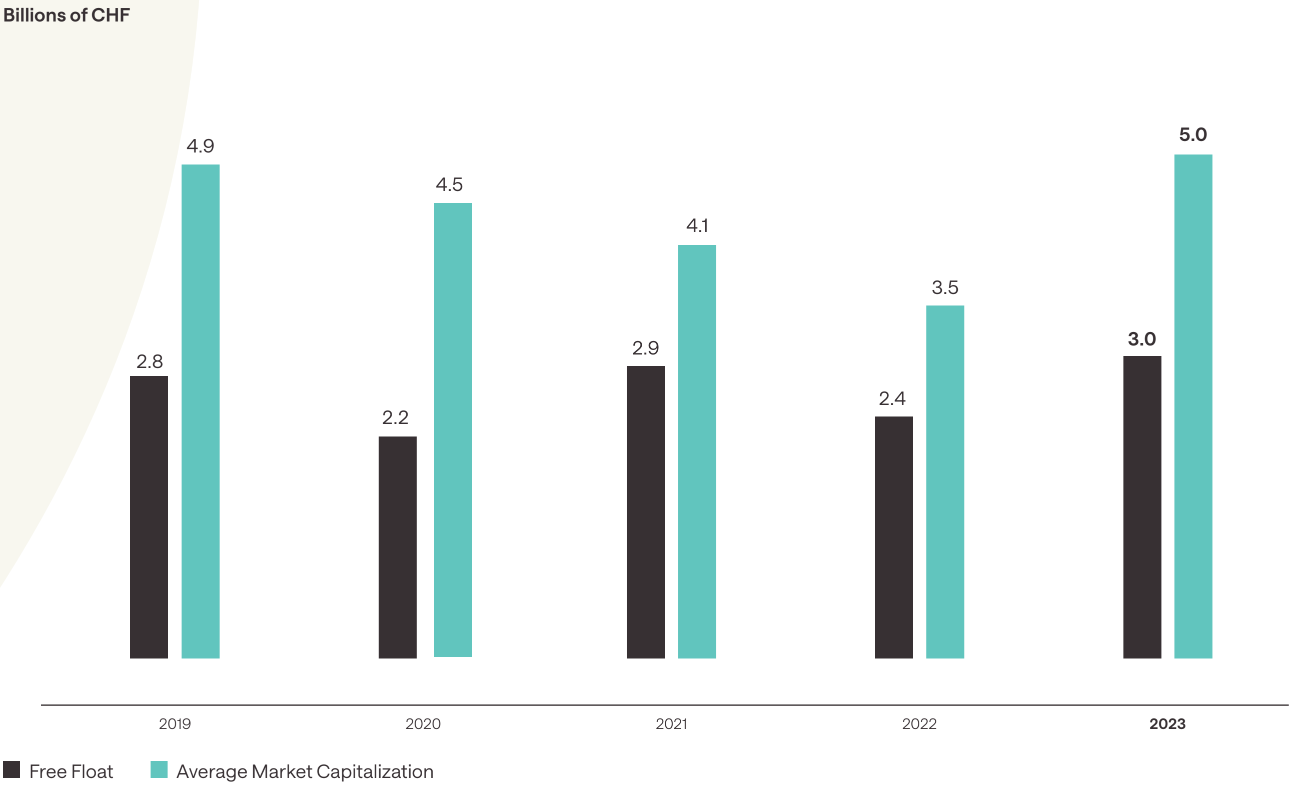
Avolta share price and trading volume



Source: Bloomberg

Note: SPI Index has been rebased to Avolta share price

Market Capitalization and Free Float



Sustainable growth strategy focused on organic growth boosted by selected M&A.

Over a longer-term perspective, our travel retail business has consistently pursued a strategy focused on growth and cash flow generation. We have a demonstrated track record of organic growth aligned with regional passenger trends and passenger mix with overall growth boosted by selective M&A. A key highlight in 2023 was the successful completion of the combination with Autogrill, significantly reinforcing Avolta's leading position across the global travel retail and F&B industry.

Capital allocation

In 2023, aligned with its expected strong EFCF projections, Avolta updated its capital allocation policy. Over the medium-term, Avolta's aim is to align continued balance sheet deleverage with shareholder returns, all the while maintaining some flexibility for organic growth and smaller bolt-on acquisitions. Our medium-term Destination 2027 strategy is based on a target leverage of 1.5 – 2.0x net debt / CORE EBITDA with near-term flexibility of up to 2.5x for relevant business development or bolt-on M&A opportunities. We plan to allocate two-thirds of company EFCF to funding deleverage and external growth, while returning one-third to shareholders under our newly formulated progressive dividend policy. For 2023, this equates to a proposed dividend of CHF 0.70 per share, subject to shareholder approval at the AGM on 15 May 2024. Beyond capital allocation, Avolta remains committed to advancing its ESG commitments and engagement for all stakeholders.

Member of the SMI MID (SMIM) Index

With a market capitalization of CHF 5,084.5 million as per December 31, 2023, Avolta is part of the SMI MID (SMIM) Index on the SIX Swiss Exchange. This index includes the 30 largest publicly listed companies in Switzerland not already represented in the Swiss Market Index (SMI). Avolta's trading volume in 2023 remained healthy, with an average daily trading volume of approximately CHF 60.2 million. The SIX Swiss Exchange remains an important trading platform, where the average daily volume of Avolta shares reached CHF 19.2 million in 2023. Avolta's trading volumes are mainly concentrated at the SIX 31.8 % and BATS Chi-X OTC 51.5 % platforms.

Following the successful closing of the Autogrill transaction in February 2023, Edizione became Avolta's largest shareholder (22.17 % as per December 31, 2023) joining the company's other longstanding shareholders who continued to provide unwavering support. Further most important participations (>3 %) as of December 31, 2023, included Advent International Corp., Qatar Holding LLC Alibaba Group Holding Ltd, Richemont and BlackRock Inc., together representing 49.1 % of our share capital.

Strong investment track record for bondholders

Avolta has been a well-established investment opportunity in the bond market since our first Senior Notes issuance in 2012. On the one hand, the bond market represents an important source of financing for the company, while on the other hand, our low operating leverage as well as the strong and resilient cash flow generation capabilities are characteristics welcomed by the fixed income market.

Long-term financing strengthened.

In December 2022 Avolta had successfully refinanced its main bank credit facilities. A new EUR 2,085 million Revolving Credit Facility (RCF) replaced the EUR 1,300 million RCF and the USD 550 million Term Loan with maturity in December 2027 compared to the previous maturity date in November 2024.

In April 2023, the EUR 2,085 million RCF has been increased by EUR 180 million, in June 2023 by EUR 410 million and in September 2023 by EUR 75 million to a new total amount of EUR 2,750 million.

Currently, Avolta holds a (BB) rating with Stable Outlook by Standard & Poors and a (Ba3) rating with Positive Outlook by Moody's. Both rating agencies have upgraded the credit ratings in the reporting period 2023.

Fair and comprehensive market communication

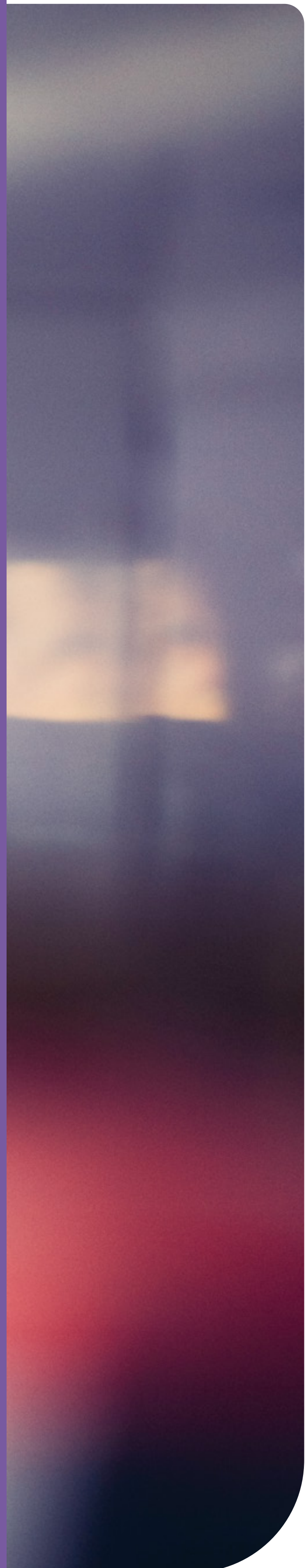
Avolta is committed to open and transparent communications with the financial market as we present our equity story and investment opportunities. This includes a constant, open dialogue with investors, analysts and the media through direct phone and email exchanges, regular roadshows and conference attendance, one-to-one meetings and dedicated investor days, either in person or virtually.

Senior management actively engage in presenting and discussing our financial performance on a regular basis, and we provide the financial community and media with detailed reports and information through press and analyst conferences, conference calls and webcasts. In this context, Avolta consistently releases quarterly trading update statements for Q1 and Q3, along with publishing full financial results for the half-year and full-year periods.

As part of our 2023 Investor Relations activities, and considering the Autogrill related MTO, senior management and the Investor Relations team participated in 9 roadshows and 12 conferences in Europe, North America and Asia to meet investors directly or virtually. During this time, we met well over 564 investors in one-to-one or group meetings and many more in presentations. Additionally, the Investor Relations team answered 626 calls and emails in 2023, resulting in a total of 1,190 contacts with investors and analysts. For contact details of Investor Relations, please see page 335 of this Annual Report.

Suppliers – Benefitting from unique customer exposure

Avolta's global footprint of over 5,100 travel retail and F&B outlets offers suppliers a unique sales and brand exposure opportunity to a worldwide customer base.



1,000

Avolta works with more than 1,000 of the most renowned global and local brands to make travelers happier.

Brand U

PHILIPS · BURBERRY · AMORE DO EAT BETTER · Polaroid · Terracotta ITALIAN KITCHEN

CITIZEN · Motta MILANO 1928 · GUESS · DIESEL · CAROLINA HERRERA NEW YORK · Nestlé KitKat

BVLGARI · Kiehl's SINCE 1851 · SHAKE SHACK · Jo Malone London · el Almendro

L'OCCITANE EN PROVENCE · Desigual · paco rabanne · Hasbro · Polo Ralph Lauren

COACH EST. 1941 NEW YORK · HERMÈS PARIS · SWAROVSKI · PHILIP MORRIS INTERNATIONAL · DOLCE & GABBANA · Cadbury

MONT BLANC · Salvatore Ferragamo · VERSACE · Superdry. 極度乾燥(しなさい) · THE BURGER FEDERATION · MCM

BOSS HUGO BOSS · Forbes · Two Tigers sushi and noodles · BRAUN · OREO · PRADA · VOGUE

COSMOPOLITAN · MaxMara · The Economist · MARTELL · PANDORA UNFORGETTABLE MOMENTS

tic tac · Coca-Cola · CLINIQUE · GIVENCHY · TUMI · FINANCIAL TIMES

Calvin Klein · BAILEYS · VICTORINOX · GIORGIO ARMANI · HERSHEY THE HERSHEY COMPANY · playmobil

m&m's WORLD · TOMMY HILFIGER · HARIBO · MATTEL · The New York Times · L&M

M·A·C · ABSOLUT Country of Sweden VODKA · Chupa Chups · Newsweek · TAG Heuer · Maui Jim · LEGO

BALLY · DUNHILL · DKNY DONNA KARAN NEW YORK · Tanqueray · mentos · LA MER

Universe

Frederique Constant Geneve
Jameson Irish Whiskey
USA Today
Michael Kors
Camel

Benefit San Francisco
Estēe Lauder
Chivas
Davidoff Cigars
Kent

Dior
Lancôme
Smirnoff
Time
beats by dr. dre
Burger King

Yves Saint Laurent collection
Godiva Chocolatier
The Wall Street Journal.
Ballantine's
Samsonite

Milka
Grey Goose World's Best Tasting Vodka
Glenfiddich
Mars
Bose Better sound through research.
Sony

Jack Daniel's
Lucky Strike
Chanel
Toblerone
TravelBlue travel accessories
Breitling 1884

Frey
Clarins
Crown Royal
Marlboro
L'Oréal Paris
The Macallan Highland Single Malt Scotch Whisky
Taste of India

la prairie Switzerland
Hennessy Cognac
Victoria's Secret
Lindt of Switzerland
JBL
swatch

Omega
Gucci
Ray-Ban
Nestlé
Furla
Tissot Swiss Watches Since 1853
Lacoste

Fortnum & Mason Est 1707
Crayola
After Eight
kipling
Ferrero

Moët & Chandon Champagne
Longchamp Paris
Cîroc
Fossil 1954
Longines

Kinder
Johnnie Walker
Bacardi
Disney
Casio
Oakley

Winston
Shiseido
Veuve Clicquot Ponsardin
Pringles
Rémy Martin
Bombay Sapphire

Avolta's network of over 5,100 shops and outlets across 73 countries caters to both domestic and international travelers with dedicated duty-paid and duty-free retail formats as well as a variety of F&B concepts offering a wide array of local and global culinary preferences and cultural eating habits.

With this geographically diverse footprint and as the only truly global travel experience player, Avolta offers its brand partners and suppliers a potential of 2.3 billion personal customer contacts through which they can drive sales and increase brand value.

Resilience of travel retail and F&B channel confirmed

Suppliers benefit from the customers' confirmed propensity to travel. Ongoing growth in passenger numbers and higher spending versus pre-pandemic levels in the majority of locations emphasize the attractiveness of this channel and its unique access to a captive and affluent customer community and an attractive access to several customer engagement touchpoints. In 2023, sales have continued to increase at high growth rates and the split by categories within the business lines has further normalized towards historical level.

Key roles for experiences, healthy and well-being products

Market research, through online surveys amongst our customers and on social media, conducted on a regular basis in 2023 confirmed the ongoing importance of experiences as well as premium offers and sustainable well-being products supporting a healthier lifestyle. Novelties, travel exclusives and unique promotions continue to form very attractive propositions – both in travel retail and F&B.

Close collaboration with global and local suppliers.

To this purpose, Avolta collaborates closely with its global brand partners and food and beverage vendors. The company also partners with a wide array of local suppliers to source fresh food items as well as traditional local retail products transmitting the essential sense of place.

Avolta supports the collaboration with suppliers through strategic initiatives, marketing campaigns, global promotions or product launch opportunities. Equally important is the ongoing evolution of the commercial areas with new, attractive and hybrid design concepts for both shopping and dining formats. Special focus is given to an increased flexibility in shop layouts and assortment renewals, along with an emphasis on sustainability aspects when it comes to new shop developments or refurbishments.

Attractive access to customer engagement touchpoints

Avolta operates a variety of on-site and online customer engagement touchpoints, which brand partners can leverage to present their product offering to travelers globally or at defined locations.

Suppliers leverage markting channels.

To secure a cohesive and seamless customer communication that delivers an impactful experience, brand partners are offered a complete advertising package, called «Emotion+», which includes all proprietary customer engagement channels of Avolta. Emotion+ includes on-site activities such as double placements, brand ambassadors, digital signage presence as well as the pre-order and loyalty program channels and social media. In 2023, 217 of these packages have been sold to suppliers, now reaching a total of 355 since inception, with over 125 brands participating and generating a customer exposure of 840 million travelers.

Suppliers benefit from 2.3 billion potential customer contacts to drive sales and brand awareness.

Environment, Social and Governance Report 2023

ESG – a key pillar of Avolta's strategy

Avolta's ESG Strategy is an inherent part of the company strategy «Destination 2027» and contributes to the delivery of its financial and non-financial goals. In 2023, we have further evolved the ESG strategy to enhance its relevance and include the full new company scope resulting from the completed business combination between Dufry and Autogrill and their former individual ESG strategies.
We have evolved our materiality assessment developing a Double Materiality Matrix, which covers the material topics of an enlarged stakeholder eco-system and business processes, thus creating the base for our ESG Strategy House and its four new ESG focus areas: Create Sustainable Travel Experiences, Respect Our Planet, Empower Our People, Engage Local Communities.

Overview of Avolta's Sustainability Journey

2016
- First materiality assessment
- Definition and disclosure of materiality matrix

2017
- Avolta publishes first GRI report
- Avolta Supplier Code of Conduct published and first certification process launched

2018
- Updated Code of Ethics
- Disclosure of Avolta Code of Conduct
- Equal Salary Certification launched in Switzerland

2019
- Avolta launches second recertification of Supplier Code of Conduct
- ESG governance enhanced with Lead Independent Director supervising ESG strategy implementation

2020
- Disclosure of Avolta´s ESG Strategy
- Joined the UN Global Compact
- Avolta starts reporting on GHG emissions

2021
- Avolta (base 2019) commits to establish SBTi emission reduction targets
- Listed in the SXI Sustainability 25 index of the SIX Swiss Exchange
- HR Policy published
- Disclosure of Sustainable Management Guidelines
- First dedicated DE & I survey, reaching over 70 % of head-count

2022
- Avolta receives SBTi validation for its Scope 1, 2 & 3 emission reduction targets (base 2019)
- 20 % electric energy covered by renewable energy
- First TCFD Report 2022, published in the first quarter 2023
- Second DE & I survey executed, covering all Avolta operations worldwide

2023
- ESG governance enhanced with dedicated Board ESG Committee and appointment of Chief Public Affairs & ESG Officer
- Double Materiality Matrix and evolved ESG Strategy House implemented fully reflecting new company scope
- TCFD Report extended covering full company scope
- Electricity sourcing from renewable energies increased to 40 %
- Avolta Supplier Code of Conduct recertification including F&B suppliers launched globally

ESG as core pillar of our Destination 2027 company strategy

Avolta embraces a holistic approach to Environmental, Social and Governance values and is deeply committed to sustainability on a global and local level. The company's ESG strategy is an integral part of its Destination 2027 strategy.

About Avolta's ESG Report

Avolta is a global travel experience player active in the travel retail and F&B industry and grew to its current scope through the business combination of the legacy groups Dufry and Autogrill completed in 2023. Avolta operates over 5,100 duty-free and duty-paid shops and restaurants in over 1,000 locations such as airports, cruise liners & ferries, seaports, motorways, railway stations and downtown tourist areas. In 2023, we employed 68,459 team members (FTEs) across 73 countries. Avolta is part of the Swiss Market Index MID (SMIM), has a balanced mix of large and small globally diversified shareholders and a free float of 71.2%. A full description of Avolta's business model and strategy is available on page 28 of the Annual Report 2023. The report is further complemented by several strategy documents, policies and guidelines mentioned also in the ESG Report, such as the ESG Strategy, the Human Resources Policy and the Environmental Management Guidelines.

The report has been prepared in accordance with the GRI Universal Standards 2021 and covers our environmental, social and governance (ESG) activities, performance and approach for the year 2023 focusing on the material matters determined to be of greatest relevance for Avolta and its stakeholders.

For an easier comparison, we continue to include in the ESG Report the UN Sustainability Development Goals (SDGs) and information on the respective GRI indicators and SDG goals, which Avolta covers in the corresponding sections of this report, thus enabling the reader to obtain a better and more transparent understanding of our strategy and ESG successes.

Avolta has been – through its legacy companies Dufry and Autogrill – a signatory member of the UN Global Compact and prepared Progress Reports ever since 2020 and 2022 respectively. Leveraging on this heritage, in February 2024 Avolta confirmed the support to the UN Global Compact becoming a new signatory member.

The Avolta ESG Report is divided into two main sections:
- The ESG Report 2023 – included in the annual report – gives the reader a wider view of Avolta, its relationship with its main stakeholders as well as its ESG strategy and how this is embedded in the business strategy.
- The ESG Report 2023 Annex contains information presented in several tables with quantitative and qualitative indicators as per the GRI Universal Standard indications and is annexed to the Annual Report 2023. Both documents present data as of December 31, 2023.

The Avolta ESG Report includes also the GRI Content Index and the ESG Report Annex as well as the TCFD Report and complements the information of the Annual Report (including the Corporate Governance Report (page 279) and the Remuneration Report (page 311). All these reports and documents mentioned are also available online as individual files on our corporate website: www.avoltaworld.com.

Avolta published its first TCFD Report in early 2023 based on the business year 2022 and has now expanded the TCFD Report 2023 to fully cover the scope of the combined entity. The TCFD Report takes into account the 2021 «Recommendations of the Task Force on Climate-related Financial Disclosures» and the «Guidance on Metrics, Targets and Transition Plans». This is another step forward in transparency and disclosure in a clear, comparable and consistent manner, by showing detailed information about the risks and opportunities in our business that are triggered by climate change.

Swiss Transparency Requirements on Non-Financial Matters

The Avolta ESG Report 2023 (which includes the ESG Report 2023 Annex on page 337 ff. of the Annual Report) and the TCFD Report on page 337 ff. (together, the 2023 Non-Financial Reporting) have been prepared in accordance with the requirements regarding transparency on non-financial matters pursuant to article 964a et seqq. of the Swiss Code of Obligations (SCO). The 2023 Non-Financial Reporting was approved by the Board of Directors and will be submitted for shareholder approval as a separate agenda item at Avolta's Annual General Meeting 2024 in accordance with the requirements of Art. 964c SCO. The TCFD Report can be found on page 337 ff. of the Annual Report.

Scope

For the general profile and most of the GRI indicators, the information reported is global and relevant to the whole company. For staff-related indicators information follows a similar structure as the segmentation used in Avolta's financial report. More information about each region may be found on pages 56–71 of the Annual Report 2023. Should you have any comments about the content of the report or want to know more about Avolta's ESG engagement, please email us to: sustainability@avolta.net.

Data comparability & measurability of initiative effectiveness
Due to the transformative business combination between Dufry and Autogrill and the integration of the two companies in 2023, comparability of the ESG-related data is limited, as 2023 is considered a transition year and will become a new «base year» for further improvements. This also influences the descriptions and comparability of the effectiveness of the ESG initiatives implemented. The company will include the related information in more depth going forward, starting with the business year 2024.

Nevertheless, where possible, the company discloses improvements and related data showing the initiatives' effectiveness already for the business year 2023. Such improvements are listed in full on pages 106–107 of this report and include amongst others:
- Improved extension (on a like for like basis) of the Avolta Supplier Code of Conduct recertification process and additional extension of the recertification process to the F&B business; see details on page 117 of the ESG Report
- Improvement of coverage of electricity consumption through renewable energy; see details on page 125–126 of the ESG Report
- First disclosure of total amount of donations including split by type; see details on page 143 of the ESG Report
- Increased reach of dedicated internal training of staff for responsible retailing
- Extended portfolio of sustainable products in F&B; see details on pages 117–119 of the ESG Report.

ESG Governance & Compliance
Avolta´s ESG Strategy is supervised by the Board of Directors' dedicated ESG Committee chaired by the Lead Independent Director. The ESG Committee is informed on the progress of Avolta's ESG engagement on a quarterly basis. The operational evolution and implementation of the ESG strategy is managed by the dedicated ESG department, headed by the Chief Public Affairs & ESG Officer, who is a member of the Global Executive Committee and reports to the CEO. A detailed description of our ESG Strategy is available on the Avolta website: Our Impact | Avolta

New Avolta Double Materiality Matrix
Avolta's Materiality Matrix underwent a complete review in the context of the business combination of Dufry and Autogrill in 2023 and is now structured following the Double Materiality approach.

This approach combines two perspectives:
- Impact Materiality ("inside-out"): considering the impacts (actual and potential, positive and negative) that Avolta generates on economy, environment and people;
- Financial Materiality ("outside-in"): identifying risks and opportunities that might positively or negatively influence the company's development, performance and positioning.

The materiality assessment started with a context analysis to identify the relevant material matters for Avolta in light of its business activities and the expectations of the company's main stakeholders (investors, concession partners, customers, peers, brand partners and employees), thus defining the boundaries of the company's scope of ESG accountability and range of initiatives. In particular, both internal and external documentation was analyzed, such as peers' and partners' publicly available reporting, publications from industry associations and sector trends, ESG rating requirements as well as both public and internal surveys conducted on customers and employees. 22 material matters emerged from the analysis which were then assessed in one-to-one interviews with the global ESG team, the members of the Global Executive Committee and of the Board of Directors. The stakeholders were asked to assess the significance of each potential material matter considering both the related impacts generated (Impact Materiality) and risks and opportunities that might influence the company's performance (Financial Materiality). In the evaluation, a medium term time horizon of five years was adopted. Following a prioritization approach and the application of a materiality threshold, a final list of 13 material matters resulted for Avolta's new Double Materiality Matrix, which was validated by the Board of Directors, following the ESG Committee's recommendation.

The impacts of the material matters identified are disclosed in the ESG Report Annex on pages 3–5.

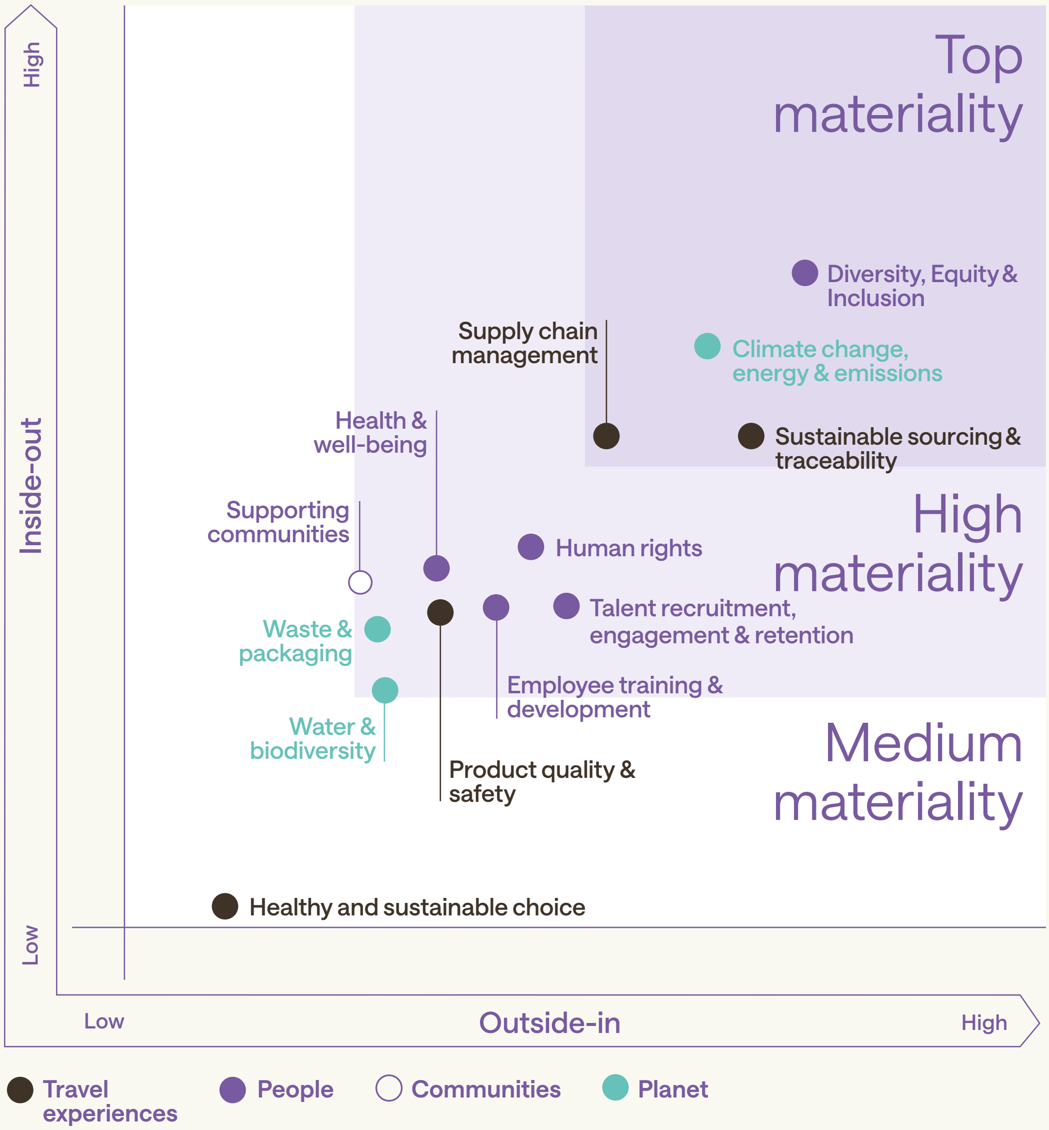
Materiality Assessment
Avolta´s materiality assessment helps the company to align its business with the expectations of its stakeholders and of society in general. The materiality assessment process aims to identify and prioritize the issues of the greatest material importance; and it is also the basis for defining our GRI reporting content and the boundaries of the topics. The process follows the principles of stakeholder inclusiveness, environmental and social context, materiality and completeness according to the GRI requirements.

Our vision of sustainability however is not a static one, and Avolta conducts periodic and comprehensive materiality assessments to identify our most relevant reporting topics from an ESG perspective.

New Avolta Double Materiality Matrix

13 ESG topics emerged as material*
for the development of the company's ESG strategy
and commitments.

In the context of the business combination of Dufry and Autogrill, Avolta has reviewed the material matters and stakeholder communities to develop the new Double Materiality Matrix.



* To finalize the list of material matters for Avolta a mathematical treshold of 2.5 (on a scale from 1 to 5) was applied. Only matters above average score were selected.

Avolta's new Double Materiality Matrix consists now of 13 key material matters, grouped into four focus areas. Four of them – "Diversity, equity & inclusion", "Climate change, energy & emissions", "Sustainable sourcing & traceability" and "Supply chain management" – emerged as the most material, reflecting the main sustainability challenges of the industry in which the company operates and has the opportunity to stand out.

A detailed description of the material topics and related impacts, risks and opportunities is available in the ESG Report Annex 2023. In addition, the aspects related to governance and regulatory compliance were considered as prerequisites for the business and thus are not represented in the matrix, although being addressed in the report.

Avolta' s ESG Vision

Rooted in Avolta's DNA

Embedded in our way of doing business

Focused on clear commitments and tangible initiatives

Shaped to be a lever of innovation and competitive differentiation

Avolta ESG Strategy House

The 13 ESG material topics have been clustered into four focus areas highlighting Avolta's main ambitions.

Avolta's ESG Strategy House is based on the newly developed Double Materiality Matrix, reflects the key focus areas and links with the related UN Sustainable Development Goals.

Create Sustainable Travel Experiences

- Sustainable sourcing & traceability
- Supply chain management
- Product quality & safety
- Healthy & sustainable choices

Respect Our Planet

- Climate change, energy & emissions
- Waste & packaging
- Water & biodiversity

Stakeholder

Governance

Ensuring sustainable ways of traveling. With our partners. For our customers.

Reducing our footprint, increasing our consciousness

ESG Factory

Making our people part of the journey by fostering a diverse, inclusive and equitable workplace.

Creating durable bonds with our communities by supporting social and economic development.

- Diversity, Equity & Inclusion
- Employee training & development
- Talent recruitment, engagement & retention
- Health & well-being
- Human rights

Empower Our People

- Supporting Communities

Engage Local Communities

Improvements achieved in 2023

Create Sustainable Travel Experiences

Extention of sustainable product sourcing in F&B

Launch of future shop concept and hybrid formats in Arlanda Stockholm and Milano Malpensa airports

Sustainable Product Identification Initiative further expanded

mind.body.soul.
Shop-in-shop concept implemented internationally in 11 countries

Increased reach of dedicated training of staff for responsible retailing

New Avolta Supplier Code of Conduct developed and recertified with suppliers globally

Two Centers of Excellence for food innovation opened in Milan and Amsterdam

Respect Our Planet

Partnership with Oceana to support marine habitats through sale of reusable bags in 23 countries

Sourcing of electricity from renewable sources further increased and now covering 40% of consumption (base 2019)

Expansion of TCFD Report assessing climate-related risks and opportunities covering the whole company scope

Empower Our People

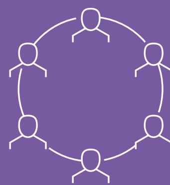
Introduction of «internal first» recruitment initiative «Grow With Us» during the integration process of Dufry and Autogrill into Avolta

Extension of internal online communication channel Beekeeper

Creation & expansion of dedicated training platforms for both back-office and frontline employees

Increased reach of online employee shop Emporium to additional countries

Engage Local Communities



Supported local communities in Türkiye, Morocco and Hawai'i (US) following devastating earthquakes and wildfires respectively.

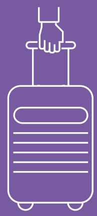
Implementation of global Avolta Community Engagement Strategy

Continued to support and engage with local communities globally through initiatives at single country level and often in collaboration with concession partners

ESG Commitments going forward

Avolta's success goes beyond commercial and financial performance and we understand that our business activities have an impact on the communities where we operate and on the environment. In line with our commitment to the Ten Principles of the UN Global Compact we regularly align our overall ESG strategy with new requirements and develop relevant initiatives geared to achieving a more sustainable business, including:

Create Sustainable Travel Experiences



Sustainable Sourcing & Traceability:
Expand the adoption of responsible sourcing practices and increase the procurement of sustainable, certified and local products

Supply Chain Management:
Foster a responsible and ethical management of the supply chain, partnering with suppliers that are attentive to social and environmental impacts

Product Quality & Safety:
Provide high quality & safety standards for the products and ingredients used in all of the company's channels

Healthy & Sustainable Choices:
Promote better travel experiences by offering a wide range of healthy and sustainable products, good for both consumers' and planet's health

Respect Our Planet

Climate Change, Energy & Emissions:
Measure Scope 1, 2 and 3 GHG emissions and reduce our footprint in our operations and along the value chain

Waste & Packaging:
Measure & reduce the generation of waste and promote circular practices

Water & Biodiversity:
Reduce water withdrawal in our operations and promote the restoration of habitats along the value chain

Empower Our People

Diversity, Equity & Inclusion:
Create an inclusive culture, by promoting diversity and equity at all levels of the organization

Talent Recruitment, Engagement & Retention:
Attract and retain highly talented people by building a positive and engaging working environment

Training & Development:
Provide high quality training, learning & development opportunities to strengthen our people’s competences and professional growth

Health & Wellbeing:
Provide high health and safety standards and promote world-class well-being offerings and education to foster well-being and work-life balance

Human Rights:
Protect human rights across the company and along its supply chain

Engage Local Communities

Supporting Communities:
Create connections with the communities we serve and contribute to the growth of local economies

Avolta's ESG engagement practices

Avolta recognizes that the long-term sustainability of its business relies on the capacity to build, establish and maintain trusted relationships with all our stakeholders. Integrity is a key element in our business behavior across all levels of the organization and has served Avolta over the years to foster a sense of trust with our stakeholders.

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. We interact with our stakeholders in a number of different ways, both formally and informally. For 2023, the group of relevant stakeholders included in our materiality assessment has been updated to reflect the new scope of the new entity resulting from the business combination of Dufry and Autogrill, and includes airports and other concession partners, customers, employees, investors (incl. shareholders, bondholders and lending banks), public authorities, brand suppliers, media and communities.

Whilst closely interacting with all stakeholders of our ecosystem is important, the close collaboration with our key business partners – brand suppliers and concession partners, which permit Avolta to provide a superior travel experience and service to customers – is crucial. Known in the industry as the Trinity (concession partners, retailers & F&B operators and brand suppliers), the tight lines and cooperation between these three groups allow for an improved dialogue and mutual understanding to the ultimate benefit of our common customers. This interaction has remained critical and valuable during 2023 as air traffic in particular continued to accelerate and the performance of our stores and restaurants further increased.

Beyond the Trinity described above, our team members and investors are the other two key stakeholders contributing to our company's success.

Avolta however, holds relationships with a larger group of stakeholders, which include:

- ***Travel Retail Associations and Industry Bodies*** – Avolta is an active member of each of the relevant regional and national industry associations in the geographies in which it operates (see pages 56–71). We are proud to have senior team members on the Boards of some of the most respected industry bodies – ETRC (European Travel Retail Confederation), MEADFA (Middle East & Africa Duty-Free Association), IAADFS (International Association of Airport Duty-Free Stores), ASUTIL (South American Association of Free Stores), UKTRF (UK Travel Retail Forum) and the DFWC (Duty Free World Council), NRA (National Restaurant Association) in the USA, AIGRIM (Travel Retail & Leisure Association) in Italy. This gives Avolta 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 of stakeholders is of major importance, as they are the generators and guardians of laws and regulations that circumscribe Avolta's operating environment. New laws and regulations can have a significant impact on the business and Avolta needs to be aware of any changes and be prepared to influence draft regulations and react to comply as needed.
- ***Service Providers*** – Understanding the relationship of Avolta with key service providers – mainly with IT and logistics suppliers – is fundamental for Avolta to have a more holistic view of its ESG impact and to assess and eventually address improvement areas.
- ***Media*** – Are an important group for Avolta as it permits the company to communicate with its main stakeholders. Avolta strives to build strong, and close collaborative relationships with media and our communications teams maintain direct, long-term relations with media representatives and influencers, providing them with information on a wide range of global, regional and local topics.
- ***ESG Community*** – Comprises ESG rating agencies, ESG powerhouses (such as United Nations Global Compact, GRI or SBTi), and the ESG community of the travel retail

and F&B industry as well as the airport community and associations. 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 within our ESG reporting and communication.
- ***Communities and Charities*** – As part of its social commitment, Avolta supports many activities in the communities in which it operates. Avolta has a particular focus on fighting poverty and food insecurities, education, youth development and charities for children, as well as general health and water related initiatives and encourages its employees to work as active members at a local level. For detailed information, please see Chapter Engage Local Communities on pages 142 – 148.

Avolta's Policy Framework

Avolta has a set of internal policies and procedures which describe the ethical, social and environmental principles to be applied by our team members at all times and which complement the Avolta Code of Conduct. These policies and procedures address specific topics in the areas of environmental, social, employee and human rights-related matters as well as anti-bribery (among others), and provide guidance on the expected standards and behaviors in their day-to-day work. Furthermore, they are available to all our team members through the internal communication tools of the company as well as the corporate website, hence ensuring universal access to them. This set of information includes:
- Avolta Code of Conduct – requires all of our team members, officers and directors to act ethically and in compliance with all applicable laws at all times including internationally accepted human rights standards. The Code further outlines the types of conduct that are not permissible and imposes strict rules in relation to charitable contributions and sponsorships, as well as gifts, hospitality and entertainment expenses, to minimize the risk of corruption. In addition, the rules require careful due diligence to be conducted on any external partner Avolta is working with, including a procedure that must be followed by all new joint-venture partners, consultants for business development projects, counterparts to M&A transactions and other similar counterparts.
- Avolta Supplier Code of Conduct – is aligned with the principles of the Avolta Code of Conduct, extends the requirements and expected behaviors to the company's suppliers and is re-certified on a regular basis with the suppliers. A detailed description of the Avolta Supplier Code of Conduct and the 2023 implementation progress is available on pages 116 – 117 of this ESG Report.
- Human Resources Policy – further complements the Avolta Code of Conduct by detailing behaviors and requirements with respect to legality, diversity, non-discrimination and equal opportunities as axis of conduct to be followed. The policy also describes Avolta's approach to respect human rights throughout its operations and business relationships, recognizing the existence of specific particularities in each of the countries in which Avolta operates and respecting the regulations applicable in each jurisdiction.
- Avolta´s Environmental Management Guidelines – outline how Avolta is approaching and implementing its environmental initiatives building on its ESG strategy. The guidelines define how Avolta's initiatives are implemented across the company to conduct business in an environmentally conscious manner, aiming at minimizing the overall environmental impact of its business activities.
- Policy for Insider Information and Securities Trading – the internal policy defines requirements and behaviors for employees having access to inside information and regulates when and how Avolta shares can be traded. This includes "blackout periods" announced by the legal & compliance departments as applicable during the course of the year.
- Reporting on Wrongdoing Procedure – provides several internal and external whistleblowing channels to anonymously report wrongdoings in compliance with the requirements of applicable law and to prevent any form of discrimination. The Whistleblowing are supervised and managed by the Compliance Department as described in the Empower our People Chapter on pages 134 – 135 of this ESG Report.

Compliance education

Beyond ensuring universal access to policies and procedures, Avolta also conducts compliance training for team members, officers and directors, as applicable, on an ongoing basis. These training sessions reflect necessary changes introduced in our Code of Conduct and internal compliance updates as well as new laws, regulations and best practices as applicable. Avolta's Compliance Department regularly evaluates and adapts the content of Avolta's training on Compliance and Corporate Policies to keep training up-to-date and reflect industry standards and applicable laws. A detailed overview of the compliance trainings is described in the chapter Empower Our People on page 138.

Socio-economic compliance

Having operations in 73 countries means complying with a broad range of national laws and regulations, as well as maintaining an active dialogue to foster ongoing stakeholder and social engagement. For this reason, from a global perspective, Avolta's position towards compliance necessarily needs to have a holistic and broad approach, by also taking into account international norms and best practices, including the 10 Principles of the UN Global Compact. In this regard, Avolta has several initiatives and control mechanisms in place that permit the company to monitor and ensure compliance with national and international laws and to follow respective ethical standards.

Risk management, due diligence and control
The risks inherent in Avolta´s business are divided into two groups: financial risks (see Financial Report on pages 237–248) – related to interest rates, exchange rates, credit risks and liquidity risks – and non-financial risks. A comprehensive description of the company's non-financial risk and opportunity mapping is included in the ESG Report 2023 Annex on pages 337 ff. as well as in the TFCD Report, both available on the company website: Our Impact | Avolta.

Avolta adopts a risk management model based on three levels. This model is applicable to all subsidiaries of the company. The company is supported by an Enterprise Risk Management software called GRC (Governance, Risk and Compliance), which allows a comprehensive identification and management of potential risks that may affect the business.

First level – The commitment of Avolta and all its subsidiaries to integrity and transparency begins with its own staff. Avolta requires all its team members, officers and directors to act at all times in accordance with the provisions of the Avolta Code of Conduct. The latter describes the types of behavior not allowed, and imposes strict compliance rules regarding the operation of the business including for example zero tolerance for bribery.

In addition, the policies and procedures of Avolta require each team member, officer and director to perform due diligence and carefully assess new external partners with whom Avolta plans to work, including a procedure to be followed to examine all new business partners, consultants for business development projects, partners for transactions and M&A, as well as similar counterparts. Where appropriate, these due diligence processes take into account relevant ESG matters, including, in particular, bribery risk.

Second level – There are various governance functions across the organization including the Compliance, Legal, Finance, ESG and Human Resources departments in charge of monitoring the company's principal risks and establishing the most appropriate controls to mitigate them, as well as ensuring compliance with the policies and procedures of the company. The scope of the Compliance and Corporate Governance function is based on the following pillars:
- Regular review and – where necessary – update as well as ensuring compliance with the set of global company policies
- Establishment of the overall framework of approvals including a policy of "four eyes" for validations
- Training, both for the members of the staff identified with greater exposure to risk, and for the rest of the employees
- Global corporate risk management and control
- Due diligence in compliance, supply chain and transactional matters, including on financial and non-financial risks (e.g. environmental, social, employment, human rights and bribery/corruption)
- Internal communication and reporting channels to ensure the integrity of the compliance program
- Investigation of reports of possible wrongdoings and implementation of corrective actions

Third level – The Group's Internal Audit provides independent and objective monitoring and consulting services designed to add value and improve Avolta's operations. This function covers all subsidiaries and applies a systematic and disciplined approach to evaluate and improve the effectiveness of governance processes, as well as risk management and control, including assessing risk management procedures and the potential committing of fraud. The main risks identified during internal audit procedures are reported to senior management and to the Audit Committee of the Board of Directors, and its status is updated periodically until resolution or acceptance are given by the governing bodies.

Avolta's Corporate Governance
Avolta believes that good corporate governance is important to the development of the company, to ensure the sustainable provision of long-term benefits for shareholders, employees and society. Avolta´s governance system serves as a control mechanism in relation to a number of elements, including bribery and corruption, tax, executive remuneration, shareholders' voting possibilities and internal control. Most of these topics are covered in the Corporate Governance Section of this Annual Report on pages 279–309.

Especially relevant for the sustainability of our industry is the corruption and bribery phenomena, which can be the cause of negative economic, social and environmental impacts. From a business perspective, corruption distorts the functioning of the market and undermines governance institutions and in general, the rule of law.

For Avolta, the subject of corruption is of considerable importance, as the company expands its operations to many countries with elevated corruption levels and participates in many public procurement processes to bid for airport, seaport, motorways, and other concessions around the globe each year. Avolta prohibits and has zero tolerance for bribery and corruption at all times and in any form. We believe that in order to remain a solid business leader, all business must be conducted ethically and in full compliance with all applicable laws, rules, and regulations. Avolta requires all of its team members, officers and directors to behave at all times with honesty, ethically and within the confines of applicable laws as well as in full compliance with Avolta's Code of Conduct. Where laws, rules or customs exist that are different from the principles set out in the Code of Conduct, Avolta team members, officers and directors are required to follow whichever sets the higher standard in this regard.

Avolta also expects its team members, officers and directors to fully adhere to the principles of integrity and fair dealing when carrying out activities on behalf of Avolta. This includes promoting standards adopted by the company and as set out in the Code of Conduct with respect to sustainability, diversity, decent work and human rights, as well as zero tolerance towards harassment and discrimination.

Avolta's ESG Commitments & Reporting

Avolta engages in numerous external initiatives and strategic collaborations with organisations and partners to support and inform about our work on the most material sustainability issues. It has been grouped the most important and general ones under four different categories, and mentionned the more specific ones within the four focus areas.

Commitments

- ***UNGC*** – Avolta has been a participant of the UN Global Compact (UNGC) since March 2020 and since then, we have measured and disclosed our progress on the ten principles established by the UNGC. Additionally, Avolta is a participant of the UNGC Swiss Network and regularly participates in conferences and meetings where best practices are shared.
- ***SBTi*** – During 2022 and early 2023, Dufry sought and gained validation from the SBTi for the emissions reduction targets set for the company (retail business), as described in detail in the Respect Our Planet section of this report on pages 125–126.

Reporting

- ***GRI*** – The Global Reporting Initiative (GRI) helps organizations to be transparent and take responsibility for their impacts, supporting companies to systematically report on the elements that are material for their businesses in a structured and comprehensive way. This reporting permits better comparability, greater transparency and alignment with international standards, such as the OECD guidelines for multinational organisations – ISO 26000; the United Nations Guiding Principles on Business and Human Rights; the UNGC's Ten Principles and the United Nations' Sustainable Development Goals. Avolta has prepared its ESG Report following the guidelines of GRI since the reporting year 2018 and in this edition has adopted the GRI Universal Standards.
- ***TCFD*** – The Task Force on Climate-Related Financial Disclosures (TCFD) was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks and investors in providing information to stakeholders. In the first quarter of 2023, Avolta disclosed its first report following the guidelines of TCFD, which covered the reporting year 2022 and explored the range of the impacts that climate change would have for our business, including both risks and opportunities. Taking into consideration the business combination of Dufry and Autogrill in 2023, Avolta now publishes a combined TCFD Report covering the full scope of the new entity. The TCFD Report 2023 is available at the end of this Annual Report as well as on the Group website: Our Impact | Avolta.
- ***Swiss Requirements regarding Non-Financial Disclosure*** – Avolta publishes annual Non-Financial Reporting in accordance with the requirements regarding transparency on non-financial matters of article 964a et seqq. of the SCO.

Assessments and Ratings

Avolta is regularly assessed and rated by ESG-specialized rating agencies, including Sustainalytics, MSCI ESG Ratings, ISS ESG, Moody's ESG Solutions (Vigeo Eiris) or Inrate. Avolta´s ESG department engages with ESG analysts to assist them in their assessment of our company and to support their research work. Avolta recognises the value of external feedback from these independent agencies as their work helps us to further develop our lines of action towards strengthening our long-term commitment to be a successful, sustainable business.

Industry Initiatives

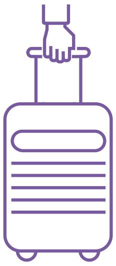
Avolta participates in several industry initiatives geared towards consumer and environmental protection. Amongst others, Avolta has contributed to the development of several Codes of Conduct for the travel retail industry (such as the UK Code of Conduct on Disruptive Passengers and the ETRC and DFWC Codes of Conduct on Sale of Alcohol), and is a member of the ACI Climate Change Task Force and the ACI Europe Environmental Strategy Committee (ENSTRAT).

Create Sustainable Travel Experiences

GRI indicators:
203-2, 308-1, 414-1, 416-1, 416-2, 417-1, 418-1

SDGs:
3.8
12.8
16.3, 16.10

"Ensuring sustainable ways of travelling. With our partners. For our customers."



Making Travelers Happy. This is the ambition outlined in Destination 2027, Avolta's new strategy aiming at revolutionising the travel experience (see dedicated chapter on pages 28–55 of this Annual Report). Putting the customer at the core of every decision we make is what has taken Avolta to its leading position in the travel retail and F&B sectors.

Within the focus area Create Sustainable Travel Experiences Avolta has defined four areas of action:
- Sustainable Sourcing & Traceability
  Expand the adoption of responsible sourcing practices and increase the procurement of sustainable, certified and local products
- Supply Chain Management
  Foster a responsible and ethical management of the supply chain, partnering with suppliers that are attentive to social and environmental impacts
- Product Quality & Safety
  Provide high quality & safety standards for the products and ingredients used in all of the Group's channels
- Healthy & Sustainable Choices
  Promote better travel experiences by offering a wide range of healthy and sustainable products, good for both consumers' and planet's health

Avolta aims to exceed customer expectations by combining the sourcing of unique product choices, the development of attractive shopping environments and offering an ever-wider array of healthy, safe and high-quality products from controlled and sustainable supply chains. In recognition of these efforts, Avolta received two important awards during 2023: the title of Best Retailer from the Middle East & Africa Duty Free Association (MEADFA) and the winning of six prestigious prizes at the FAB Awards (Airport Food & Beverage Conference & Awards).

To ensure high quality for our customers, we give particular attention to a wide variety of topics, such as product and supply chain stewardship when selecting our offers, customer's privacy and data protection, as well as responsible marketing initiatives and communication practices. Moreover, since customers are becoming more conscious regarding the consumption of F&B products, Avolta develops its own F&B concept portfolio in a more responsible way, by opting for certified food ingredients, free from artificial colours or preservatives, and preparing meals with a limited amount of ingredients or natural-origin ones.

For a holistic and unique travel experience, one of the core objectives of the Destination 2027 strategy, we focus on three main elements: store design, product and service both in-store and online. As such, when developing and refurbishing its stores and restaurants, Avolta pays particular attention on creating a strong sense of place through the linkage of the shopping and dining environment with the individual country's cultural heritage where the stores are located. The powerful combination of state-of-the-art outlet designs with local motifs and references, alongside a carefully curated selection of products sourced from local suppliers, results in unique shopping and eating spaces that enable customers to experience a full cultural immersion in the destination with a true “sense of place”. In total, Avolta sources close to 30 % of its retail products locally and slightly over 70 % globally.

Sustainable sourcing & traceability

“Expand the adoption of responsible sourcing practices and increase the procurement of sustainable, certified and local products.”

Transparent information and labelling
Besides offering an innovative travel experience that is tuned with evolving consumer preferences in all the 73 countries in which the company operates, Avolta provides its customers all information necessary for a full understanding of the ingredients its F&B products contain, ensuring maximum transparency and compliance with labelling laws. In every country in which it operates, the company complies with laws requiring the communication of food ingredients, especially with respect to allergens. For the retail assortment, all product labelling and customer information on product specification is managed by the respective brand partners (see dedicated chapter below).

Sustainable sourcing
Customer’s preferences are increasingly shifting towards products that have a reduced impact on the environment, guarantee good working conditions to its employees, and ensure appropriate animal welfare. Worldwide, Avolta has designed an innovative and diversified offer that fits a broader perspective of promoting not only healthier but also more responsible consumption models, geared toward reducing environmental impacts and protecting nature.

In its retail shops, Avolta offers customers the opportunity to choose environmentally and socially friendly retail products through its Sustainable Product Identification Initiative: a labelling framework that highlights positive environmental and social characteristics of products, thus contributing on increasing customer’s awareness on the various sustainability criteria associated to each product. In 2023, this initiative was extended to additional locations and products, which now includes 1,964 retail products from 23 global suppliers across all Avolta´s core product categories and is implemented in 167 retail shops across 126 locations globally.

In our F&B operations we committed to building a more sustainable supply chain of the ingredients and raw materials, hence many of our suppliers participate in national and international initiatives like the Better Life Label for improved animal welfare, Fair Trade, and the RSPO (Roundtable on Sustainable Palm Oil), especially in EMEA countries.

Avolta is also aware that ensuring animal welfare, in accordance with regulations, standards, and international best practices is an important component of a responsible supply chain. In our main F&B countries[1] – representing over 90% of our F&B turnover – 84% of eggs purchased are cage-free, reaching 100% in Belgium, Germany, Italy, The Netherlands, and Switzerland.

[1] Belgium, Canada, France, Germany, Italy, Switzerland, The Netherlands, USA

Foodbuy

In North America, Avolta works with Foodbuy for the F&B business. Part of the Compass Group since 2007, Foodbuy is the leading procurement company for food & beverage services and has made several commitments to ensure high standards of food safety and sustainability. All our North American F&B suppliers in the Foodbuy network undergo regular audits on central issues such as human & labour rights, business integrity, diversity & inclusion and environmental sustainability. Any potential risks related to specific sourcing geographies or product related topics are considered by these audits. All requests for proposals for new concessions or renewals include category-specific questions on the supplier's social responsibility, in order to assess their handling of social and environmental aspects. In 2023 the Group bought F&B products from 370 Foodbuy-approved suppliers with one or more certifications, NAE, including USDA Organic and Bio-Based (US Department of Agriculture), BPI Biodegradable (Biodegradable Products Institute), Cedar Grove Compostable, GAP Steps, Cage-free, HFAC, Reduced Antibiotics, Monterey Bay Yellow/Green, MSC, Salmon Safe, Rainforest Alliance, Bird-friendly, Ecologo, Green Seal, FSC, and SFI.

Supply chain management

"Foster a responsible and ethical management of the supply chain, partnering with suppliers attentive to social and environmental impacts."

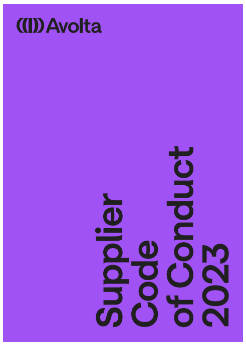
For the travel retail business, Avolta neither produces any retail items nor sells any white-label products, except for a pilot private-label assortment, including for example, destination products first introduced in late 2022. All the products available on our retail stores are produced by third party companies, which Avolta expects to comply with the law, stipulated contract conditions and international best practices with respect to human rights, the environment, health & safety and labour standards. To guarantee that our retail and F&B suppliers meet our strict environmental and social requirements, Avolta has developed a combined version of the previous Dufry and Autogrill Supplier Code of Conduct, which stipulates the main social and environmental requirements to be fulfilled to become an Avolta supplier.

Supplier Code of Conduct

Avolta's Supplier Code of Conduct is designed to ensure that its retail and F&B providers conduct their operations in an ethical and legal manner, applying accepted business standards, as described by the UN Global Compact, regarding:
- Ethics and integrity
- Labor and employment practices and working conditions
- Anti-money laundering and anti-terrorism
- Environmental compliance and sustainability
- Product quality and safety

To ensure the implementation of a responsible supply chain management with respect to social and environmental matters, Avolta expects its suppliers to maintain financial, operational and business records in accordance with applicable legal requirements and generally accepted accounting practices, and to establish a procedure that gives to its employees the possibility to report possible concerns for unethical actions.

Reflecting the ESG Governance as explained in the Corporate Governance chapter on page 296, both the Supplier Code of Conduct and the Avolta Code of Conduct provide detailed insights on how we assume our responsibility concerning social, ethical and environmental standards, and how we put into practice the principles of sustainable development in our day-to-day work, thus ultimately also executing on this respective due diligence task. Both Codes were assessed and aligned as part of the business combination of Dufry and Autogrill to ensure their relevance both for our retail and our F&B businesses, reflecting developments in law, regulation and professional ethics. Both Codes are available in the sustainability section of our website: www.avoltaworld.com.



To secure the suppliers' agreement with and / or acknowledgement of the Supplier Code of Conduct, a three-year follow-up reassessment cycle is observed.

In 2023, following the release of the Avolta Supplier Code of Conduct, we started a new recertification cycle process reaching out to suppliers who had previously signed the Dufry Code, and expanded the reach of the Code by adding new suppliers from across all main retail product categories and F&B. In total 441 suppliers, accounting for 49 % of total company COGS 2023, signed or acknowledged the Avolta Supplier Code of Conduct. With regards to the retail sector, where the supplier certification has been underway for a few years, in 2023, we increased the number of suppliers certified to 157 (2022: 152), representing 57 % of 2023 retail COGS (2022: 52 %).

On top of monitoring suppliers to ensure compliance with the principles established in Avolta´s Supplier Code of Conduct, the company will continue to reach out to additional suppliers, including new ones, going forward.

Healthy and sustainable choice

"Promote better travel experiences by offering a wide range of healthy and sustainable products, good for both consumers' and planet's health."

Since our customers' expectations have been constantly evolving, becoming even more sophisticated and oriented towards higher sustainable standards, Avolta constantly monitors its customers' satisfaction and analyzes their changing needs with its Customer Experience Tracking & Survey. Through a set of structured processes, we analyze the attitudes and behaviors of global travelers and identify new market trends, along with new concepts, healthy & sustainable products, and innovative services to offer to our customers.

As described in its Destination 2027 strategy, Avolta collaborates with brand and concession partners to launch a travel experience revolution by customizing the offerings for travelers, including new categories and exclusive products that address the new sustainable customer behavior trends. In our F&B business we strive to meet as many dietary needs and preferences as possible by developing innovative and diversified concepts, menus and recipes in collaboration with many industry experts, nutritionists and science communicators, making sure we fulfil the World Health Organization's recommendations.

Over time, several collaborations with sector specialists resulted in a series of healthy and sustainable food alternatives. These include the partnership with nutritionist-physician Mauro Mario Mariani and chef Luca Montersino for the development of the 'Piatto Unico Bilanciato' in Italy, a balanced single meal that guarantees the correct combination of different nutrients, and the innovative WOW Burger: the 100 % vegan sandwich created in our «Factory-Food Designers» in Milan in collaboration with vegan chef Simone Salvini and Nestlé Garden Gourmet, is available in Italy and in our proprietary restaurants in some EMEA countries like France and Switzerland.

To ensure a constant development of innovative products, leveraging Avolta's high expertise in the F&B sector, two Centers of Excellence have been opened in the EMEA region: the Factory-Food Designers in Milan and the Food Services in Amsterdam. These centers are designed to stimulate creativity and develop new ideas, F&B concepts and receipes – supported by specialists from different backgrounds (chefs, pastry chefs, nutritionists, small and local producers, food bloggers, and designers) and also include the Green Lab – a dedicated R&D studio where health and sustainability converge, creating innovative recipes in line with new trends. The Food Services Center of Excellence in Amsterdam, is focused on the development of international concepts and the management of company F&B brand portfolio – composed by internal, external and franchise brands – and related products.

Healthy and sustainable concepts

Avolta's commitment to provide our customers globally a well-diversified healthy and sustainable offer results in a wide global portfolio of retail and F&B concepts that offer compelling alternatives for both our customers' health and the safeguarding of our planet. Among recent openings, the following concepts were particularly distinctive for their seamless blending of wellbeing and environmental offerings as key elements contributing to our Destination 2027 travel revolution.

MIND.BODY.SOUL.

To meet the increasing consumer interest in purchasing healthier and more wellbeing related products, Avolta developed the retail concept mind.body.soul. The "shop-in shop" concept offers a range of nutritious and energy focused food for health-conscious customers, alongside sustainable and relaxing products that promote a true sense of wellbeing. Products from a broad spectrum of categories and brands are displayed under four different themes: Stay Healthy, Relax, Feel Better and Travel Comfort. The majority of the selection includes locally sourced and innovative brands but also already established global brands. This concept is currently implemented in 11 countries and 13 locations globally.

HUDSON CAFÉ MILANO

The Hudson Café Milano, opened in Milano Malpensa airport is Avolta's first hybrid concept combining cafeteria and bookstore. Through this new concept we want to offer our consumers an integrated travel experience that allows them to both shop and enjoy a relaxing break. In the Hudson Café, Avolta not only sells a wide range of books and newspapers, but also offers a wide assortment of food and beverage products including coffee, pastries and bakery from both Italian and international cuisine, satisfying the different preferences of our consumers. To offer quick and healthy alternatives, the Hudson Café features a selection of healthy grab & go products such as fruit, poke bowls and yogurt, as well as vegan and vegetarian options.

FRESH

Pursuing sensory and emotional pleasure and preserving physical well-being are two key principles of our proprietary concept FRESH, at Bali I Ngurah Rai International Airport, Kuala Lumpur International Airport and Gold Coast International Airport. FRESH offers a wide range of natural, tasty and trendy F&B products, serving not only healthy but also environmentally friendly menu items such as organic coffee and teas, poke bowls and fresh smoothies. To ensure fully transparent customer communication, the product labels contain both the complete ingredients list as well as the health benefits they bring.

WASCOFFEE LAB

The WASCOFFEE LAB – available in three locations in Italy – is Avolta's first concept made entirely from WASCOFFEE®, the 100 % natural and recyclable material created from recovered coffee grounds and used for the design and furnishings of the shops. Its minimalist and cosy ambience, inspired by the specialty coffee trend, and the gastronomic offerings satisfy the new consumption models. The menu meets the needs of different traveler profiles and offers healthy and plant-based alternatives.

Product quality & safety

"Provide high quality & safety standards for the products and ingredients used in all of the company's channels."

Selling products that meet high standards of quality and safety is extremely important for our company. Our procurement teams focus on sourcing products from a reliable supply base. The majority of the products that we sell are heavily regulated (e.g. alcohol & tobacco but also beauty and food) and Avolta is committed to compliance with the applicable regulations and rules in all the countries where it operates.

Across all our restaurants, high-quality ingredients that are used for our recipes and meals are prepared under strict hygiene and sanitary conditions, in compliance with local and international regulations. These offers are periodically audited and taught to workers through frequent training and awareness programs. The quality and safety of F&B products served are reinforced by an expansive, tightly structured management system that begins with the supplier selection. Before doing business with Avolta, all F&B suppliers go through a pre-approval process to test their level of compliance with the company's food quality and safety standards. The process includes microbiological content and chemical / physical analyses along the entire supply chain, which are evaluated from a risk as-

Food quality, health and safety certifications	Applies to:
ISO 9001:2015 on Quality Management Systems	Italy (F&B: all stores managed by Autogrill Italia S.p.A. and Nuova Sidap) Austria (F&B: all stores) Australia, Malaysia (F&B: selected stores)
ISO 22000 on Food Safety Management	Italy (F&B: all stores managed by Autogrill Italia S.p.A.) Austria, Malaysia (F&B: all stores) Greece (F&B: Hellas LTD) India (F&B: Hyderabad Airport)
ISO 9001:2015 (provision of technical project management services)	Italy (Milan HQ)
ISO 45001	Italy (Milan HQ and F&B airport locations)
Halal certification from MUI (Majelis Ulama Indonesia)	Switzerland (F&B: Seven spices in Geneva & Zürich airports and all stores at Bern railway station) India (F&B: all stores in Bangalore, Hyderabad, and Delhi airports) Indonesia (F&B: selected stores in Jakarta and Bali airports)
Diverse Food Safety program	Netherlands (F&B: all stores) Switzerland, Norway (F&B: selected stores)
FSSAI (Food Safety and Standards Authority of India)	India (F&B: all stores in Bangalore, Hyderabad, and Delhi airports)
NVWA (Netherlands Food and Consumer Product Safety Authority)	Netherlands (F&B: all stores) Switzerland, Norway (F&B: selected stores)
NSF Certificate of Food Hygiene and Safety	UK (F&B: all stores) Malaysia (F&B: selected stores)

sessment perspective. Once they become Avolta suppliers, they are periodically screened by way of questionnaires, direct or indirect information gathering, location checks as well as food safety and quality audits. Also, as a brand licensee, the company itself is subject to audits by its brand and concession partners.

In addition to these F&B assessment procedures, there is a self-screening program falling within the management system used in the various countries, i.e. a set of centrally coordinated procedures carried out on-site to ensure compliance with all hygiene and sanitary standards. Always striving for improvement, the company has adopted various safeguards and concrete actions to maintain the highest levels of food quality and safety. These address food safety standards and HACCP processes involving numerous food safety courses in the various business units, both classroom-taught and online. Frequent audits are carried out to check compliance with quality and safety standards at the F&B outlets in the different regions. In 2023, 93% of Avolta's F&B stores in 26 countries received Quality & Safety audits. In some countries, internal monitoring is paralleled by audits conducted by third parties and qualified personnel.

Responsible marketing

Avolta is well aware of its marketing responsibilities and observes all laws with respect to promoting products and services and in particular with respect to alcohol and tobacco. Its responsibility also includes marketing practices adopted and communication activities launched both in-store and through our pre- and post-sale points of contact with customers, including product warranties and refund policies.

Cooperation with Duty Free World Council and US National Restaurant Association

Avolta has contributed to the development of the Duty Free World Council´s (DFWC) Self-Regulatory Code of Conduct for the Sale of Alcohol Products in Duty Free & Travel Retail. The Code – called «Responsible Retailer of Alcohol Products» – complements other codes and guidelines followed by individual alcohol manufacturing companies or other bodies, is widely accepted by most travel retailers worldwide and was signed and implemented by Avolta in 2017. The Code defines clear guidelines for commercial communications, sales of alcoholic products in the travel retail and duty-free environments and for tasting at the point of sale. The Code of Conduct is publicly available from the DFWC website: www.dfworldcouncil.com. Since 2021 we obtained the DFWC Responsible Retailer accreditation, after members of our staff involved in the sale of alcohol products – both at store and office levels – were trained on the abovementioned code through a DFWC developed training module. This important training is incorporated into Avolta´s training catalogue and the company continues to train all the team members who are involved in the sale of alcoholic products. By the end of 2023, over 3,400 of our team members had obtained that certification. In addition, over 2,400 team members working in F&B concepts serving alcoholic beverages were trained to responsible serving practices. This brings to over 5,800 the number of people in the company trained to sell and serve responsibly alcoholic beverages. In North American we developed the Serve Safe Alcohol program in collaboration with the National Restaurant Association: an initiative to train all frontline employees on how to properly serve alcoholic beverages. Finally, we launched the «We ID» campaign to raise consumers' awareness about safe drinking which is still ongoing. The campaign requires all customers to present identification when they purchase alcohol.

Customer Service – it does not end at the shopping till

In 2023, our global customer service team of the retail business answered 250,047 queries (compared to 154,242 in 2022). Out of all these customer contacts, 39,814 were customer complaints, 146,012 were information requests, 60,281 were requests for services, 3,885 were compliments and 55 were suggestions. The remaining queries are related to contacts received that do not refer to Avolta or that the customer does not respond to. The main causes of complaints were as follows: – Billing Overcharges – Damaged product complaints – R & C complaints – Red By Dufry missing points – Wrong products delivered. Case resolution time was, on average, less than six days.

Customer privacy and data protection

Avolta is committed to safeguarding the privacy of its customers and their personal information. The company has implemented the necessary management and cyber security systems to treat any customer's personal information as confidential. This also includes securely storing personal information – such as for example name, surname, email address or loyalty card number – to prevent unauthorized access to it, along with ensuring that such personal information is only collected, used and otherwise processed for legitimate business purposes in accordance with applicable laws, the Privacy Notice and Avolta´s

Code of Conduct (both accessible in the company´s website www.avoltaworld.com).

Online transactions

Avolta doesn't handle online transactions that include payment for duty-free goods – exceptions are made for some locations and for the food & beverage sector, where respective customs regulations allow. Our Reserve & Collect service only allows customers to reserve retail products and collect them at their preferred airport location at the time the customer flies. Normally, however, it is not until customers collect the products and show their boarding passes as required, that the payment is processed. This is due to customs regulations that only permit Avolta to sell duty-free products at the airport location itself. In some countries where we operate in the food & beverage sector, it is possible to use systems and apps such as Click & Good and Your Order Please to order and pay in advance, in compliance with Avolta's high cyber security standards.

Data protection structure and audits

Avolta has a Global Data Protection Coordinator (Global DPC) who reports to the Chief Compliance Officer. The data protection organization relies on a decentralized structure, with local data protection coordinators (Local DPCs) in the relevant countries. The Local DPCs bear the responsibility for data protection matters within their scope of operations. Our employees, as well as third-parties who provide services on Avolta's behalf, are required by policy and process, as well as by contract, if applicable, to treat customer information with care and confidentiality. Our processes are designed to preclude unnecessary access to confidential information and Avolta has administrative, technical and physical safeguards that reflect this obligation. Avolta regularly reviews and enhances related procedures and policies. The Group also undertakes internal Data Protection Audits and intrusion tests on a regular basis, while periodic meetings are held to discuss and improve the protection of customers' personal data. Anyone wishing to report a grievance or ask a question regarding Avolta's data privacy policy, or to access, delete, correct or transfer their personal information, can address such data subject requests to: privacy@avolta.net.

Cyber security

Avolta is continuously monitoring, reviewing and upgrading its processes to protect its business from potential cyber security threats that ultimately could end with theft of data. At a global level, Avolta has a Global IT Security Team that is responsible for keeping IT threats away from Avolta's business, understanding emerging threats and investing in the necessary technology to mitigate potential new risks. In this regard, Avolta has a number of systems and security processes in place, including a robust IT security system and a number of internal policies and procedures complying with applicable laws and regulations. This is all included in the company's Global Information Security Policy, which is aligned with the international security frameworks ISO 27000 and the National Institute of Standards and Technology (NIST). Avolta performs regular tests of its systems and takes several measures to improve cyber security, prevent malware infections and avoid data breaches. Amongst others, Avolta: – Encrypts customer, payment and any sensitive data and limits access to it; – Keeps software up-to-date by installing updates and security patches; – Secures point of sale (POS) devices and applications; – Performs regular vulnerability testing to identify weaknesses; – Monitors all activity in Avolta's systems and data for any anomalous activity and indications of threats; – Uses (and promotes amongst its employees) secure passwords and two-factor authentication; – Runs antivirus software continuously, periodically scanning systems for malicious files; – Has introduced advanced Malware protection; – Has PCI certifications in place in most of the countries where it operates; – Has established a global security monitoring and protection system overseeing Avolta's cloud services.

Security Awareness Program

As part of the Security Awareness Program, Avolta conducts regular internal communications campaigns and both mandatory and optional training for all team members regardless of function and location. The content of this communication and training program includes relevant and individual steps towards achieving a secure IT environment, including: – PCI DSS Awareness – Secure Remote Working – Phishing & Ransomware – Password Safety – Privacy and Data Protection – Social Engineering – Global Information Security Policies – Global Policy of Acceptable Use of Technology – Data Leak Prevention.

Respect Our Planet

“Reducing our footprint, increasing our consciousness.”

GRI indicators:
302-1, 302-3, 303-1, 303-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 306-3, 306-4, 306-5

SDGs:
6.4, 6.6
7.2, 7.3
8.4
11.6
12.2, 12.4, 12.5
13.1
14.3
15.1, 15.2

Avolta is committed to conducting business in an environmentally conscious manner to respect the planet.

Avolta regularly assesses the environmental reach of its commercial activity and works towards minimizing its impact. Considering the wider impact scope resulting from the business combination of Dufry and Autogrill completed in 2023, the combined entity started to reassess its environmental impact to cover the complete scope where possible, or prepared the ground for a full coverage in the business year 2024 – this in particular with respect to the restatement of certain environmental and climate-related targets.

Within the focus area «Respect the Planet» Avolta has defined three areas of action:

– Climate change, Energy & Emissions
Measure Scope 1, 2 and 3 GHG emissions and reduce our footprint in our operations and along the value chain.

– Waste & Packaging
Measure and reduce the generation of waste and promote circular economy practices.

– Water & Biodiversity
Reduce water withdrawal in our operations and promote the restoration of habitats along the value chain.

Avolta recognizes the importance of international initiatives to promote action to preserve the planet. Accordingly, Avolta, a participant of the UN Global Compact, adopts the commitment of taking a precautionary approach to its operations, supports the UN Nations to drive awareness of the Sustainability Development Goals (SDGs), and participates in a number of industry initiatives, such as the ACI Europe Climate Task Force as well as the ACI Europe Environmental Strategy Committee (ENVSTRAT).

Due to the special nature of the travel retail and F&B industry in which Avolta operates, we traditionally cooperate closely with third parties, in particular with concession partners, brand suppliers and logistics providers, towards reducing the environmental impact of the business and contributing to implement circular economies where possible. This collaboration always focuses on becoming a more sustainable business by promoting effective use of resources – especially energy and water – across the operations and supply chain. We further aim at minimizing the generation of unnecessary waste, adopting new technologies that contribute to the reduction on environmental impacts increasing our efforts on recycling practices, and supporting our customers in their objective of choosing and consuming more sustainable products or healthy nutrition.

With the exception of our motorway operations, Avolta typically operates shops and restaurants in highly regulated, third-party owned premises such as airports, train stations, cruise ships & ferries, seaports and downtown locations. This means that for most of our stores and restaurants, a large proportion of its utility consumption – such as electricity – Avolta cannot directly influence sourcing of these resources as predetermined by the concession partners and the given building construction. Moreover, Avolta – for its retail business – does not develop own products, does not operate any own manufacturing sites, and sells third-party products directly sourced from its brand partners. Similarly, for the F&B business, Avolta does not have dedicated production sites outside the locations operated. In general the products and menus offered are cooked directly in kitchens located in the back of the store. However, the company leverages third party suppliers who develop F&B recipes following Avolta's proprietary brands' culinary guidelines or franchised brands' guidelines.

Consequently, the company concentrates its energy-saving and emission reduction efforts mainly in the areas of product sourcing, in-store equipment, supply chain & logistics, its own office premises and in the design of new stores or in the refurbishment efforts of existing locations. With respect to shop and restaurant design, the focus is on the related construction materials, fitting equipment, lighting and energy star certified kitchen appliances meeting several sustainability criteria and following internationally recognized standards such as LEED or internal guidelines such as the Green Store Guideline implemented for the whole F&B part of the business.

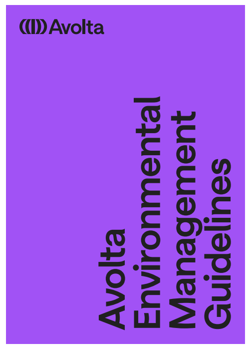
Avolta´s environmental management system

Avolta has established an environmental management system that permits the company to assess and understand its impact on the environment with a systematic and consistent approach, subsequently enabling the company to define the main lines of our goals and actions. In some areas, where we have direct and stronger possibilities to influence our footprint, we have already actioned specific initiatives to reduce our footprint, such as the replacement of plastic bags (see page 128) and replacing our F&B guest packaging with more sustainable alternatives for the environment, in line with national and international law regulations (see page 129). In other circumstances, where our business model provides less potential of directly influencing our footprint, Avolta significantly increases its stakeholder dialogue – mainly with airports and supply chain – to explore opportunities to reduce the impact further.

Avolta has formally adopted the precautionary approach principle to its operations. The company follows a consistent process to assess its operations from an environmental perspective, to identify current or future environmental impacts of its activities and to promote initiatives that respect the environmental balance and comply with existing environmental laws and regulations.

Avolta´s environmental management system, supervised and implemented by the ESG Department, permits placing the environment at the center of decision-making through:
- Assessment of environmental risks of its activities, facilities, products and services on a regular basis, improving and updating the mechanisms designed to prevent, mitigate or eradicate them.
- Ongoing identification, assessment and mitigation of the environmental impacts of the company's activities, facilities, products and services.
- Management of risks and impacts by establishing objectives, programs and plans that promote the continuous improvement.
- Environmental training of the company's professionals in collaboration with the HR training department.

In this regard, we regularly engage in constructive dialogue with stakeholders in the areas in which we can actively influence the environmental footprint, to assess the impact and eventually implement measures to minimize or even offset the impact. As a complement to the company's Environmental Management System, Avolta has a set of Environmental Management Guidelines that define the environmental principles to follow when it comes to climate change and efficiency, resource consumption and shop development. These guidelines are available in the sustainability section of Avolta´s corporate website: www.avoltaworld.com.



Climate change, energy and emissions

"Measure Scope 1, 2 and 3 GHG emissions and reduce our footprint in our operations and along the value chain."

Reducing resource consumption

To better assess and understand its environmental impact, Avolta has identified five different business areas that permit to assess, track and, in a second stage, to implement the necessary measures and goals to minimize resource consumption, emissions and impact of its activity. These include the third-party production of the goods sold in our stores and restaurants (supply chain), goods transportations, warehouses, shops and office environments.

With respect to the types of resources used and the information collected, electricity and fuel consumption are the most material aspects of our footprint. With respect to water consumption, there are two relevant aspects. In the context of the typical travel retail operations water consumption is marginal and restricted to normal use by our employees and cleaning services within our premises. Within the F&B business, water consumption is more relevant although it does not emerge among the most relevant material matters, since the intensity of water withdrawal of our restaurants and bars is very low compared to other industries. Nevertheless, being aware of the potential impact inefficient water usage has on the environment and climate change, Avolta has decided to include water in its updated and combined materiality matrix.

Stores & restaurants

Most of the electric energy consumption of Avolta´s activity occurs in the store and restaurant environment. Lighting, refrigeration, cooking and air-conditioning of over 5,100 stores and restaurants are the largest contributors to our energy consumption and, consequently, to our CO_2 footprint. The direct influencing capability of Avolta on these is however limited, due to the nature of our business. Avolta stores and restaurants are mostly located in third-party owned premises and in highly regulated environments, where Avolta has in general less impact when selecting energy and electricity sources.

The concern for reducing the CO_2 footprint from energy consumption has been raised in a large number of airports where Avolta operates and concession partners have initiated plans to move to green energy sourcing. Although this movement works towards the reduction of our Scope 2 emissions, in 2021, Avolta had defined – as further described in page 126 – its own CO_2 reduction plan to invest in climate protection initiatives to counter-balance non-avoidable Scope 1 and Scope 2 emissions by 2025 regardless of the efforts already initiated by some of our airport partners. This plan (see also dedicated section on page 126) was, and in 2023 continued to be based, on the retail operations of the company based on 2019 data and remains in place until 2024 – when the reduction plan will be formally restated to cover the complete scope of the new combined entity and including both the travel retail and the F&B business.

Distribution centers and warehouses

The second-largest contributor to Avolta´s environmental footprint is the transportation of goods. For its retail and F&B operations Avolta operates three main distribution centers in Uruguay, Switzerland and Hong Kong, which then operate additional warehouses in Hong Kong, Runnymede (UK), Barcelona (Spain), Miami (USA) and Covo (Italy), to provide timely shipping of goods to our operations. These main logistics centers receive major shipments from the suppliers and further distribute products to our respective operations. Whenever possible, retail-related freight is preferably carried by sea and we aim to consistently select the most efficient means of transport in terms of CO_2 emissions. Furthermore, the vast majority of our long-haul logistics partners are either ISO 14001 accredited and/or have strong environmental management procedures in place.

Additionally, we have over 25 local warehouses, which redistribute goods received from the central warehouses to the operations. These are located where Avolta holds several significant operations within the same country in terms of volumes transported. In general, distribution to individual stores is done by road. The same applies to the F&B business due to its more local character. These road transports are mostly outsourced to national and international specialized partners, some of which have implemented their own environmental strategies. Such strategies include optimizing routes to use as little fuel as possible, the periodic upgrading of fleets with low-emission vehicles and the use of additives (such as AdBlue) to reduce pollutants emitted by diesel-fueled trucks and vans. In Italy, Avolta's logistics partner is taking various steps to mitigate the emissions produced by distributing our products, namely by replacing the most obsolete vehicles with natural gas or Euro 6 models and prioritizing deliveries of higher loads. In the Netherlands, contracts with major distributors were revised in 2022 and led to the purchasing of the first electric trucks, which currently secure logistics between the local warehouse and Schiphol airport. Only a minimal part of the company's transportation – mostly in the UK – is done with an Avolta-managed transportation fleet. Through the high efficiency in our logistics chain, we ensure that the environmental impact of transporting goods is kept to a minimum.

The vast majority of shipments of goods from the supplier's site to Avolta's Distribution Centers is excluded from the assessment, as these emissions lie within the ESG responsibility of the suppliers. As part of its own emission reduction targets, Avolta actively engages with suppliers to discuss and encourage footprint reduction opportunities.

Office environment

Beyond stores, restaurants and warehouses, Avolta has office premises in a number of operations across the world. Main ones include the company´s Headquarter offices in Basel (CH), Bedfont Lakes in Feltham (UK), Madrid (ESP), Milan (IT), Amsterdam (NL), East Rutherford (US), Bethesda (US), Miami (US) and Rio de Janeiro (BR). Within these premises, energy consumption is mostly related to lighting and heating. A number of individual measures, such as automatic switch off for lighting and heating systems, presence of detector activators and staff awareness campaigns, were implemented in Avolta's offices to reduce utility consumption. Additionally, we advise our employees to question the necessity of any travel and consider using alternatives to travel, such as virtual meeting systems (videoconferences, teleconferences, live computer meetings, etc.) and we promote more environmental alternatives for our employees' daily commuting, such as public transport offers.

Combined global electricity measurement achieved in 2023

In 2023, Avolta has made first priority to extend its electricity consumption measurement system – previously covering the retail operations – to include also the F&B locations, thus reflecting the high importance of electricity consumption of the company's CO_2 footprint. Based on the utility invoices issued by concession partners for the year 2023, we have identified emissions and resource consumption for operations covering over 90% of total retail sales. By reaching such a high figure, we have been able to extrapolate the information and estimate total emissions for all commercial spaces. The setup of this extended data gathering process will provide the base to restate the emission reduction plan for scopes 1 and 2 of the combined group in 2024.

Energy Consumption

in MWh	2023	2022	2021	2020	2019
Electricity[1]	465,175	103,669	85,756	92,148	120,857
Fuels[2]	41,847	6,188	4,027	3,091	6,900
Total	507,022	109,857	89,783	95,239	127,757

Greenhouse Gas Emissions

in tons of Co_2-EQ.	2023	2022	2021	2020	2019
Scope 1[2]	9,506	1,524	935	717	1,736
Scope 2[1,3]	126,021	18,900	19,813	21,290	27,923
Scope 3[4]	18,057	7,509	3,728	1,451	10,766
Total	153,584	27,934	24,477	23,475	40,425

Carbon Intensity

Carbon Intensity[5]	2023
Tons of CO_2-eq, / MCHF net sales	10.8

[1] Energy consumption is based on reported data from single locations. For missing data concerning US F&B scope, an extrapolation has been conducted to estimate consumption for 2023. Thereof, 48,000 MWh were purchased with Renewable Energy Certificates (RECs). 2023 data are not comparable with previous years, since they reflect the new scope of the company (retail + F&B activities). Data from 2022 to previous years reflect only the retail business sector (ex. Dufry). Data of the years 2022, 2021 and 2020 are not comparable with 2019 due to temporary shop closures during Covid 19.

[2] Includes consumption of Avolta-managed goods transportation in Egypt, Jordan, Morocco, United Arab Emirates and the United Kingdom as well as diesel and gas for heating purposes.

[3] Scope 2 emissions for year 2023 are reported under the "market-based" approach. They include the contribution of Renewable Energy Certivicates (RECs). Average emission factors used: IEA 2023, trade-adjusted for OECD countries. Applying the "location-based" approach, the emissions amount to 137,558 tCO_2eq.

[4] Scope 3 emissions only include data from logistics partners accounting for 87% of total volume of good transported globally in 2023 (2022: 83%; 2021: 64%; 2020 & 2019: 55%). Not included here are the product purchasing related Scope 3 emissions or other Scope 3 emission categories.

[5] Carbon intensity calculated over the total net sales of Avolta in tCO_2eq. per million CHF. The carbon intensity calculated over the total square meters of commercial surface operated in the retail sector amounts to 0.727 tCO_2eq / m^2 (Total area 2023: 477,464 m^2). For 2022 and previous years the carbon intensity data are not comparable with the new reality of Avolta, since they were calculated over the total square meters of commercial surface operated within the retail sector (ex. Dufry).

Our CO_2 Footprint

Avolta follows the Greenhouse Gas Protocol (GHGP) standards to report CO_2 emissions. This protocol is the most widely used international accounting framework for governments and businesses to understand, quantify and manage greenhouse gas emissions and classifies emissions into three scopes:

- Scope 1:
  Direct greenhouse gas emissions from sources owned by the company. For Avolta, Scope 1 emissions are limited to those from the fuel used by Avolta-managed transportation fleets and fossil fuels and gas used mainly for heating and cooking purposes
- Scope 2:
  Indirect greenhouse gas emissions from electricity use. In the case of Avolta, these include electricity consumption in stores, restaurants, offices and warehouses
- Scope 3:
  These are the emissions released by third parties when they provide their services to Avolta. For Avolta, Scope 3 emissions come mainly from purchased goods (Scope 3 category 1). Other relevant emissions are related to capital goods (category 2), upstream transportation & logistics (category 4), employee travels (category 7), and use of sold products (category 11).

Compared to other companies, Avolta has a singular emission structure and – unlike other businesses where Scope 1, 2 and 3 emissions are in a similar order of magnitude – its carbon footprint is vastly dominated by the carbon emissions caused by the production of its purchased goods and meals sold to our customers (in the base year 2019 e.g. about 90% of total emissions).

Delivering on our SBTi reduction targets

In 2021, Avolta defined science-based emission reduction targets for its retail business, thus recognizing the crucial role the business community can play in minimizing the climate change risk. Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement – to limit global warming to 1.5°C. After committing to the Science Based Targets initiative in spring 2022, Avolta submitted emission reduction targets for its retail operations following the SBTi guidance (SBTi Target Validation Protocol). SBTi validated Avolta's emission reduction targets for the retail business (former Dufry) in early 2023.

Based on a comprehensive analysis of its business model and emissions profile commissioned to a third-party consultant, Avolta has established an emission reduction strategy for Scope 1&2 emissions for its retail business which follows SBTi's 1.5°C pathway. It will eliminate emissions from its own operations through energy efficiency measures and commits to increase annual sourcing of renewable electricity from 0% in 2019 to 100% by 2025. In addition, Avolta wants to invest into climate protection to counter-balance non-avoidable emissions of its own retail operations (Scope 1&2 emissions) by 2025 with carbon offsetting initiatives to be defined in the near future. For Scope 3 emissions, Avolta follows SBTi´s well below 2°C pathway with two separate objectives to be achieved through both supplier engagement programs, and the collaboration with its logistic partners. The targets mentioned above relate to the retail business and the company's – former Dufry – retail business scope 2022, and the related 2019 base, and are planned to be revised and restated in 2024 to cover the full combined entity.

Emission reduction targets as validated by SBTi

- Avolta* commits to reduce absolute Scope 1&2 GHG emissions by 94.2% by 2030 (from the 2019 base year).
- Avolta* 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.
- Avolta* commits that 74% of its suppliers by emissions covering purchased goods and services will have science-based targets by 2027.
- Avolta* commits to reduce absolute Scope 3 GHG emissions of upstream transportation emissions by 28% by 2030.

*All targets listed above are based on the company's – former Dufry – retail business scope 2022, and the related 2019 base data.

Our progress in 2023

Scope 1&2 objective – During 2023, Avolta has further increased its electricity sourcing of renewable energy from 20% in 2022 to 40% by purchasing Renewable Energy Certificates (RECs) (using 2019 as a baseline).

As an example, these RECs cover the equivalent of our total electricity consumption of our operations in the UK, Brazil, Switzerland, India and China, and permit Avolta to compensate over 11,500 tons of CO_2-eq. Avolta will continue with its RECs purchasing program during 2024 to cover, at least, an additional 20% of its electricity consumption.

Scope 3 objective – In 2023, Avolta has consolidated its enlarged supplier landscape and mapped the related logistics suppliers' landscape as a base to design its future emissions reduction plan for our goods transportation. By building on the former engagement with its logistic partner community reductions will be achieved by rationalizing shipments of goods and by selecting means of transportation with a lower carbon footprint. On the latter, we will give preference to lower impact transportation systems (like rail) when possible; will prioritize the use of sustainable fuels for our air routes; and will focus the delivery of goods using Liquefied Natural Gas (LNG) carriers for the long-haul shipments. For short-haul distances mainly covered by road focus will be set on including use of electric vehicles and renewing transportation fleets to the newest technological standards with lowest emission levels. This plan, originally planned to be established during 2023, will now be finalized in 2024 to consider the new and enlarged company scope created by the business combination and allowing Avolta to achieve its targets also from a combined entity perspective.

Back in 2022 the company had conducted a preliminary assessment of its main retail suppliers to revise their emission reduction strategies towards reducing emissions and committing to SBTi. While the findings were preliminary, Avolta was and still is confident to achieve the targets validated in early 2023 (covering only the retail business) on time.

Sustainable design & refurbishment for restaurants & shops

Avolta takes a sustainability approach when designing, constructing and refurbishing restaurants and stores. In the design phase and the selection of materials, we choose the most environmentally friendly options and use locally sourced furniture and materials whenever possible, to reduce environmental impact. Additionally, as described in the Waste chapter below, materials created from waste recycling are reintegrated in the construction operating process thus supporting a more circular economy.

The shop design department is centrally organized at a global level. It develops guidelines and defines several industry standards enabling us to create attractive commercial environments, while at the same time reducing energy consumption by using renewable or recycled materials. To this end, specific policies are in place to manage the use of materials: timber policy, cement and virgin aggregates policy, hazardous chemicals policy, guidelines and energy targets for brand partners for the supply of branded display devices. These guidelines have to be followed by local construction teams and their respective sourcing of materials.

Following LEED principles

During the shop development and refurbishment phase, Avolta follows the principles established by leading green-building certification programs, such as the Leadership in Energy and Environmental Design (LEED) recommendations. In this regard, Avolta:

- Sustainably designs and plans new restaurant and store developments and refurbishments considering all aspects, from visioning to renovation preparation, including:
  - Comprehensive metering of existing energy consumption
  - Introduction of solutions to improve traffic flow, introduction of smarter construction materials (easier to clean, anti-bacterial, etc.)
- Reduces use of natural resources by re-using materials and equipment by giving modular and recyclable design to furniture and other mobile elements of the stores and restaurants
- Undertakes a collaborative sustainable approach for the design process by engaging with all stakeholders involved in the process (designers, contractors, concession partners, material suppliers, etc.)
- Prevents construction pollutions by protecting the site during the construction
- Encourages recycling for all users – employees, customers and other stakeholders
- Reduces energy consumption of stores and restaurants and increases equipment's lifespan
- Conducts selective sourcing of materials (natural materials from sustainably managed sources and /or recyclable materials)
- Selects resource-efficient equipment and fixtures (energy efficient, water efficient, etc.)
- Prioritizes local sourcing of materials.

Avolta´s biggest impact on the environment, when it comes to shop and restaurant development, is in relation to its energy consumption including shop and restaurant spaces as well as the kitchen equipment. Being a public space, airports have to provide well-lit facilities and naturally, this is a substantial part of their energy consumption. The main focus therefore is on substituting traditional lighting for more energy-efficient lighting systems (e.g. LED) on ceiling and furniture displays, and on using A- or A+ rated electronic devices (e.g. air conditioning, refrigerators) in our retail stores, resulting in a significant drop in the overall energy consumption. Additionally, Avolta focuses on permanently optimizing energy efficiency of the kitchen appliances also supported by innovative cocking methods to use less energy.

The sustainability approach to store construction however goes beyond the environmental dimension. When selecting local construction partners, we ensure that they also comply with social and environmental regulations, hence, ensuring that the efforts initiated in our design studio also result in truly sustainable environments and spaces for our customers.

Waste & packaging

"Measure and reduce the generation of waste and promote circular practices."

Avoiding any waste in the first place or recycling it is an effective way to save valuable resources. Avolta's waste profile is mainly influenced by two specific areas. With respect to the travel retail business it includes mainly transportation packaging used for goods transportation from the warehouses to the shops. For the F&B business Avolta generates solid and liquid waste: the scraps produced during the food preparation process (back-end), and the leftovers, packaging, and single-use tableware left behind after the service phase (front-end).

In our warehouses, packaging materials, which mainly consist of cardboard, paper, plastic film and wood, as well as electronic and plastic consumables such as neon lamps and PET, are sorted into different containers and sent for recycling. The recycling process is outsourced to specialized service providers. With regard to cartons and pallets used to transport and protect products, Avolta reuses the same units as much as possible, thus consistently reducing consumption of new resources.

In the shops, waste produced by our operations is mostly packing material handled through the concession partners' waste disposal system and recycled accordingly where possible. In many of our locations, we are taking measures to reduce single-use plastic film, such as replacing roll containers used to move products from warehouses to the stores. The new models, which include closures on four sides and at the top, drastically reduce consumption of the plastic film needed for the covering and the plastic shrink wrapping used with the old system.

Environmental certifications	Applies to:
LEED® Platinum	Switzerland (Retail: "The Circle" in Zurich Airport) India (Retail: Kempegowda International Airport Bengaluru Departures) India (Retail: Kempegowda International Airport Bengaluru Arrivals)
LEED® Gold	Italy (F&B: Villoresi Est) USA (Bethesda HQ)
LEED® Silver	Italy (F&B: Alemagna store in Linate Airport)
ISO 50001: 2018	Italy (F&B: Villoresi Est and Villoresi Ovest 1958) Austria (F&B: all stores)
ISO 14001: 2015	Italy (Milan HQ and Nuova Sidap HQ) Italy (F&B: Villoresi Est, Villoresi Ovest 1958, Brianza Sud, Scaligera, Chianti, Montealto Nord, Montealto Sud and for locations at Caselle Airport in Turin, Fiumicino, Linate, Bergamo, and Bologna airports) Austria (F&B: all stores) Greece (F&B: Hellas LTD)
EMAS	Italy (Milan HQ) Italy (F&B: Villoresi Est, Villoresi Ovest 1958, and Brianza Sud)
RT 2012 (Low Consumption Building)	France (F&B: Ambrussum, Manoirs du Perche, Plaines de Beauce, Chartres Gasville, Chartres Bois Paris, Lochères, Miramas, Villeroy, JdArbres, Wancourt, Porte de la Drôme N&S, Granier, Montélimar Est and Ouest, Dijon, Beaune Tailly, and Corbières Nord)
RE 2020 (Bulding activities and construction efficiency)	France (F&B: Sommesous)
California Green Building Code – Level I and California Energy Standard – Title 24	USA (Locations at airports in California)
Energy Star	USA (F&B equipment)
ISO 14064 (Greenhouse gases)	Italy (Milan HQ and Sebino F&B store)

Regarding our restaurants, Avolta is intensifying its efforts adopting several approaches like monitoring of waste produced to design tailored strategies, developing either efficient solutions to dispose waste properly or to overall reduce waste, or by collaborating with specialized partners to co-develop projects that promote recycling and reuse, hence the circular economy.

In our offices, the reduction of paper consumption is one of our ongoing challenges. Avolta has put in place local initiatives to reduce paper and other office material consumption, including tips to reduce paper usage, such as printing double sided, avoiding printing of the legal text at the bottom of emails, and encouraging people only to print when necessary. The adoption of IT solutions, such as the electronic invoice management system, is also helping to reduce the amount of paper used in the day-to-day work of our staff and contributing to the protection of resources.

Progress on reducing single-use plastic bags and packaging

The majority of single-use packaging used by Avolta are related to F&B containers (cups, bowls, etc.), straws and cutlery, as well as to shopping bags used in the travel retail stores. While Avolta is highly committed to move to more sustainable solutions, the transition is quite a challenge, as it requires balancing a reduced environmental footprint with some fundamental external drivers specific to the F&B as well as the aviation industry. Topping the list of regulations are food security requirements as well the mandatory use of STEBs (Secure Tamper Evident Bags). These are necessary for certain airport purchases such as liquor or tobacco, as per the requirements of the International Civil Aviation Organization (ICAO) and regulations of certain airports.

Starting in 2020, Avolta gradually began replacing existing plastic carrier bags – which already contained more than 70% of recycled plastic – in all its duty-free operations globally, with more environmentally friendly ones made of biodegradable and recyclable materials. Once the substitution of the single-use plastic bags is fully completed, the company estimates that it will be able to reduce plastic usage by approximately 7.3 tons per annum within it's travel retail business. In 2023 the number of countries with retail shops using only bags with alternative materials to plastic has increased to 38 (2022: 26). The plastic bag phase-out process is coupled with point-of-sale communication campaigns to raise awareness and encourage customers to reduce plastic consumption. The company is also adopting a global price scheme for carrier bags in its retail operations, as an additional way of raising awareness and reducing bag consumption overall.

In our restaurants we are transitioning towards the use of more sustainable single-use guest packaging. During 2023, in the seven major countries[1] that represent around 90% of our F&B business, we purchased 68% sustainable packaging made primarily from materials such as paper, wood and bioplastic. Moreover, whenever possible, we are increasingly reducing the use of unnecessary packaging and encouraging, through dedicated sustainability communication campaigns, the non-use of unnecessary packaging. Examples of this commitment are the «Skip the Straw» campaign in North America to discourage the use of single-use plastic straws and the initiative launched in UK stores, which required the addition of a surcharge for beverages served in single-use paper cups to nudge consumers towards reusable alternatives. The funds raised from the surcharge were donated to Hubbub, a foundation supporting the fight against climate change.

[1] Belgium, Canada, France, Italy, Switzerland, The Netherlands and USA

Biolo partnership for the use of compostable straws

In the past, paper straws had already been tested in North America in an effort to reduce the quantity of single-use virgin plastic products, but they did not live up to expectations. Since 2022, the company partnered with Biolo, a company seeking alternative solutions to plastic, which allowed North American restaurants to introduce sustainable straws that are just as practical as traditional ones. The new straws are made of a plant-based alternative to plastic, and are biodegradable and compostable. They are now stocked at several airport locations in the USA (California, Washington, Texas, North Carolina, Florida and Nevada).

Food waste

For Avolta, food waste is a material topic mainly manifesting in its F&B business but does not represent a relevant aspect for the travel retail part of the operations, because the majority of the assortment sold in the retail's food & confectionary category have a rather long shelf life and are not exposed to short expiry dates.

Consequently, Avolta introduces new technologies to reduce food waste to a minimum and optimize the handling of raw materials. To this purpose, the company has implemented several initiatives. First, back-end processes (recipe design, product preparation, etc.) were made more efficient to reduce ingredient waste to a minimum. Second, besides raising customer awareness on food waste, the company explores newer and better ways of cutting down on unsold items, for example by matching production volumes to expected traffic or selling products at a discount at the end of the day. In recent years, Avolta has been working in some restaurants in several European countries such as Italy, Switzerland, Belgium, France, Germany and Austria with «Too Good To Go», whose mission is to deal with food waste.

Waste generated, by type of waste (t)	2023
Hazardous waste*	14.4
Non-Hazardous waste	21,393.2
– Paper and paper/cardboard packaging	2,213.8
– Plastic	104.9
– Food scraps	1,627
– Glass	263
– Cooking oil	245.8
– Pneumatics/tires	0.1
– General waste	16,696.9
– Other	241.7
Total	**21,407.6**

*Including: electronic devices, toner, batteries, storage devices, contaminated containers, fluorescent tubes, and old refrigerators. The data considers only the following EMEA F&B operations: Austria, Belgium, Denmark, France, Greece, Italy, Netherlands, Slovenia, Sweden and Türkiye.

Furthermore, to reduce food waste and at the same time offer support to local communities, Avolta makes several food donations in collaboration with different associations in the countries where it operates, thus guaranteeing food to people in greatest need. Among the principal and consolidated partnerships are those with the Food Donation Connection in North America as well as the ones with Banco Alimentare and Pane Quotidiano in Italy (see page 147).

Fostering Circular economy

Besides avoiding food waste, Avolta is also intensifying its activities to foster circular economy in its F&B business. Particular attention is for example put on the recycling of solid organic waste, which in Italy is separated in-store and delivered to composting plants. Similarly, in some European countries, frying oil is separated, collected and used for the production of biodiesel and green energy.

The «WAS» Project

The most impressive project to recycle waste is the «WAS»-Project, which is concrete proof of the commitment to recycling and the circular economy. The most significant discards produced by the company's operations are reused to create innovative materials for store furnishings and design. In recent years, research and innovation in this area have focused on the implementation and optimization of three materials developed in a circular economy perspective – WASCOFFEE®, WASORANGE®, and WASBOTTLE®. The three materials undergo ongoing improvements and in 2023 were again used for the design and furnishing of new stores opened during the year, specifically in Italy, Europe, and North America.

WASCOFFEE® is made from coffee grounds. It is a 100 % natural, recyclable material suited for furnishings and eco-design such as tables, counters, and wall panels. WASCOFFEE® has been used to design the interiors of the company's proprietary brands since 2017 and has since become an iconic design element of Puro Gusto cafés, located in Italy, the rest of Europe, Türkiye, and North America, and of the WASCOFFEE® Lab concept in Italy.

WASORANGE®, produced from recycled orange rinds, after oranges are squeezed for fresh juice, is used to make items such as sugar containers, table lamps, and other accessories for Avolta stores. It was developed through Avolta's partnership with Krill Design, a company specialized in reusing food scraps through circular economy initiatives.

WASBOTTLE® is made from recycled plastic containers, namely the high-density polyethylene (HDPE) detergent and cleaning product bottles commonly used at Avolta's locations. WASBOTTLE® takes the form of 100 % recyclable, multi-colored panels used to make coffee tables and clad the walls and other surfaces of stores. Thanks to its qualities of innovation and circularity, in 2021 WASBOTTLE® was nominated to the ADI Design Index 2021, a section of the best Italian design. In 2022, it was improved with new finishes and colors and used for some store openings in Italy, including the new Alemagna location at Milan Linate airport, and in the United States for the country's first Puro Gusto café in Washington, D.C.

Water & biodiversity

"Reduce water withdrawal in our operations and promote the restoration of habitats along the value chain."

Avolta's own operations do not entail significant direct impacts with regards to water withdrawal (which is only used for sanitary and kitchen purposes) and discharge (considering it does not operate manufacturing activities, the Group does not generate water discharges), as well as in terms of biodiversity loss or deterioration. However, considering its sectors of activity, Avolta is aware of the potential impacts that may arise along its value chain, mainly related to the sourcing of raw materials and products offered. For this reason, Avolta is committed to improve its related management and monitoring on these topics, aiming at collecting and providing quantitative performance indicators in future reporting years also in light of the future regulatory developments.

Engaging in partnerships at operations level

Avolta engages with its stakeholders to promote environmental protection practices wherever this is possible. We actively participate in sustainability committees with our airport partners, with the aim of identifying areas where we can collectively reduce the environmental footprint of our operations. In an increasing number of our operations, Avolta has a designated sustainability manager in charge of liaising with concession partners and other airport stakeholders to drive sustainable practices. Either through innovative technologies, adaptation of passenger flows or rethinking the recycling processes in place, we are contributing to the common goal of making airports a more sustainable space.

Airport Carbon Accreditation

The Airport Carbon Accreditation is an Airport Council International (ACI) Europe certification program that independently assesses and recognizes the efforts of airports to manage and reduce their carbon emissions. It defines seven different levels of certification: 'Mapping', 'Reduction', 'Optimization', 'Neutrality', 'Transformation' and 'Transition' and the recently introduced "Level 5".

In order to achieve the Optimization accreditation (level 3 of 7) and above, airports need to actively engage with airport stakeholders, as they need to develop a more extensive carbon footprint to include specific Scope 3 emissions and the formulation of a Stakeholder Engagement Plan to promote wider airport-based emission reductions. In many cases, these plans also involve Avolta as the operator of airport stores.

In 2023, according to information from Airport Carbon Accreditation, 101 airports reached the optimization level; 95 airports achieved carbon neutrality level; and 74 the superior accreditations "Transformation", "Transition" and "Level 5". Considering these groups, Avolta operates stores in 87 of these 220 airports, including Dallas Fort Worth, Athens, Helsinki, Amsterdam-Schiphol, Stockholm Arlanda, Vancouver, Zurich, Basel, London Heathrow, London Gatwick, Abidjan and Queen Alia Airport in Amman, Jordan.

ACI Europe Climate Task Force and Sustainability Committee (ENVSTRAT)

In 2019, Avolta joined the ACI Europe Climate Task Force as the representative of the travel retail industry. The mission of the Climate Change Task Force is to follow up on the implementation of ACI Europe's Climate Resolution from June 2019, which includes the preparation of guidance material for members, to support them in achieving the Net Zero 2050 commitment. Net Zero aims to reduce emissions under the airport´s control down to zero. This is achieved by reducing energy and fuel consumption through the design of new energy-efficient infrastructure, amongst other recommendations. Retailers play an important role in the airport ecosystem and Avolta, as the largest global travel experience player, contributes to the work of the task force with its vision, experience and recommendations in the regular meetings held. While the Climate Task Force is currently being reorganized after the industry recovery, Avolta has now also become a member of ACI Europe's new Environmental Strategy Committee (ENVSTRAT).

Member of ACI ANARA ESG workgroup

Since 2022, Avolta is also a member of the ACI ANARA (Airport Non-Aeronautical Revenue & Activities) ESG workgroup, working amongst other focus points to define ESG recommendations and best practices for the airport community.

Empower Our People

“Making our people part of the journey by fostering a diverse, inclusive and equitable workplace.“

GRI indicators:
2-7, 2-8, 2-21, 2-30, 401-1, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 404-1, 405-1, 406-1, 407-1, 410-1

SDGs:
1.2
4.3, 4.4, 4.5
5.1, 5.5
8.2, 8.5, 8.6, 8.8,
10.3
16.1, 16.5, 16.7

Every Avolta employee is an ambassador of the company. Whether in stores, restaurants, offices or warehouses, each of our team members contribute to drive the company towards success and evolve our brand. Our people’s passion, engagement and motivation are driving forces to make our Destination 2027 strategy come to life and fully embed it in our daily behaviors.

Within the focus area «Empower Our People » Avolta has defined five areas of action:
- Diversity, Equity & Inclusion
  Create an inclusive culture, by promoting diversity and equity at all levels of the organization
- Talent Recruitment, Engagement & Retention
  Attract and retain highly talented people by building a positive and engaging work environment
- Employee Training & Development
  Provide high quality training, learning & development opportunities to strengthen our people's competence- and professional growth
- Health & Well-being
  Provide high health and safety standards and promote world-class well-being offerings and education to foster well-being and work-life balance
- Human Rights
  Protect human rights across the company and along its supply chain

Empowering our people is a key priority for Avolta, which translates into tangible initiatives to build a great and unique place to work, ensuring the best in terms of fair and equal working conditions, health and safe working environments, competitive salaries, development and retention strategies, avant-garde training programs and anything that contributes to generate high engagement levels amongst our people.

Building on our core brand principles – Brave, Collaborative, Passionate and Inclusive – Avolta has developed a number of policies and procedures to ensure a consistent employee experience across the 73 countries in which it operates, all of which represent a strong foundation for the future.

In 2023, a new company People & Culture organization structure was implemented, with Global and Regional Centers of Excellences, to foster the creation of one team, with a shared vision and one global company culture promoting diversity, inclusion and recognition at all level of the organization.

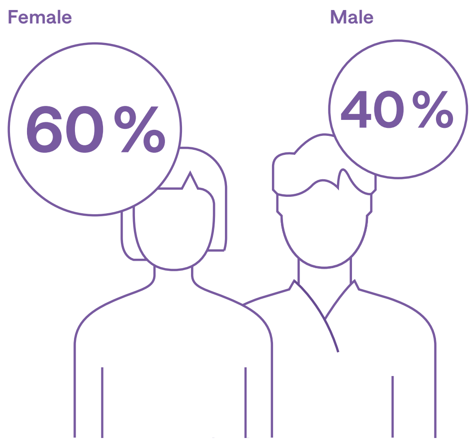
A fundamental element in connection with this objective is Avolta´s HR Policy, which is publicly available on the company website. This policy highlights the core principles and guidelines, which, in terms of human resources management, are applicable to the whole company. The policy, which has been shared and trained with employees, covers diverse topics, including:
- Recruiting and Hiring
- Equity, Diversity and Respect for Human Rights
- Working Conditions and Labor Relations
- Health and Safety
- Remuneration and Working Time
- Career Development and Advancement
- Succession Planning

Overview employee structure 2023	HQ	EMEA	North America	LATAM	APAC	Total
FTEs	140	26,212	29,851	6,451	5,804	68,459
Headcounts	148	32,379	31,737	6,562	6,136	76,962

Number of Employees

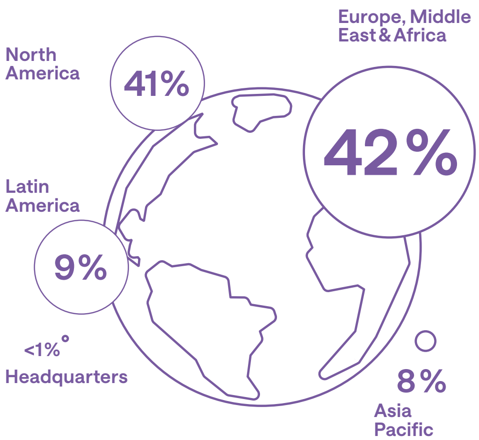
Avolta had 76,962 people (HC) working for the company at December 31, 2023, 60% of them women. Of the total, 94% worked in the stores, restaurants and in the warehouses, while 6% in the company offices (see ESG Report Annex 2023 on page 15/18).

Employees by Gender*



* 0.1% of our employees did not disclose their gender according to the tracking systems available as of today.

Employees by Regions



In addition to its own employees, Avolta actively contributes to local communities by offering working opportunities to third party employees, thereby generating additional salaries and tax payments across the countries where the company is present. In this context, our over 5,100 stores and restaurants are not just sales locations for us and our brand partners to sell their products, but also work opportunities for over 3,832 people based in our stores representing these brands and other service providers.

Diversity, Equity & Inclusion

"Create an inclusive culture, by promoting diversity and equity at all levels of the organization."

Avolta operates in multinational and multicultural environments. Being present in 73 countries, Avolta engages with customers, suppliers and colleagues from a variety of cultures and nationalities on a daily basis. Diversity is an essential asset to – and integral part of – our company and Avolta promotes an inclusive workplace culture that understands and celebrates diversity in all its forms, be it in gender, age, race, culture, beliefs or creed.

Our teams comprise of colleagues from more than 150 nationalities across all functions and levels of the organization. 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 company and in the implementation of our long-term growth strategy.

The staff in Avolta's outlets in each country is predominantly local. Our presence around the world makes us an important employer in many locations, with many of our operations in emerging markets. This, in addition to bringing expertise and experience on how to operate an international business, contributes to local development and economic strength.

DE & I vision statement

- Avolta is committed to building an inclusive and culturally sensitive workplace for everyone, in which all our people recognize that their unique characteristics, skills and experiences are respected and valued.
- Avolta employs great people from a wide variety of backgrounds and with a broad range of skills and experiences to best serve our customers and build a better and stronger company for all of our stakeholders.
- Avolta recruits, rewards and promotes people based on capability and performance – regardless of gender, national origin, ethnicity, lifestyle, age, beliefs or physical ability.

DE & I Committee

To accelerate the ability of the company to generate positive impact and increase the awareness on DE & I topics, a Diversity, Equity and Inclusion Committee has been set at a global level, formed by senior leaders from different functions, professional backgrounds, and geographies (People & Culture, ESG, Communications, etc.) The mission of the Committee is to shape Avolta's DE & I journey by steering the strategy, facilitate cross-regional and cross-functional collaboration on DE&I initiatives in order to empower the actions at both global and local levels. The Committee meets quarterly to track the progress on the roadmap, assess new opportunities & initiatives, and steer outcomes.

Diversity & Inclusion Awareness Training

Awareness is a key factor to foster a company culture that embraces diversity and puts inclusive practices at the heart of the company ethos. In 2023, to further enforce the internal consciousness on diversity and the active promotion of inclusivity at the workplace, a global Diversity & Inclusion training, sponsored by the CEO and the members of the Global Executive Committee, has been launched and made accessible to all employees. The training – divided into six modules – provides fundamental knowledge and illustrates the importance for Avolta to create a diverse and inclusive culture. It also promotes inclusive behaviors, highlighting examples of things that one might do unconsciously (unconscious bias), which could make colleagues feel uncomfortable and / or excluded.

In addition to the Global Diversity & Inclusion training, Avolta dedicates a special focus to unconscious bias, the «mental shortcuts» the human brain takes, which can potentially lead to unconscious discrimination. In all regions dedicated unconscious bias trainings were implemented either to support managers in making unbiased, better-informed decisions, or to increase employee's awareness on how unconscious bias can affect thinking and judgment and, consequently, the communication with customers and colleagues. In the majority of the countries, the unconscious bias training is indeed included in the leaderships' basic training paths – including store managers and area managers – as well as in the training catalogues for all employees.

Another area of focus is the prevention of harassment. In several countries – including Italy and the USA – dedicated and mandatory training courses to prevent any form of harassment at the workplace were run and extended to all the team members.

Whistleblowing channels to fight any form of discrimination

As defined in Avolta's Code of Conduct and the HR policy, both available on the corporate website, Avolta is committed to provide a safe environment to all employees, implementing measures, which promote diversity, dignity and respect and forbid any form of discrimination, harassment or bullying.

In order to adopt a zero-tolerance approach to such behaviors and favor timely reporting in case of occurrence, Avolta provides whistleblowing channels to its employees, ensuring the full confidentiality of information and the privacy of individuals, to report any conduct inconsistent with the above-mentioned policies. Avolta properly investigates all complaints and prohibits retaliation or discrimination against any employees, who report a concern made in good faith.

Since 2018, two company-wide reporting channels complement the email reporting channel compliance@avolta.net: (1) a worldwide, toll-free hotline in nine languages (English, Spanish, Portuguese, French, Italian, Mandarin, Russian, Greek and German) also accessible via local dial-in numbers for all countries in which Avolta operates; and (2) the online reporting website www.dufry-compliance.com. These reporting channels, run by an independent third party, ensure the integrity of such investigations by acting as a centralized contact point, through which any wrongdoing is reported directly to the Compliance Department, reporting to Avolta's General Counsel and member of the Global Executive Committee, for further investigation. Additionally, for the F&B business there currently is still available a dedicated whistleblowing tool to which team members can fully anonymously and confidentially reach out. Complaints received during the year were treated promptly and with the utmost attention. Guaranteeing the whistleblowers' full anonymity, discussions were held with the interested parties in order to quickly communicate and adopt the appropriate corrective measures if needed.

Equal employment

Avolta adheres to local legislation and regulations in all the countries in which it operates. Anti-discrimination, diversity and ensuring equal opportunities are, and have always been, important social commitments for Avolta across all locations, especially (but not exclusively) in developing countries. Many locations in which the company operates still pose challenges to the guaranteeing of equality. We monitor these countries closely to ensure we provide equal opportunities to all our staff. As explained in the previous paragraph, the company has in place whistleblower mechanisms to denounce discrimination cases if they happen. Furthermore, in every country served, Avolta complies with parental leave legislation, and in some cases actively supports the return to work after the maternity leave with dedicated programs ensuring positive work-life balance for parents with caring responsibilities.

Compensation & Benefits

Avolta provides all employees with fair and competitive wages based on each individual's background and experience, their particular job within our organization, the appropriate market benchmark in the respective countries and locations, as well as their performance. Entry-level wages are established in accordance with the local laws and collective employment contracts in place in the various countries. The remuneration structure is assessed on a regular basis to make sure there is no discrimination related to any kind of diversity.

Avolta offers competitive salaries and incentives as a way of attracting and retaining talent. Our standard compensation includes a fixed and a variable performance-based compensation that rewards the individual efforts of staff members. Variable pay is linked to individual and company objectives. We regularly review and discuss professional development with employees and link their performance to incentives.

Our team members also enjoy additional benefits that vary from one location to another, depending on laws, and may include benefits such as healthcare, life, accident and disability insurance, vouchers for cultural and sport activities as well as dedicated welfare & discounts platforms. In this regard, during 2023 Avolta continued with the rollout of Emporium – a web-based shop with thousands of products from core retail categories at highly discounted prices. This benefit is exclusive to Avolta's people, and includes also a Friends & Family program. By the end of 2023, Emporium was available in 13 countries, representing Avolta's main locations by headcounts – Brazil, Canada, Greece, Hong Kong, Italy, Macau, Malaysia, Mexico, Spain, Switzerland, United Arab Emirates, United Kingdom and USA. The company will continue with the rollout of Emporium throughout 2024.

Equal salary certification in Switzerland

Avolta became equal salary certified in Switzerland at the beginning of 2019 and was re-certified again in 2021 for another three years. This certification underscores the commitment to a fair and unbiased reward structure, which enables employees to develop and thrive in their careers. The certification process took place in three stages through statistical evaluation, on-site audits and interviews with individuals and panel groups. All phases of the certification and re-certification processes were performed at the Basel Headquarters and the Zurich Airport operations and gave proof on how management systems, HR policies and processes integrate the dimensions of equal remuneration.

Talent recruitment, engagement and retention

“Attract and retain highly talented people by building a positive and engaging working environment.”

The Avolta People journey

Avolta has comprehensively mapped all careers stages in our company, starting from when team members start their application phase until they leave of the organization. All the steps in between these two points and the experiences that the team member makes is what Avolta calls “the People journey” and it is the company´s systematic approach that then ensures we identify all opportunities. Avolta wants to deliver a great place to work across all parts of our organization. To simplify the assessment, Avolta establishes four critical stages on his people journey: Recruitment, Training & Career Progression, Compensation and Recognition.

To ensure «Fair Play» in everyone’s professional career development, Avolta’s recruitment process ensures that all applicants are treated fairly and each applicant is given the same opportunity to be considered, so that the most suitable person can fill the position. The selection is based on the applicant’s competencies, skills, results delivered and the decisions taken regardless of: race, color, religion, sexual orientation, age, gender identity or gender expression, national or origin, political orientation, disability or other discriminating factors. Available positions are first published internally to ensure opportunity and growth of internal talent. Avolta’s recruiters review the skill pipeline of internal candidates ahead of engaging with external hiring of professionals. Referrals and recommended potential internal candidates are encouraged and evaluated in the same process against other potential candidates. To ensure fair play in the selection process, all interview evaluations by Avolta recruiters and hiring managers are reported in Avolta’s HR portal Avolta Voyage. If any gaps or personal development needs of the selected candidate are identified, recruiters are instructed to incorporate that information into on-boarding and development plan.

«Grow With Us»

During the first half of 2023, at the early stage of the integration process the company launched an internal job posting program called “Grow With Us”. Starting in April 2023, the program highlighted open positions and opportunities available to all team members in retail and F&B across the globe. At the end of 2023, through “Grow with Us”, 79% of the vacancies for senior manager positions were covered with internal candidates.

People engagement

Understanding our people’s concerns and needs is critical for Avolta. For this reason, the company fosters a dialogue with all team members and invests in developing the necessary tools to promote communication across all levels of the organization. Avolta uses several tools to foster internal communication and stimulate the interaction with his people.

During 2023, we have continued with the rollout of technologies and tools to align information levels between desktop and non-desktop team members. The scaling of Beekeeper was further accelerated and extended to new countries. This app-based solution enables connection, facilitates workplace engagement and increases productivity through unified communications. Through Beekeeper, we are able to share with the more unconnected members of our staff information related to our company as well as information related to their day-to-day work environment (such as shifts, product information, events in store, etc.). The app also features tools for internal chats and communications and the sharing of information in a very similar environment to that of the most recognized social networks. Currently, Avolta has over 60,000 live users on the Beekeeper platform, reaching around 90% of its workforce and expects to reach full rollout of the app globally during 2024.

Furthermore, Avolta uses several internal communication channels to facilitate the dissemination of corporate news and to keep our staff updated and engaged. These include the company´s intranet, and regular newsletters. During 2023, due to the integration with the F&B business, a lot of additional effort in term of internal communication and engagement was made to clearly explain the purpose of the business combination as well as the progress of the integration process. In this context, 11 global and 3 regional Town Halls have been organized to enable in-presence and online interaction among the Global Executive Committee and all team members. To promote in-person communication and discuss doubts and concerns related to the integration process, a series of Coffee Chats with senior leaders were organized in the main company offices (Milan, Basel, Madrid, London, Amsterdam, Bethesda, New Jersey). Moreover, in order to keep everyone informed and engaged about the integration process a dedicated newsletter "Travel Together – Travel Retail and Travel Food & Beverage" has been created and sent regularly to all team members to keep them updated on the progress of the projects related to the integration.

People engagement survey

To better gauge our performance both within our company and relative to our competitors, Avolta conducts regular people engagement surveys that serve to gain understanding of our staff's perception of the company and identify areas of improvement. We ensure that the surveys always involve a statistically relevant proportion of our staff, and that they reach out across the world. In 2023, as part of the integration process, a Culture survey was launched, engaging a representative sample of our team members of about 1,500 people – in both retail and F&B locations. The Culture survey aimed at investigating both current and desired future values and behaviors, identifying potential strengths to build on as well as differences causing frictions. The results of the survey highlighted many similarities, in terms of values, ways of working and performing among retail and F&B businesses. The survey also revealed that both organizations were nurturing similar aspirations for the future and had the common wish to be part of a company putting people and customers at the center. The insights coming from the survey contributed to shape Avolta's brand mission, identity and values, but also to build the new People & Culture vision and strategy (see dedicated poster at the beginning of the Annual Report).

Employee training and development

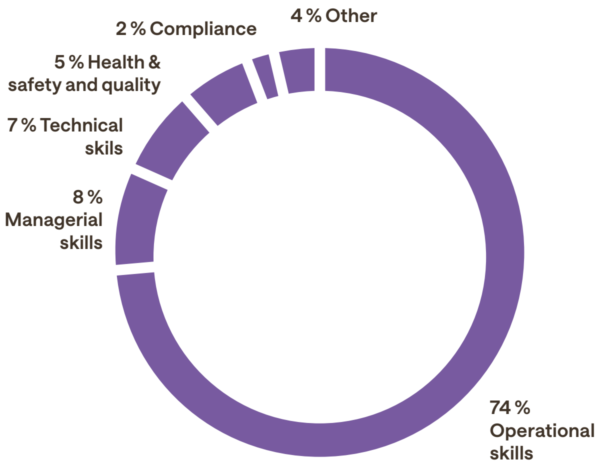
"Provide high quality training, learning & development opportunities to strengthen our people's competences and professional growth."

For Avolta, training is a fundamental activity for updating skills and boosting professional development in a process that blends individual growth with cultural and organizational progress. Avolta'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)

Avolta team members benefit from an extensive learning catalogue that covers programs to improve their performance in their current positions, as well as professional development opportunities to support career progression. Training is offered through various learning solutions, including face-to-face, on-the-job as well as virtual and online training sessions, on technical and people skills. Training is open to all team members and managers at all levels and across the entire organization and all geographical locations.

During 2023, 1,449,827 formal training hours were provided by Avolta. Most training hours were focused on operational skills (approx. 73.6 % of the total), in particular for front-line team members, and on the reinforcement of managerial skills for those in management positions (approximately 8.2 % of total training hours).

Training hours by type



Delivering consistent outstanding customer service is Avolta´s main aspiration and the ultimate objective of Avolta´s Customer Retail Excellence program – an on-going training program for our frontline team members. This program focuses on:
– Reinforcing customer service through ideal staffing levels according to store traffic and sales
– Providing team members with a clear focus and target for each shift
– Empowering teams through strong leadership
– Enhancing selling capabilities around our products, promotions and special lines / offers

In supporting the program, 13 Academy Stores spread across the three main regions are globally. Located in Stockholm, Zurich, Athens, Madrid, Marrakesh, Jordan, Toronto, New York (Newark), Cancun, Sao Paulo, Buenos Aires (Ezeiza), Melbourne and Bali, these stores serve to test concepts and best practices, and function as a reference for stores in other airports and geographies.

Other Avolta global learning programs include:
– Welcome to the Company training – Designed for office and frontline staff operating in both restaurant and shops it is a comprehensive onboarding program for newcomers aimed at shortening the learning curve. In 2023, over 31,000 new joiners were trained using this program.
– Retail Champions program – The cornerstone of our Learning and Development strategy for retail team members, this program has been designed to provide our professionals with the tools, knowledge and capabilities they need to perform well in their jobs and develop to their full potential at Avolta. Over 15,600 team members, including store leaders, have benefited from this program. This set of training programs is complemented with product training programs for our frontline teams, typically delivered by the brands and local teams.

During 2023, we continued leveraging on our online training capabilities through:
– Level Up – Avolta´s LMS system, which permits establishing personalized learning programs for every team member based on their role, position and professional category
– Elucidat – Simplifying the creation of training and learning courses by our learning & development teams to reach 100 % of our staff
– Coursera – An online based training platform for management roles
– SuccessFactors Training Academy – Content for the F&B side of the business offered in an LMS system with learning journeys per established operational role

Avolta also conducts compliance training for team members, officers and directors, as applicable, on an ongoing basis. These training sessions reflect the ongoing changes introduced in our Code of Conduct. Avolta's Compliance Department regularly evaluates the content of Avolta's training on Compliance and Corporate Policies. The efforts of the Compliance Department are fully coordinated with, and supported by, the Regional Presidents & CEO's and the respective HR departments, who help identify the people, including new hires, who should receive training. People who receive training are selected based on the following criteria:
– Community heads at Headquarters (Finance, Treasury, Procurement, Business Development, Internal Audit, HR, IT, Commercial, Marketing, Customer Service)
– Local managers with exposure to business development, external partners and third-party contractors
– Managers with exposure to procurement negotiations
– Managers with exposure to government officials such as airport authorities, customs or other public authorities
– Managers with signatory power or appointed as directors or officers of Avolta subsidiaries
– Investor Relations, Corporate Communications and Media managers
– Members of the Legal and Compliance Department
– Members of the Internal Audit Department, Loss Prevention and ERM department as well as HR managers worldwide.

During 2023, 1,287 managers at all levels of the organization and across all the regions have completed this training. This figure includes both new Avolta team members and managers who were already trained and with whom the training has been refreshed. New team members, officers and directors are provided with a copy of the Avolta Code of Conduct when they join the company and are required to acknowledge acceptance of its terms in writing. Additionally, Avolta team members, officers and directors have access to all of Avolta's compliance and corporate policies, including its Code of Conduct.

All team members, not included in the managers list, also received compliance training. In 2023, this training reached over 42,000 team members via online e-learning modules, compliance update training videos and communication campaigns. The primary training topics included harassment, discrimination, insider trading, data privacy and instructions on how to report a wrongdoing.

Management development

In order for our team members to work in highly engaged and high-performing teams, first time managers joining Avolta are trained on Management Fundamentals. This new training has been introduced in the second half of 2023 and develops people skills such as role modelling, communication, situational leadership, feedback and coaching, change management and self-management. The course was rolled out to 230 of our managers in 2023, improving engagement and performance in our stores and restaurants.

Talent development and appraisal

Avolta ensures that future and long-term management needs are addressed by an optimal balance of promoting internal high-performing team members and hiring external talent (for example in new countries where we start operations). Avolta operates a global, systematic process to identify high-potential talent in the organization and to develop them toward key roles in our business model. We strongly believe that talent management and succession planning are key activities for a sustainable business.

Accordingly, we develop new and existing candidates for more senior management roles and we carry out yearly reviews of the quality of our talent pipeline at two levels:
- The first level concentrates on a limited number of candidates, who already have management experience and would be able to take over one of the senior positions in our organization.
- The second level focuses on our stores and restaurants. Amongst the top-performing frontline team members and supervisors.

Performance reviews are an important aspect of a long-term, successful employer-team member relationship. Therefore, it is important for us to build a continuous feedback culture, by encouraging constructive dialogue between each individual team member and manager regarding goals, priorities and personal development.

With a view to fostering professional growth, Avolta has introduced a performance review model enabling a constructive, participatory, and inclusive appraisal while ensuring professional development and the achievement of Destination 2027 strategic objectives. In 2023 to align our internal performance on a global scale and reinforce our One Team mentality, a Global Alignment and Development Conversation process has been launched. The process has interested all people in specialized support roles, back office managers and leaders, all global and regional team members, general managers and country-level leaders. Driving operational improvements and performance and creating end-to-end engagement with our people, the conversations also supported the identification of people's talents and how they can use these to further develop themselves.

Team Member appreciation and recognition

Team member appreciation and recognition is another important way for Avolta to value team members and team achievements. Every year, Avolta celebrates the One Avolta Awards, which recognize excellence and celebrate the success of our people worldwide who are dedicated to delivering.

The Awards are divided in five categories:
- Best Leader Story Award recognizes individuals who have demonstrated the right behaviors and character and shown exceptional performance
- Best Customer Experience Award, recognizes the highest scores measured by our Mystery Shopper Survey
- Best Partnership Initiative Award, which recognizes an outstanding initiative with a supplier, business partner, concession partner, inter-company or other party, that was innovative, well designed, well executed and impactful
- Best Business Growth Story Award recognizing the greatest business growth stories, including – but not limited to – a new store or restaurant opening, a new airport / seaport / motorway / border shop / or other development, growth of a product category, a business channel, or an existing store & restaurant that has delivered exceptional growth.
- Best Organic Growth Award, which recognizes the country with the strongest year-on-year organic growth.

Additional staff appreciation and recognition programs are run in North America in the F&B sector. "Shout Out" is a peer-to-peer recognition program where colleagues send each other appreciation postcards to recognize excellent performance in terms of alignment with corporate values and ability to work in a team. This contributes to create an atmosphere of mutual appreciation and attention fostering motivation. "Above and Beyond" is a quarterly recognition program and allows to recognize and appreciate those team member who have exceeded the expectations and company standards in terms of performance, service and hospitality, with particular attention for those who have made heroic or rescue acts.

Health and well-being

"Provide high health and safety standards and promote world-class well-being offerings and education to foster well-being and work-life balance."

Health and Safety

Workplace safety is a priority and an essential commitment for the company in our stores, restaurants, offices and warehouses. As indicated in the HR Policy, the company ensures that all activities are carried out safely by taking all possible measures to eliminate (or at least reduce) the risks to health, safety and welfare of our people, contractors, customers, visitors and any other person who can be impacted by our operations. Our team members operate in airports, motorways, railway stations, seaports, cruise ships and similar environments. As a basic prerequisite our people have to comply and follow the respective airport's, seaports' or vessel's safety rules as these environments are highly regulated.

On top of this, Avolta has specific health & safety regulations, including internal policies and guidelines – both global and local –, which may go beyond the legal health and safety requirements. Avolta generally strives to achieve high occupational health & safety standards and actively encourages compliance across the whole company.

As a result, Avolta has a number of different health & safety regulations and procedures throughout the organization. Regardless of the specific requirements of each local legislation, there are certain principles that all these procedures adhere to, including:

- Compliance with labor legislation on health and safety
- Reduce work-related accidents, implementing the necessary occupational risk prevention plans, to achieve an effective identification of risks and to avoid them
- Promotion of a preventive culture, training our staff to achieve the best safety standards
- Having due diligence in the coordination of activities and prevention measures with contractors, suppliers, or any third party that performs activities or is present in Avolta's work centers
- Continuous improvement, establishing objectives and goals for improvement, systematically taking into account the requirements of stakeholders, continuously assessing performance, applying the necessary corrections to achieve the proposed goals and establishing verification, auditing, and control processes to ensure that objectives are met
- Management of occupational health and safety processes change from one location to another, with a number of common guidelines that apply to all our operations, including the following:
  - Avolta operations provide topical information such as health and safety initiatives to our staffs, including workers who are not members of our staff but work on our premises
  - Health and safety activities are regularly reviewed to ensure issues are effectively managed and improvements are made where necessary. In some of our locations, reviews include employee representation consultations (where appropriate)
  - Responsibility for the governance and review of health and safety is with local operations and HR teams
  - At airport and seaport environments, close collaboration with concession partner teams is maintained to ensure compliance with their own H&S regulations and management process.

Promoting a healthy working environment

Ensuring a safe workplace is a duty of all members of our staff. Whilst the joint work of local Health & Safety Committees and HR teams is crucial in identifying potential risks and hazards, workers are also encouraged to report to these teams any work-related hazards or hazardous situations. The same process is used for workers to remove themselves from work situations that they believe could cause injury or ill health. Work related incidents are investigated and reported to management to develop and implement remediation plans (where and if needed), thus ensuring that processes are duly updated in cooperation with the Health & Safety committees. Additionally, Health & Safety Committees undertake regular worksite analysis to identify potential risks and hazards.

This analysis aims to identify existing hazards, as well as conditions and operations in which changes might occur to create hazards. Results of these assessments are shared with the local HR teams and management. The highest incidence of occupational accidents is, of course, among store, both retail and F&B, and warehouse staff.

The greatest risks to which Avolta workers are affected include:

- Risks related to material elements, objects, products and constituent elements of machines or vehicles
- Risk related to cooking activities
- Falls at the same level
- Incidents with transport and transfer devices.

Training on health and safety is critical to promote a safe work environment. We therefore conduct induction sessions with new members of our staff and hold regular training sessions with all of our staff, both in stores and offices, ensuring understanding of the policies and procedures. If needed, training is extended to workers who are not members of our staff, but work on our premises on behalf of third-party service providers.

Airport security practices

Due to the nature of our business, most of our staff are located in airport environments, either working in stores and restaurants, in airport offices and/or in airport warehouses. As part of the airport eco-system, our staff have to adhere to and follow the security principles and processes established at the specific airports where our stores are located. Most of these regulations and policies are harmonized across the world to ensure consistent levels of safety and consumer protection. Worldwide safety regulations are set by the International Civil Aviation Organization and within Europe by the European Aviation Safety Agency. In order to work in our stores, members of our staff need to obtain the corresponding airport authorization, which in most cases involves training courses on security measures and procedures in the airport environment.

Well-being initiatives

Besides ensuring physical health and safety at the workplace, Avolta is also committed in fostering mental and emotional well-being of its team members by offering trainings, benefits and welfare plans that vary from country to country. In many countries dedicated training activities including emotions management, stress management, physical health, and exercise, as well as mental health and mindfulness, are included in the Leadership's essential trainings in order to raise the attention of all our managers on this topic. In some countries the access to counseling or well-being practices for our people is supported through the providing of dedicated discounts or by partnering with local providers.

In the USA, all colleagues of the F&B business, have access to Life Work a confidential, inclusive personnel counseling program that provides support 24 hours a day, 7 days a week, and 365 days a year, through a phone line and an online platform.

Life Work benefits include:
- Connect users to benefits and events through the newsfeed
- Provide access to a wealth of online resources and information in support of the individual's mental, physical, social, and financial wellness
- Guide people to professional counselors and specialists, for advice any time, on any job-related or personal problem
- Let people speak safely and confidentially with mental health counselors or other specialists such as financial and legal professionals

Human rights

"Protect human rights across the company and along its supply chain."

Compliance with international standards

As stated in the Avolta's Code of Conduct, the company is committed to conducting its operations in an ethical and legal manner in compliance with accepted business standards and applicable laws and regulations with respect to anti-corruption, human rights, worker health & safety, environmental protection, and product safety. Any form of child labor or forced labor is strictly forbidden and clear recruitment procedures and regular workplace controls ensure that this never happens at any location.

Avolta is also committed to the Ten Principles of the United Nations Global Compact, and in particular to respecting the Universal Declaration of Human Rights adopted by the United Nations General Assembly in 1948 and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work adopted in 1998.

Avolta provides regular trainings to facilitate lawful and ethical behavior in line with the principles set out in its Code of Conduct and its internal rules and policies. In all the countries where it operates, Avolta complies with laws and collective labor contracts regarding working hours, vacation, and leisure time, paying the required compensation in case of overtime or atypical hours such as night shifts and holidays.

The protection of human rights is also included in the Avolta Supplier Code of Conduct (see chapter Create Sustainable Travel Experiences on page 116), which explicitly forbids the supply of any product or service to Avolta manufactured, assembled or packaged in violation of internationally accepted human rights standards and applicable laws as well as regulations in relation to labor and working conditions.

Freedom of association and collective bargaining

As stated in the Code of Conduct and the HR Policy, Avolta protects the right to freedom of association and collective bargaining, recognizing the paramount importance of these freedoms, in accordance with national laws governing collective contracts, individual bargaining and freedom of association. This commitment to transparency translates on various levels to the management of national collective bargaining, collective contracts by company and/or location, and individually negotiated agreements. The company's policy on collective agreements is tailored to each location in which it operates, as each location is subject to its own specific laws and regulations.

In all the countries in which it operates, Avolta fosters an open dialogue with the labor unions. Labor relations and talks follow the highest standards of transparency, collaboration, and fair dealing, in strict accordance with the law and with the general aim of promoting a good working climate and an open dialogue with the workers' representatives. Avolta constantly engages with trade unions and keeps them updated on topics such as health and safety standards and protocols, management of the workforce, any use of government relief programs, talent retention measures, and any necessary organizational changes.

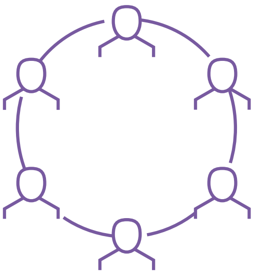
When organizational changes occur, Avolta complies with all provisions of local laws and collective contracts by informing the unions and involving them, where applicable, in personal meetings. The minimum notice period in case of organizational changes varies from three to thirteen weeks depending on national and local laws.

Engage Local Communities

“Creating durable bonds with the communities by supporting social and economic development.”

GRI indicators:
201-1, 202-2, 204-1

SDGs:
8.1, 8.2, 8.3, 8.5
9.1, 9.4, 9.5



Avolta places a paramount emphasis on supporting local communities in all the 73 countries where it operates, understanding that this commitment extends beyond mere corporate responsibility to become a cornerstone of our business ethos.
Within the focus area «Engage Local Communities» Avolta has identified a very important area of commitment and action:
– Supporting Communities
  Create connections with the communities we serve and contribute to the growth of local economies

Recognizing that sustainable business practices must be intertwined with community well-being, Avolta actively engages in initiatives that foster economic development, social progress, and environmental stewardship at the local level. By championing social and environmental causes in the regions it operates, Avolta aims to generate a positive impact and a lasting legacy, demonstrating that offering support to local communities is crucial. Avolta sources close to 30% of its retail products (by COGS) from local suppliers. Our commitment in supporting local communities globally is expressed by a diverse array of projects, each tailored to address specific needs of local communities. The support of charitable institutions and causes, as a way of giving back to society, has been inherent in the growth and evolution of Avolta since its early years.

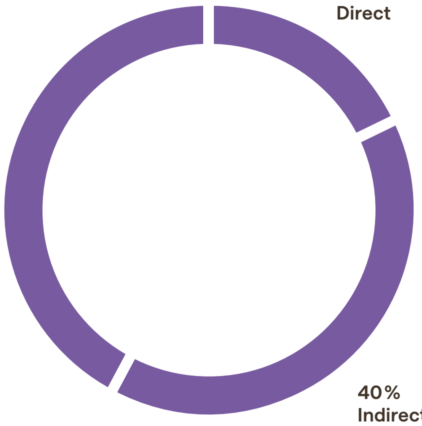
In this context, in 2023, a new Avolta Community Engagement Strategy was approved by the Global Executive Committee with the aim of improving further the company’s capability to generate positive impact in a subset of social and environmental themes. The Community Engagement Strategy has identified six priority areas of involvement for Avolta’s own independent initiatives – both, at Global and Regional Level – to which the company will concentrate the efforts:
– Education for disadvantaged children & adolescents
– Healthcare support for people with special needs
– Support & Training for vulnerable groups
– Fight poverty & food insecurity
– Clean water & sanitation for communities
– Ocean plastic cleaning

Avolta´s help to these causes consists of direct monetary contributions, fundraising campaigns (allowing us to raise additional funds by selling charitable retail and F&B products in our stores and restaurants for the benefit of different NGOs), and in-kind donations to local charities of primary goods, like clothing, meals, and food, which will then be distributed to people in need.

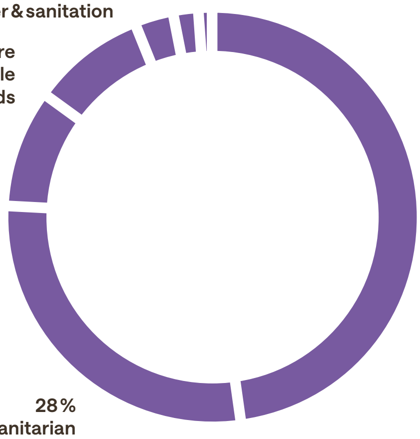
The Community Engagement Strategy provides also indications and guidelines for the indirect engagements and all those initiatives run in collaboration with concession partners and suppliers at local level. These are activities defined, managed and driven by our concession partners and/or brand partners, and where Avolta contributes to with supporting activities; e.g. airport fund-raising initiatives, where Avolta provides space for the sale of water.

During 2023, at global, country or location level, Avolta supported over 150 nonprofit organizations and social or humanitarian initiatives, promoting cultural events and causes and actively engaging our staff through volunteer work. In total, Avolta donated over CHF 9 million, of which

Donations by type



Donations by thematic area



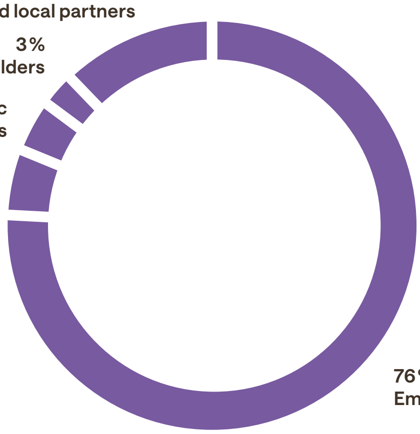
18% through direct donations, 42% in-kind and 40% through fundraising.

In 2023 our corporate community initiatives, both at a company or country level, strongly focused on fighting poverty and food insecurity as well as in providing humanitarian support to populations touched by either natural disasters or socio-political crisis. Avolta took care also of disadvantaged children, young people and their families, contributing to increase their access to education and healtcare systems. In some cases, our team members have been actively engaged, by either participating in the selection of the charity initiatives or through volunteering initiatives.

Stakeholder value allocation
Avolta contributes to the development of the economies in countries where it operates through the payment of fair and competitive salaries, taxes and the purchase of local products and services. As a way of assessing the economic impact of its business, Avolta annually discloses its stakeholder value allocation, which reflects the direct monetary impact of its operations over its main stakeholders. The stakeholder value calculation is based on Avolta's CORE EBIT plus personnel expenses. It does not comprise values allocated to business stakeholders, such as suppliers or concession partners.

The accrued value allocated reached CHF 3,356.3 million in fiscal year 2023. Out of this amount, CHF 2,539.3 million was allocated to our employees in form of remuneration, retirement benefits, social security payments and other personnel expenses. CHF 160.4 million were interest expenses as contributions to our bondholders and lending banks. Income taxes paid to public authorities and communities amounted to CHF 129.2 million in 2023, in the countries where we operate. The dividend payment, which the Board of Directors is proposing to the Annual General Meeting of Shareholders on May 15, 2024, of CHF 0.70 per registered share amounts to a total of CHF 106.8 million, and if approved by the AGM, will be paid to shareholders in May 2024.

Stakeholder Value Allocation



Additionally, Avolta contributes every year to a comprehensive number of social initiatives, which are described in the Community Engagement section of the report, with the remaining amounts being carried forward.

Supporting Communities

“Create connections with the communities we serve and contribute to the growth of local economies.”

The initiatives and projects described below represent some of the most prominent projects we support. The progress made and the encouraging results of our ongoing support to these initiatives make us feel very proud and is an incentive to strengthen our ties with them.

Education for disadvantaged children and adolescents

SOS Children’s Villages program in Brazil, Mexico and Kenya

Our global collaboration with SOS Children’s Villages started several years ago in 2009 and continued also in 2023 fostering the long-standing relationship and benefitting nearly 500 infants, young children and teenagers and their families. SOS Children's Villages works towards keeping families together, provide alternative care when needed, supporting young people on their path to independence, and advocating for the rights of children. With the support of Avolta, SOS Children’s Villages improves the lives of at-risk children and families, enabling a future in the communities where SOS Children’s Villages work. During the longstanding collaboration, Avolta has also lent similar support in Morocco and Cambodia.

Captain Dufry – Avolta´s global charity initiative

Avolta continued extending the reach of its global charity initiative, ”Captain Dufry”. Launched in 2020, Avolta sells Captain Dufry, a soft toy dog wearing a scarf and aviator hat with goggles, across Avolta stores in over 20 countries. Benefits from this initiative are donated to a global charity, which for the 2021 – 2023 period is SOS Children´s Villages. Captain Dufry is available at an accessible price and designed to be an irresistible “feel-good” purchase. This item gives our customers the perfect opportunity to buy a gift that truly makes children feel special – both their loved ones and those in need of support around the world. Beyond the financial objective pursued with Captain Dufry, this initiative also serves to increase awareness amongst Avolta’s customers of SOS Children’s Villages and their activities. To this extent, the availability of Captain Dufry in stores is complemented with in-store communication and signage to build awareness. Avolta reserves high visibility spaces across the stores where Captain Dufry is available, including dedicated sales displays and gondolas. On top of this, our customers are offered additional options to donate by using the Red By Dufry app, hence, increasing the possibilities of helping this charity initiative even more.

Hudson Round-up program

Since 2022, Hudson switched its previous donation collection platform to a round-up program at the point-of-sale, which allows travelers to donate the remaining change of their purchases to charities. Hudson used this new platform to support two causes throughout the year: Communities In Schools® (CIS®) and the Disasters Emergency Committee (DEC). Hudson was proud to continue its longstanding partnership with CIS, in the USA the largest organization dedicated to empowering students in need. Moreover, Hudson expanded its level of support for CIS, with donations benefitting both the CIS National Office and now 28 local CIS affiliates. By further investing in the affiliate network, Hudson deepened its local community involvement, while helping CIS to strengthen its academic impact on even more students and schools. Until 2023, Hudson has now raised USD 5 million for CIS over its partnership of more than a decade. With the support of Hudson, CIS has grown from serving 1.3 million students in 2008 to 1.8 million today. Additionally, 120,000 high school seniors have graduated with Communities In Schools since the partnership started. In the USA, Hudson participated in a 5 km charity run, hosted a coat and shoe drive at its New Jersey corporate office, and helped with a back-to-school event, amongst other local initiatives. Moreover, throughout North America, team members participated in “Movember,” a global initiative where individuals grow moustaches and beards to raise awareness and collect donations for men’s health issues such as prostate cancer, testicular cancer and mental health challenges.

Health care support for people with special needs

Support to Children’s Cancer and Leukaemia Group

Children’s Cancer and Leukaemia Group (CCLG), a leading children’s cancer charity, and the UK and Ireland’s professional association for those involved in the treatment and care of children with cancer, is the charity supported by our UK colleagues. A nominated charity is chosen every three years based on the votes of our UK employees, and CCLG was the chosen charity partner.

2023 marked the second year of World Duty Free's support for CCLG, and it was the year in which World Duty Free reached the £ 80,000 milestone, the £ 90,000 milestone, the £ 100,000 milestone, and then the £ 120,000 milestone! These incredible fundraising targets were achieved because of the various sponsorships and events that World Duty Free staff members committed to, including taking on the fastest zip line in the world, skydiving, completing sponsored walks, holding Cake Bakes, and many other successful initiatives.

With the funds raised, CCLG were able to fund further important projects and vital research, and to release a variety of new publications, supportive care factsheets and updated information resources. These included:
- The newly updated publication "Coping with family life and cancer", a practical guide for families of a child with cancer, which contains tips and advice to help newly diagnosed families cope better with the impact of cancer on their lives
- The new supportive care factsheets, designed to help parents, carers and families understand more about how treatment may affect their child and what they can do to support them

Thanks to World Duty Free, these publications are given directly to families in hospital, providing expert and reliable information at a time when it's needed the most. Childhood cancer research continues to be severely underfunded, and current treatments regimes are often reliant on outdated adult-oriented therapies which aren't always effective for children's cancer. Together with CCLG, World Duty Free is helping to make sure that children diagnosed with cancer have access to the kinder, more effective treatments and that their families are given reliable, helpful information as soon as their child is diagnosed.

Support to multiple projects in Greece
Hellenic Duty Free Shops implemented various community activities throughout the year, and for the first time included employee participation in these initiatives additionally to boost workplace engagement and motivation. This year's initiatives included the Non Finish Line Charity Run, and the Run For The Cure with donations to Together for Children Institution and Breast Cancer Organizations respectively, as well as Deipno Agapis providing meals to homeless at the center of Athens. Main initiatives further included the support of Make-A-Wish Hellas, an organization granting wishes of children with critical illnesses to transform their lives; Galilee Palliative Care Center, which provides palliative medical and nursing care along with psychological, social and spiritual support to patients and their families, as well as the Skytali Hellenic Heart-Lung Transplant Association. Finally, Hellenic Duty Free Shops successfully supported Avolta's fundraising initiative for SOS Children's Villages with Captain Dufry and the ONE-TREEPLANTED Organization.

Support to communities in Türkiye, Syria, and Morocco
To support people and communities impacted by the devastating earthquake in Türkiye and Syria the 6th February 2023, and in Morocco the 8th September 2023, Avolta carried out combined initiatives to assist the population living in the affected regions. To provide humaniatarian support to the affected population of Türkiye the company made a significant donation of CHF 500,000 to The International Federation of Red Cross and Red Crescent Societies (IFRC), the world's largest humanitarian network.

Equally in Morocco, Avolta contributed to the provision of humanitarian assistance and reliefs to the population of the Taroudant region and Imlol, two areas severely impacted by the earthquake. Furthermore, Avolta collaborated with the Awsatakh Association of the Douar of Tamaterte, to help the reconstruction and, in particular, to establishing a school transport system for middle school students and renovating classrooms to reopen the primary school before winter.

Support & Training for vulnerable groups

Rio de Janeiro, Brazil – Helping to build the future of young teenagers
Since 1995, Avolta has been sponsoring a social promotion program in Rio de Janeiro aimed at improving the skills of young people and, hence, increasing their employability. The 20 participants of the 2023 class benefited from this program, which features free professional education to young people from communities around Galeão Airport, including various classes and education modules covering various topics and skills such as English, technology, retail operations, professional orientation, teamwork, leadership, rules of etiquette, ethics and citizenship.

The daily classes, which run over a seven month period cover three modules and are attended by 18- to 21-year-old students of different genders, sexual orientation, nationality and ethnicity. They all receive free meals, uniforms, school and educational materials and transportation assistance. Avolta then supports participants in their first steps into professional life. Some join the Avolta team or are employed by other supportive companies, and those who do not immediately find employment are given ongoing support in finding an educational or career path. This program is also an institution amongst Avolta employees and one of the initiatives Avolta Brazil staff feel very proud of. Our staff in Brazil act as mentors to the program's students and every year more than 60 volunteers from both Avolta and its Brazilian partners get involved. Over the 27 years that this program has run, it has proven to be a great success. Employability rates usually reach high levels and since Avolta started its collaboration, over 770 young people have benefited.

Autogrill Italia and Cometa together to support people in need

In Italy, since 2020, Autogrill Italia works with Cometa: an association that welcomes hundreds of children, young people, educators, volunteers and professionals to offer personal and professional growth paths to young people living in difficult social conditions. The collaboration with Cometa's social cooperative Contrada degli Artigiani resulted in various installations made by the members of the social cooperative – with the support of specialized professionals – like the large wooden barrique in the Villoresi Ovest restaurant or the artwork installed at the food court of Linate Airport. The latter, created by young people from the social cooperative under the guidance of master craftspeople, is a wall sculpture made of brass and backlit fragments of glass that represent luminous "gemstones" and recall the gothic spires over Piazza Duomo, symbol of the city of Milan.

HOME MCR

In the UK, World Duty Free has supported HOME since 2004. HOME is a Manchester based organisation that aims to improve the lives of young people by running innovative arts projects for a range of beneficiaries across the area. It presents and produces a range of art forms including theatre, film and visual art, alongside a dynamic community engagement programme. Through our engagement with HOME, World Duty Free has helped to develop and launch HOME Young Creatives, an inspiring twelve-week arts course in Wythenshawe that involves over 100 young people aged between 12 and 18, led by experienced and knowledgeable artists. The course has been running for several years now and helps to develop and broaden young people's skillsets and aspirations, culminating in the creation of their own work.

Fight poverty & food insecurity

HMSHost Foundation

Through HMSHost Foundation, the company helps local North American communities by donating money to mission-aligned nonprofit organizations. The Foundation provides food, housing, veterans services and supports the growth and education of the workforce, including young generations, to fight poverty and improve the prosperity of the communities served.

HMSHost Foundation directs its efforts on the basis of five pillars:

- Relieve hunger and promote nutritional wellness through food-related initiatives
- Combat homelessness through access to safe housing, furnishings, clothing, and stable employment
- Encourage the next generation through access to education and training
- Promote financial stability through training and job placement
- Honor veterans and their families by supporting programs that meet their needs for food, shelter, medical care, and providing job training and placement

In 2023, HMSHost Foundation donated USD 540,000 to poverty-fighting organizations and raised – in collaboration with Hudson – nearly USD 300,000 to support the Maui Strong Fund of Hawai'i Community Foundation, which is working tirelessly to provide financial resources for the people and places affected by the devastating Maui wildfires. Funding for the Maui Strong Fund was sourced through contributions from travelers who made purchases at Hudson travel convenience stores nationwide in the USA. Additionally, the HMSHost Foundation, partially supported by patrons donating spare change at quick-service restaurants in Kahului Airport (OGG), and participating in a round-up-for-charity initiative at HMSHost's full-service restaurants across the country, also provided a grant.

Food donations: offering support for local communities while reducing food waste

Within the F&B sector, Avolta has a series of active partnerships with nonprofit organizations in the different regions where the company operates. Among these, in the USA, Avolta cooperates, since 2011, with Food Donation Connection (FDC) by donating surplus food to people in need through partnerships with local social service agencies. Every donor location is matched with a group of qualified charities that collect the food at scheduled days and times. FDC has worked with our operational teams to make sure the food is safe and healthy and to render the donation process more efficient and secure. Also in Italy, Avolta has been actively supporting nonprofit organizations active in combating food waste. Its most significant partnerships include those with Banco Alimentare and Pane Quotidiano, which receive surplus food and straight donations from Autogrill's central warehouse. Since 1989, Banco Alimentare has been collecting unspoiled, non-expired food that is no longer sellable and would otherwise be thrown away. Pane Quotidiano, based in Milan, puts human dignity at the center of its activity and has been distributing food to those who need it since 1898. In 2023, around 100,000 product items – approximately 22 tons of food – were donated. Moreover, also in 2023, for every "Menù Pausa Perfetta" sold in our Italian F&B restaurants, Avolta made a donation to Banco Alimentare to support the distribution of food products to local charities.

Clean water & sanitation for communities

One Water – selling water bottles to provide sustainable clean water

Since 2016, World Duty Free has collaborated with The One Foundation as a commercial supporter for the sale of the charity's bottled water brand "One Water" in all of its UK airport stores. Over the past seven years, World Duty Free has been raising money through the sale of One Water to bring clean water, sanitation and hygiene solutions to some of the world's poorest communities. Through the sale of One Water across World Duty Free shops an amazing £ 2.5 million in total to date have been raised, changing the lives of over 400,000 people. Together with One Water and The One Foundation, Avolta is helping to strengthen water and sanitation services across Kenya, Rwanda, Ghana and Malawi through the delivery of piped water and sanitation services and by capacity building with local utilities for better service provision. Together, the program is repairing broken water points and providing the tools and community training required to ensure the future sustainability of these pumps.

Charity Water Project in Zurich and Basel Airports

Avolta continued the partnership initiated in 2014 with Flughafen Zürich AG, which, under the name of "Charity Water", raises funds for charitable causes through the sale of bottled water in the airport. For every bottle of mineral water sold at the price of CHF 2.50, which is obtained from the Adello spring in Adelboden, in the Swiss Alps, 50 centimes are donated to a charitable organization. Sozialwerk Pfarrer Sieber (Social Work Priest Sieber) is the 2023 new beneficiary of this project, for which over CHF 400,000 were raised since January 2023. The foundation strives for the greatest possible social reintegration of marginalized people. Where this is not possible due to lack of individual resources on the part of those affected, they should be able to live with the greatest possible autonomy with the support of Sozialwerk Pfarrer Sieber and be embedded in a sustainable network of relationships.

Oceana

In 2023, Avolta began its collaboration with Oceana: the largest international advocacy organization focused on ocean conservation. Through this partnership Avolta has raised funds from the sale of the reusable bags made from 100 % recycled plastic bottles. The funds were intended to Oceana's marine habitats campaign for the protection of

30% of the marine surface, and thus of its endangered species. Besides protecting marine wildlife by reducing the impact of single-use bags, the partnership aims at increasing consumer's awareness on the importance of simple actions benefiting the environment. The initiative has firstly involved our retail stores in Spain and will be extended in another 21 countries across all the regions where the company operates.

And a long list of other local contributions

Support for the underprivileged is deeply rooted in our company. In addition to the main initiatives mentioned above there is a long list of causes and projects of all sizes that Avolta subsidiaries and employees support year after year. Amongst others, these include direct donations to the Prime Minister's National Relief fund (PMNRF) in India to support disaster victims, and the support of our Armenian operation to the social program Children of Armenia Fund (COAF). The main protagonists of many of these actions are our employees, who champion the causes and promote their support through micro-donations, charity runs, bike rides, bake sales and other initiatives to support the many deserving projects. Internally we give voice to these initiatives through our internal communication platforms to recognize the effort, generate awareness and motivate other employees to develop initiatives of their own.

Avolta

Financial Report 2023

Excellent progress on our Destination 2027 ambitions

Yves Gerster
Chief Financial Officer

Dear all,

As we look back on 2023, we can be proud of our many achievements. The most notable highlights are perhaps the closure of the two-staged EUR 2.4 billion Autogrill transaction in July 2023 and the earlier-than-anticipated integration of the businesses, standing 2023 as a historical and transformational year for Avolta. In total, our full year CORE turnover reached CHF 12,534.6 million, representing organic growth of 21.6% proforma versus the previous year.

Despite a business environment further impacted by inflation, interest rate challenges and geopolitical concerns, demand for travel and the travel experience was strong and with demand through to the end of the year remaining strong we are confident that this momentum is sustainable over the foreseeable future. Our reinforced geographical diversification (73 countries, over 1,000 locations, over 5,100 stores and restaurants) has further enhanced our resilient and defensive qualities, underpinning our «Destination 2027» financial ambitions of medium-term profitable and cash generative growth.

In this regard, Avolta delivered a solid 2023 profit performance with CORE EBITDA of CHF 1,129.6 million, representing a margin of 9.0%, +30 basis points (bps) proforma. 2023 Equity Free Cash Flow (EFCF) reached CHF 323.0 million, an 28.6% conversion of CORE EBITDA, positioning us firmly on the pathway towards our «Destination 2027» goal of EFCF conversion superior to 30%.

Profitable and cash generative growth.

All of the aforementioned metrics performed well above our initial expectations, set out at the beginning of the year. This was thanks, in part, to the continued strong global travel demand as well as the lower-than-forecasted integration costs[1] and, in part, to the earlier-than-anticipated synergy realization.

In October last year, we communicated our «Destination 2027» vision as regards our medium-term capital allocation. Specifically, of our annual EFCF, we have committed to returning one third to shareholders by way of a dividend. For 2023, we will propose at the Annual General Meeting of Shareholders (AGM) on 15 May 2024, a dividend of CHF 0.70 per share equating to a total payout of CHF 106.8 million from our EFCF of CHF 323.0 million. For the remaining two thirds of annual EFCF, our priority is to deleverage the balance sheet while retaining a degree of flexibility to invest in relevant business development and small bolt-on acquisitions in order to reinforce the longer-term competitive advantage of the business. In total, we have a medium-term leverage target of 1.5-2.0x net debt/CORE EBITDA with flexibility up to 2.5x if needed after investment in growth. Our December 31, 2023 net debt amounted to CHF 2,696.1 million, the lowest level since 2015, and representing a net debt to CORE EBITDA leverage ratio of 2.6x, well below the covenants ceiling 4.5x, in part thanks to the combination with Autogrill. As at December 31, 2023 we had CHF 715 million cash on the balance sheet and additional liquidity of CHF 1,923 million resulting from undrawn credit facilities.

Avolta has a history of addressing debt financing well ahead of maturity by aligning products and timing to the respective market environment to achieve the best possible financing. At present, while Avolta has access to a range of products and strives to balance financing security, maturity profile and cost aspects and while current available liquidity of CHF 2,637.9 million, thereof CHF 715 million available cash and cash equivalents, we are mindful of the 2.5% coupon on our October 2024 EUR 800 million maturity.

Ample liquidity.

At an attractive weighted average rate of 3.8%, our current debt profile con-

[1] CHF 50 million vs. our initial expectation of CHF 100 million, of which CHF 25 million was expensed in 2023 with the remainder to be expensed in 2024.

Avolta delivered a solid 2023 profit performance.

sists of 81% fixed rate debt and 19% on floating rates. Our ratings in 2023 improved with upgrades by both S&P from B+ to BB Outlook Stable and Moody's from B1 to Ba3 Credit Watch Outlook Positive.

During 2023, we have continued the close relationship and ongoing interaction with our shareholders, investors, bondholders, equity and debt analysts as well as banks and rating agencies in more than 1,190 interactions, thereof 9 roadshows, 12 conferences, 564 meetings and 626 conference calls and emails.

Resilient growth.

Our long-term strategy to revolutionize the travel retail experience coupled with the combination with Autogrill has impacted the financial profile of Avolta. With 37% of revenues generated in Duty-Free, 31% Duty-Paid and 32% F&B in 2023, and a presence in 73 markets, across over 1,000 locations and more than 5,100 outlets, we are significantly more resilient and defensive than ever before while our balance sheet has also been significantly reinforced.

The combination with Autogrill and expansion into travel F&B has changed our P&L and cash flow. While Autogrill delivered similar net returns to the combined entity, we now have structurally higher gross profit margins and a lower concession fee (with longer contract durations) ratio. On the other hand, personnel and other expenses as well as CAPEX requirements will be higher due to the different profile of the F&B business. In October 2023, we have published proforma combined financial statements for 2019 and 2022 which allow comparison to our 2023 consolidated financial statements. The historical pro forma numbers are available on our webpage.

Over the medium-term, we continue to foster a culture of operational improvement to fuel profitability, accelerate cash flow generation, and reinvest in growth. Hereby, the finance teams will support our strive for superior profitability driven by a logic of zero-based budgeting, focused on disproportionally allocating resources to activities that make the most impact, while leveraging technology to simplify work and operations. In addition to the budgeting discipline, Avolta will systematically and actively manage its concession portfolio, with stronger focus on the evaluation of full profitability, cash flow contribution and returns.

We have reinforced our ongoing ESG commitment by fully integrating the ESG strategies and sets of initiatives of the former entities into a new combined ESG Strategy House, which has resulted in greater transparency of our group wide ESG direction. In particular, we have implemented the double materiality approach in our new Materiality Matrix, developed through a collaborative process with various stakeholder groups. We have also evolved our TCFD Report not only by considering the scope of the new joint entity, but also by providing three severity scenarios for our climate-related risks and opportunities. Last but not least, and a topic close to my heart, we have finalized Avolta's Community Engagement strategy creating the base for a joint and focused implementation of initiatives in the communities where we operate.

Diligent cost and cash flow management.

For 2024, while macroeconomic and geopolitical developments remain uncertain, we look forward to the year with confidence, underpinned by recent demand momentum across the travel-related sectors, the positive outlook for global passenger trends

The business combination has positively impacted the financial profile of Avolta. We are now more resilient than ever.

and our reinforced resilient and defensive credentials. With our global exposure, we are naturally well hedged with respect to FX fluctuations from an operational perspective, however it is important to consider translational effects from currency developments when comparing turnover with previous years.

I would like to thank our customers, shareholders, bondholders, banks, analysts, rating agencies, business partners and key advisors for their continued trust in Avolta and their ongoing support to initiate and execute the right measures helping us to emerge stronger and be in the best position to take advantage of the opportunities we see on our way ahead.

Kind regards,

Yves Gerster

Core and IFRS profit or loss

In millions of CHF	CORE 2023	In %	CORE 2022	In %	IFRS 2023	IFRS 2022
Turnover	**12,534.6**	**100.0%**	**6,878.4**	**100.0%**	**12,789.5**	**6,878.4**
Cost of sales	(4,477.0)	(35.7%)	(2,684.6)	(39.0%)	(4,716.0)	(2,684.6)
Gross profit	**8,057.6**	**64.3%**	**4,193.8**	**61.0%**	**8,073.5**	**4,193.8**
Concession expenses (CORE)/Leases expenses (IFRS)	(3,178.7)	(25.4%)	(2,029.9)	(29.5%)	(1,875.5)	(1,081.9)
Personnel expenses	(2,539.3)	(20.3%)	(997.9)	(14.5%)	(2,539.3)	(997.9)
Other expenses (CORE)/(IFRS)	(1,417.7)	(11.3%)	(620.7)	(9.0%)	(1,375.7)	(578.7)
Other income (CORE)/(IFRS)	207.7	1.7%	60.9	0.9%	191.9	61.8
CORE EBITDA/Operating profit bef D&A	**1,129.6**	**9.0%**	**606.2**	**8.8%**	**2,474.9**	**1,597.1**
Depreciation & impairment of PP&E	(277.5)	(2.2%)	(113.9)	(1.7%)	(277.4)	(113.9)
Amortization & impairment of intangibles (CORE)/(IFRS)	(34.5)	(0.3%)	(21.7)	(0.3%)	(242.8)	(195.6)
Depreciation & impairment right-of-use assets (IFRS)	–	–	–	–	(1,089.6)	(785.2)
CORE EBIT/Operating profit (IFRS)	**817.6**	**6.5%**	**470.7**	**6.8%**	**865.1**	**502.4**
Financial result (CORE)/(IFRS)	(201.3)	(1.6%)	(175.6)	(2.6%)	(567.1)	(305.6)
CORE Profit before taxes/Profit before taxes (IFRS)	**616.3**	**4.9%**	**295.1**	**4.3%**	**298.0**	**196.8**
Income tax (CORE)/(IFRS)	(159.5)	(25.9%)	(105.5)	(35.8%)	(81.6)	(76.2)
CORE Net profit/Net profit (IFRS)	**456.8**	**3.6%**	**189.6**	**2.8%**	**216.4**	**120.6**

Equity free cash flow

In millions of CHF	2023	2022
CORE EBITDA	**1,129.6**	**606.2**
Other non-cash items and changes in lease obligation	80.7	79.6
Changes in net working capital	(44.0)	(4.6)
Capital expenditures	(432.7)	(110.1)
Cash flow related to minorities[1]	(102.6)	(65.0)
Dividends from associates	1.9	2.7
Income taxes paid	(129.2)	(76.1)
Cash flow before financing	**503.7**	**432.7**
Interest, net	(160.3)	(134.1)
Other financing items	(20.4)	6.6
Equity free cash flow	**323.0**	**305.2**
Acquisition & financing activities, net[2]	(268.4)	(20.3)
Transaction costs	(34.5)	–
Foreign exchange adjustments and other	94.5	(16.1)
Decrease/(Increase) in financial net debt	**114.6**	**268.8**
– at the beginning of the period	2,810.7	3,079.5
– at the end of the period	2,696.1	2,810.7

[1] Includes CHF (133.9) million dividends paid to non-controlling interests and CHF 31.4 million contribution from non-controlling interests.

[2] Acquisition & financing activities, net consist mainly of the acquisition of net debt from Autogrill, the cash portion of the MTO consideration and purchases of treasury shares.

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Consolidated statement of profit or loss

for the year ended December 31, 2023

In millions of CHF	Note	2023	2022
Net sales	7	12,583.7	6,721.2
Advertising income		205.8	157.2
Turnover		**12,789.5**	**6,878.4**
Cost of sales		(4,716.0)	(2,684.6)
Gross profit		**8,073.5**	**4,193.8**
Lease expenses	8	(1,875.5)	(1,081.9)
Personnel expenses	9	(2,539.3)	(997.9)
Depreciation and amortization	10	(1,639.4)	(1,111.5)
Impairment	10	(21.7)	(49.3)
Reversal of impairment	10	51.3	66.2
Other expenses	11	(1,375.7)	(578.7)
Other income	12	191.9	61.7
Operating profit		**865.1**	**502.4**
Finance expenses	13.1	(626.5)	(350.9)
Finance income	13.2	109.5	68.5
Foreign exchange (loss)/gain		(50.1)	(23.2)
Profit before tax		**298.0**	**196.8**
Income tax expenses	14	(81.6)	(76.2)
Net profit		**216.4**	**120.6**

Attributable to

Non-controlling interests		129.1	62.4
Equity holders of the parent		87.3	58.2

Earnings per share attributable to equity holders of the parent

Basic earnings per share in CHF	26.2	0.64	0.63
Diluted earnings per share in CHF	26.2	0.63	0.62

Consolidated statement of other comprehensive income

for the year ended December 31, 2023

In millions of CHF	Note	2023	2022
Net profit		**216.4**	**120.6**
Other comprehensive income			
Remeasurement of post-employment benefit plans	15	11.2	(37.6)
Income tax	14, 15	(0.1)	4.1
Items not being reclassified to net income in subsequent periods, net of tax		**11.1**	**(33.5)**
Exchange differences on translating foreign operations	15	(261.5)	(91.6)
Net gain/(loss) on hedge of net investment in foreign operations	28.1	14.3	(3.6)
Share of other comprehensive income of associates	15, 20	–	0.5
Income tax on above positions	14, 15	–	–
Items to be reclassified to net income in subsequent periods, net of tax		**(247.2)**	**(94.7)**
Total other comprehensive income, net of tax		**(236.1)**	**(128.2)**
Total comprehensive income, net of tax		**(19.7)**	**(7.6)**
Attributable to			
Non-controlling interests		109.4	60.4
Equity holders of the parent		(129.1)	(68.0)

Consolidated statement of financial position

at December 31, 2023

In millions of CHF	Note	31.12.2023	31.12.2022
Assets			
Property, plant and equipment	16	1,131.4	314.3
Right-of-use assets	17	7,237.0	2,567.8
Intangible assets	18	2,144.3	1,477.8
Goodwill	18	2,978.6	2,272.2
Investments in associates		33.7	24.4
Deferred tax assets	31	164.7	145.4
Net defined benefit assets	33	36.0	17.0
Other non-current assets	21	312.1	155.8
Non-current assets		**14,037.8**	**6,974.7**
Inventories	22	1,062.0	928.4
Trade and credit card receivables	23	41.3	62.3
Current investments		54.9	–
Other accounts receivable	24	576.2	467.6
Income tax receivables		28.1	21.9
Cash and cash equivalents	29.1	714.6	854.7
Current assets		**2,477.1**	**2,334.9**
Total assets		**16,514.9**	**9,309.6**
Liabilities and shareholders' equity			
Equity attributable to equity holders of the parent		2,360.8	893.0
Non-controlling interests		134.5	73.1
Total equity		**2,495.3**	**966.1**
Borrowings	28	2,520.6	3,452.3
Lease obligations	29	6,750.8	2,010.2
Deferred tax liabilities	31	410.4	221.4
Provisions	32	74.1	44.0
Net defined benefit obligation	33	43.5	12.3
Other non-current liabilities	30	80.4	29.3
Non-current liabilities		**9,879.8**	**5,769.5**
Trade payables		873.7	486.4
Borrowings	28	819.4	122.7
Lease obligations	29	1,102.6	992.4
Income tax payables		45.3	42.1
Provisions	32	105.7	89.3
Other liabilities	30	1,193.1	841.1
Current liabilities		**4,139.8**	**2,574.0**
Total liabilities		**14,019.6**	**8,343.5**
Total liabilities and shareholders' equity		**16,514.9**	**9,309.6**

Consolidated statement of changes in equity

for the year ended December 31, 2023

		Attributable to equity holders of the parent									
In millions of CHF	Note	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2023		**454.0**	**4,542.2**	**(22.9)**	**60.3**	**1.7**	**(543.4)**	**(3,598.9)**	**893.0**	**73.1**	**966.1**
Net earnings		–	–	–	–	–	–	87.3	87.3	129.1	216.4
Other comprehensive income/(loss)	15	–	–	–	–	11.1	(227.5)	–	(216.4)	(19.7)	(236.1)
Total comprehensive income/(loss) for the period		**–**	**–**	**–**	**–**	**11.1**	**(227.5)**	**87.3**	**(129.1)**	**109.4**	**(19.7)**
Transactions with or distributions to shareholders											
Conversion of mandatory convertible notes to equity	25.2	10.5	49.8	–	(60.3)	–	–	–	–	–	–
Purchase of treasury shares	26.1	–	–	(33.4)	–	–	–	–	(33.4)	–	(33.4)
Share capital increase	25.1	298.6	2,240.8	–	–	–	–	–	2,539.4	–	2,539.4
Dividends		–	–	–	–	–	–	–	–	(142.5)	(142.5)
Share-based payments	26.1	–	–	–	–	–	–	35.4	35.4	–	35.4
Total transactions with or distribution to owners		**309.1**	**2,290.6**	**(33.4)**	**(60.3)**	**–**	**–**	**35.4**	**2,541.4**	**(142.5)**	**2,398.9**
Changes in ownership interests in subsidiaries											
Acquired non-controlling interests of Autogrill	6	–	–	–	–	–	–	–	–	441.6	441.6
Changes in participation of non-controlling interests of Autogrill	6	–	–	–	–	–	–	(920.5)	(920.5)	(384.1)	(1,304.6)
Put-option held by non-controlling interests		–	–	–	–	–	–	(15.1)	(15.1)	(5.3)	(20.4)
Other changes (mainly ownership interest changes)		–	–	(34.1)	–	–	–	25.2	(8.9)	42.3	33.4
Changes in participation of non-controlling interests	**27**	**–**	**–**	**(34.1)**	**–**	**–**	**–**	**(910.4)**	**(944.5)**	**94.5**	**(850.0)**
Balance at December 31, 2023		**763.1**	**6,832.8**	**(90.4)**	**–**	**12.8**	**(770.9)**	**(4,386.6)**	**2,360.8**	**134.5**	**2,495.3**

Consolidated statement of changes in equity

for the year ended December 31, 2022

		Attributable to equity holders of the parent									
In millions of CHF	Note	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2022		**454.0**	**4,542.2**	**(1.3)**	**60.3**	**35.4**	**(450.9)**	**(3,683.1)**	**956.6**	**77.9**	**1,034.5**
Net earnings		–	–	–	–	–		58.2	58.2	62.4	120.6
Other comprehensive income/(loss)	15	–	–	–	–	(33.7)	(92.5)	–	(126.2)	(2.0)	(128.2)
Total comprehensive income/(loss) for the period		**–**	**–**	**–**	**–**	**(33.7)**	**(92.5)**	**58.2**	**(68.0)**	**60.4**	**(7.6)**
Transactions with or distributions to shareholders											
Dividends to non-controlling interests		–	–	–	–	–	–	–	–	(74.6)	(74.6)
Purchase of treasury shares	26.1	–	–	(21.6)	–	–	–	–	(21.6)	–	(21.6)
Share-based payments	26	–	–	–	–	–	–	16.4	16.4	–	16.4
Total transactions with or distribution to owners		**–**	**–**	**(21.6)**	**–**	**–**	**–**	**16.4**	**(5.2)**	**(74.6)**	**(79.8)**
Changes in ownership interests in subsidiaries											
Put-option held by non-controlling interests		–	–	–	–	–	–	13.4	13.4	5.1	18.5
Other changes in participation of non-controlling interests		–	–	–	–	–	–	(3.8)	(3.8)	4.3	0.5
Changes in participation of non-controlling interests	27	–	–	–	–	–	–	9.6	9.6	9.4	19.0
Balance at December 31, 2022		**454.0**	**4,542.2**	**(22.9)**	**60.3**	**1.7**	**(543.4)**	**(3,598.9)**	**893.0**	**73.1**	**966.1**

Consolidated statement of cash flows

for the year ended December 31, 2023

In millions of CHF	Note	2023	2022
Cash flows from operating activities			
Profit before tax		298.0	196.8
Adjustments for:			
Depreciation and amortization	10	1,639.4	1,111.5
Impairment	10	21.7	49.3
Reversal of impairment	10	(51.3)	(66.2)
Increase / (decrease) in allowances and provisions		23.8	64.7
Other non-cash items		33.1	8.7
Relief of lease obligations	8	–	(80.2)
Loss / (gain) on sale of non-current assets		(1.1)	(0.6)
Loss / (gain) on foreign exchange differences		50.1	23.2
Finance expenses	13.1	626.5	350.9
Finance income	13.2	(109.5)	(68.5)
Cash flow before working capital changes		2,530.7	1,589.6
Decrease / (increase) in trade and other accounts receivable		(49.1)	(28.7)
Decrease / (increase) in inventories		(141.2)	(288.2)
(Decrease) / increase in trade and other accounts payable		146.3	312.3
Dividends received from associates	20	1.9	2.7
Cash generated from operations		**2,488.6**	**1,587.7**
Income tax paid		(129.2)	(76.1)
Net cash flows from operating activities [1]		**2,359.4**	**1,511.6**
Cash flow used in investing activities			
Purchase of property, plant and equipment	16	(404.4)	(97.4)
Purchase of intangible assets	18	(36.6)	(15.9)
Purchase of financial assets		(154.7)	(0.1)
Proceeds from lease income		22.5	4.0
Loans receivable (granted) / repaid		(36.1)	4.1
Proceeds from sale of property, plant and equipment		8.3	3.2
Proceeds from sale of financial assets		79.5	2.6
Interest received [2]		61.9	30.8
Business combination, cash acquired	6	459.7	1.1
Contribution from sale of interest in subsidiaries, net of cash		(0.8)	0.2
Net cash flows used in investing activities		**(0.7)**	**(67.4)**

[1] Include variable lease payments of CHF 1,903.3 (2022: 1,109.5) million.

[2] Interest received are disclosed in cash flow from investing activities (consistent to prior year).

Consolidated statement of cash flows (continued)

for the year ended December 31, 2023

In millions of CHF	Note	2023	2022
Cash flow from financing activities			
Transaction costs for financial instruments	29	(6.0)	(16.8)
Proceeds from / (repayment of) 3rd party loans	29	1.6	(1.8)
Proceeds from borrowings	29	231.2	–
Payment of derivatives interests	29	–	(14.2)
Repayment of borrowings	29	(864.5)	(152.2)
Purchase of non-controlling interests Autogrill	6	(44.1)	–
Dividends paid to non-controlling interests		(133.9)	(68.3)
Purchase of treasury shares	26	(33.4)	(21.6)
Contribution from non-controlling interests		31.4	3.3
Lease payments	29	(1,361.7)	(907.8)
Interest paid [3]		(222.4)	(164.9)
Net cash flow used in financing activities		**(2,401.8)**	**(1,344.3)**
Currency translation on cash	29	(97.0)	(38.7)
Increase / (Decrease) in cash and cash equivalents		**(140.1)**	**61.2**
Cash and cash equivalents at the			
– beginning of the period	29.1	854.7	793.5
– end of the period	29.1	714.6	854.7

[3] Interest paid are disclosed in cash flow from financing activities (consistent to prior year).

Notes to the consolidated financial statements

for the year ended December 31, 2023

1. Corporate Information

Avolta AG (the "Company") is a publicly listed company with headquarters in Basel, Switzerland. The Company is the world's leading travel retail and food & beverage company. It operates in more than 5,100 outlets worldwide. The shares of the Company are listed on the SIX Swiss Exchange in Zürich.

The consolidated financial statements of Avolta AG and its subsidiaries (Avolta or the "Group") for the year ended December 31, 2023 and the respective comparative information were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated March 6, 2024, and are subject to the approval of the Annual General meeting to be held on May 15, 2024.

Following the combination with Autogrill in February 2023, the company was renamed from Dufry AG to Avolta AG to unify the combined business representing the company's broader scope and diversification. The shareholder resolved to change the company name of Dufry AG to Avolta AG and to amend article 1 of the Articles of Incorporation at the Extraordinary General Meeting of November 3, 2023.

2. Basis of Preparation

The consolidated financial statements of Avolta AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards").

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets, liabilities (including derivative instruments) and defined benefit plan assets, that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at amortized cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged. The consolidated financial statements are presented in millions of Swiss Francs ("CHF"). All values are rounded to the nearest one hundred thousand, except when indicated otherwise.

The consolidated financial statements have been prepared on a going concern basis.

2.1 Russia's invasion of Ukraine

On February 24, 2022, the Russian Federation initiated a military attack on Ukraine.

In Ukraine, the Avolta Group only has operations at the Airport in Odessa, which are suspended due to the conflict since March 2022.

The Russian travel market has a very low significance for Avolta Group, since Avolta's operations in Russia, operated through a local joint venture, only represents 0.8 % of the 2023 Group's net sales (2022: 1.7 %).

However, any further deterioration of the economic situation in Russia or escalation in the hostilities between Russia and Ukraine as well as any restrictions of Russian passengers to national or international travel may adversely affect Avolta's business, including its operations in countries that have traditionally been popular with Russian tourists.

The Group cannot predict the outcome of the conflict but is monitoring the situation very closely.

3. Accounting Policies

3.1 Basis of Consolidation

The consolidated financial statements of Avolta comprise all entities directly or indirectly controlled by Avolta (its subsidiaries) as at December 31, 2023 and December 31, 2022 respectively for the comparative information.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which Avolta obtains control, and continue to be consolidated until the date when such control is lost. The Group controls an entity when Avolta is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intra group balances, transactions, unrealized gains or losses or dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If Avolta loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- derecognizes the carrying amount of any non-controlling interest as well as derecognizes the cumulative translation differences recorded in equity,
- recognizes the fair value of the consideration received, recognizes the fair value of any investment retained as well as recognizes any surplus or deficit in the statement of profit or loss,
- recognizes any receivable from / payable to this former subsidiary.

3.2 Changes in scope of consolidation

On February 3, 2023, Avolta, global leader in travel retail, successfully closed the business combination with Autogrill S.p.A Group (Autogrill), a global leader in travel food & beverage. For further information refer to note 6.

3.3 Summary of significant accounting policies

a) Business combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, Avolta selects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related transaction costs are expensed and presented in other expenses. When Avolta acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Thereafter any change in the fair value of the contingent consideration not classified as equity will be recognized through the statement of profit or loss.

Avolta measures goodwill at the acquisition date as:

- the fair value of the consideration transferred;
- plus the recognized amount of any non-controlling interests in the acquiree;
- plus, if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree;
- less the net recognized amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in the statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Avolta's group of cash-generating units that are expected to benefit from the combination.

Where goodwill forms part of a cash-generating unit and an operation within is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained, unless there are specific allocations identifiable.

b) Foreign currency translation
Each subsidiary in Avolta uses its corresponding functional currency. Items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are recorded at the date of the transaction in the functional currency using the exchange rate of such date.

Monetary assets and liabilities denominated in foreign currencies are remeasured using the functional currency exchange rate at the reporting date and the difference is recorded as unrealized foreign exchange gains / losses. Exchange differences arising on the settlement or on the translation of derivative financial instruments are recognized through the statement of profit or loss (within finance costs), except where the hedges on net investments allow the recognition through other comprehensive income, until the respective investments are disposed of. Deferred tax related to unrealized exchange differences is accounted for accordingly. Non-monetary items are measured at historical cost in the respective functional currency.

At the reporting date, the assets and liabilities of all subsidiaries reporting in foreign currency are translated into the presentation currency of Avolta (CHF), using the exchange rate at the reporting date. The statements of profit or loss of the subsidiaries are translated using the average exchange rates of the respective month in which the transactions occurred. The net translation differences are recognized in other comprehensive income. On disposal of a foreign entity or when control is lost, the deferred cumulative translation difference recognized within equity relating to that particular operation is recognized in the statement of profit or loss as gain or loss on sale of subsidiaries.

Goodwill, intangible assets and fair value adjustments identified during a business combination (purchase price allocation) are treated as assets and liabilities in the functional currency of such operation.

Principal foreign exchange rates applied for valuation and translation:

	Average rate		Closing rate	
In CHF	2023	2022	31.12.2023	31.12.2022
1 USD	0.8983	0.9546	0.8415	0.9244
1 EUR	0.9715	1.0049	0.9288	0.9896
1 GBP	1.1171	1.1793	1.0714	1.1186

c) Net sales
Turnover is comprised of net sales and advertising income and is recognized from contracts with customers. The Group recognizes revenue from retail sales and the related cost of goods sold at the point in time when it sells and hands over directly at the stores to the traveler. These transactions have to be settled by cash or credit card on delivery. Net sales are measured at fair value of the consideration received for the goods sold, deducting discounts and excluding sales taxes.

When the Group is acting as an agent and not as a principal in a sales transaction, the revenue recognized is the net amount of the Group's premium or commission. The Group acts as an agent within the fuel business.

d) Advertising income
The Group's advertising income results from several distinctive marketing support activities, not affecting the retail price, performed by Avolta after having been developed and coordinated together with its suppliers. The income is recognized in the period the advertising is performed. The compensation will be received on contractual terms. Usually, Avolta is not entitled to offset the income with trade payables related with the same supplier. An allowance on these advertising receivables is recognized to reflect the risks and uncertainties in relation with the final achievements of incentives based on thresholds, to be confirmed after the end of the respective program.

e) Grants
Grants, including non-monetary grants measured at fair value, are recognized if there is reasonable certainty that the Group will meet the conditions set out in contracts (in the case of private grants, e.g. awarded against services rendered) or government regulations (in the case of public grants awarded in the different countries where the Group operates) and that the grants will be received.

Capital grants are recorded in the statement of financial position as deferred revenue, which is recognized as income on a systematic, rational basis over the useful life of the tangible or intangible asset.

Operating grants are recognized on a systematic basis in the income statement in the years in which the Group recognizes as costs the expenses that the grants are intended to offset.

Such operating grants are recognized in the income statement under "Other operating income" or, alternatively, deducted from the related cost, if directly attributable.

f) Cost of sales
Cost of sales are recognized when the Company sells the products and comprises the purchase price and the cost incurred until the products arrive at the warehouse, i.e. import duties, transport, purchase discounts (price-offs) as well as inventory valuation adjustments and inventory losses.

g) Lease expenses
On May 28, 2020 the IASB issued an amendment to IFRS 16 providing lessees with an exemption from assessing whether a COVID-19 related relief of lease obligations is a lease modification, requiring lessees that apply the exemption to account for COVID-19 related rent concessions as if they were not lease modifications. Avolta adopted this amendment applying it for the full year 2020. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and
- there is no substantive change to other terms and conditions of the lease.

On March 31, 2021, the IASB published a further amendment to extend the date of the practical expedient from June 30, 2021 to June 30, 2022.

Avolta adopted the temporary amendment to IFRS 16 for the first half-year 2022. Under defined circumstances, the amendment allows to consider that renegotiations related to COVID-19 are not modifications, and can be recognized directly as a reduction of lease expense.

The exemption applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and subject to the above conditions and was applied in all possible cases. Avolta did not recognize in 2023 any net relief of lease obligations (2022: 80.2 million) presented as lease (expense) / income (see note 8).

h) Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Avolta are recognized at the proceeds received, net of direct issue costs. Repurchase of Avolta's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of Avolta's own equity instruments.

i) Share capital
Ordinary shares are classified as equity. Costs directly attributable to the issuance of shares or options are shown in the statement of changes in equity as transaction costs for equity instruments, net of tax.

For Avolta shares purchased by Avolta AG or any subsidiary, the consideration paid, including any directly attributable expenses, net of taxes, is deducted from equity until the shares are cancelled, assigned or sold. Where such ordinary shares are subsequently sold, any consideration received, net of any direct transaction expenses and income tax, is included in equity.

j) Pension and other post-employment benefit obligation
The employees of the subsidiaries are eligible for retirement, invalidity and death benefits under local social security schemes prevailing in the countries concerned and defined benefit or defined contribution plans provided through separate funds, insurance plans, or unfunded arrangements. The pension plans are either funded through regular contributions made by the employer or the employee or unfunded. The cost of providing benefits under defined benefit plans is determined using the projected unit credit method. The plan assets are valued at fair value.

Remeasurements, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognized in the statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that Avolta recognizes restructuring related costs.

Net interest is calculated by applying the discount rate to the net defined benefit obligation (asset). Avolta recognizes the following changes in the net defined benefit obligation in the statement of profit or loss:

- Service costs comprising current service costs are disclosed under “personnel expenses”. Past service costs, gains and losses on curtailments and non-routine settlements are shown under “other expenses”
- Net interest expense or income under “finance expenses” or “finance income”.

k) Share-based payments
Equity settled share-based payments to employees and other third parties providing services are measured at the fair value of the equity instruments at grant date. The fair value determined at grant date of the equity-settled share-based payments is expensed on a pro rata basis over the vesting period, based on the estimated number of equity instruments that will eventually vest. At the end of each reporting period, Avolta revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of profit or loss such that the cumulative expense reflects the revised estimate.

Where the terms of an equity settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the holder of the option as measured at the date of modification.

l) Taxation
Income tax expense represents the sum of the current income tax and deferred tax. Where the functional currency is not the local currency, the position includes the effects of foreign exchange translation on deferred tax assets or deferred tax liabilities.

Income tax positions not relating to items recognized in the statement of profit or loss, are recognized in correlation to the underlying transaction, either in other comprehensive income or equity.

Current income tax
Income tax receivables or payables are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date in the countries where Avolta operates and generates taxable income.

Income tax relating to items recognized in other comprehensive income is recognized in the same statement.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax basis of assets or liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax credits or tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered in the foreseeable future, taking into account the remaining duration of the underlying concession agreements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date applicable for each respective company.

m) Property, plant and equipment
These are stated at cost less accumulated depreciation and any impairment in fair value. Depreciation is computed on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. The useful lives applied are as follows:

- Real estate (buildings) : 20 to 40 years
- Leasehold improvements : the shorter of the lease term or 10 years
- Furniture and fixtures : the shorter of the lease term or 5 years
- Motor vehicles : the shorter of the lease term or 5 years
- Computer hardware : the shorter of the lease term or 5 years

n) Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i. e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease obligations. The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments

made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment. The contractual term of the Group's assets is up to 40 years.

To contain a lease, an agreement has to convey the right to control the use of an identified asset throughout the period of use in exchange for consideration, so that the lessee has the right to obtain substantially all of the economic benefits from the use of the identified asset and direct the use of the identified asset (i. e. direct how and for what purpose the asset is used). The lease term corresponds to the non-cancellable period of each contract and where the Group is reasonably certain of exercising renewal options contractually foreseen. Right-of-use assets are capitalized at a value equivalent to the lease obligation at inception and depreciated over the useful life of the asset, except for leases with a lease term (or remaining upon adoption) of less than 12 months or leases of low value assets.

Initial direct costs for contracts signed in the past were not recognized as part of the right-of-use asset at the date of initial adoption.

Short-term leases with a duration of less than 12 months and low value leases, as well as those lease elements, not complying with the principles of recognition defined by IFRS 16 are recognized in Profit or Loss when incurred.

Types of right-of-use assets:

(i) Shops
Avolta enters into lease agreements with operators of airports, seaports, railway stations etc. to operate retail shops which in substance are considered leases. These lease agreements contain complex features, which include variable payment based on sales, which cannot be lower than a minimal threshold (MAG). The MAG can be fixed or variable depending on certain parameters. The MAG amounts may: a) be fixed by the lease agreement or b) be calculated based on a percentage of fees paid in the previous year, or c) adjusted based on an index. In these cases, the unavoidable portions of the fees are considered as in substance fixed payments, despite having a variable component. Management signs and renews on average more than 50 agreements every year with a typical duration of 5 to 10 years.

These agreements do not contain a residual value guarantee. In some cases, the current parts of the lease obligations are secured with bank guarantees in case the Group would not fulfill its contractual commitments. Avolta has capitalized all elements of the lease contracts in accordance with IFRS 16 when at the commencement of the agreement such commitments are in substance fixed. Payment obligations that do not have a fixed or in substance fixed commitment, will continue to be presented as variable lease expense. Avolta has identified a number of agreements in its portfolio which are not fulfilling the principles of recognition defined by IFRS 16, i. e. they have minimal guaranteed payments based on non-predictable parameters or variables, such as actual number of passengers, which will continue to be presented as variable lease expense.

(ii) Other buildings
Lease agreements for offices or warehouse buildings usually qualify for capitalization under IFRS 16.

(iii) Vehicles and other
Avolta has also entered into many other lease agreements, for example vehicles, hard or software, and other assets, which in accordance with IFRS 16, qualify for capitalization of leases.

o) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below CHF 10.000, division North America below USD 25.000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

p) Intangible assets
These assets mainly comprise of concession rights and brands. Usually, these assets are capitalized at cost, but when identified as part of a business combination, they are capitalized at fair value as at the date of acquisition. The useful lives of these intangible assets are assessed to be either finite or indefinite. Following initial recognition, the cost model is applied. Intangible assets with finite lives are amortized over the useful economic life. Intangible assets with an indefinite useful life are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, any changes are made on a prospective basis. The brand assets are not amortized, have indefinite useful life, as they can be renewed without significant costs, are supported by ongoing marketing and selling activities and there is no foreseeable limit to the cashflows they generate. Concession rights have a useful life based on the lease term, which can be up to 40 years.

q) Software
Software is valued at amortized historical cost, or in case of internal developments by the sum of costs incurred less amortization.

r) Impairment of non-financial assets
Goodwill and intangible assets with indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal or its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units).

s) Associates
Associates are all entities over which Avolta has significant influence but not control, generally accompanying a shareholding interest of more than 20% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost. The carrying amount is increased or decreased to recognize changes in the Group's share of net assets of the associate after the date of acquisition and decreased by dividends declared. Avolta's investments in associates may include goodwill identified on acquisition.

Avolta's share of post-acquisition net profit/(loss) is recognized in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in the statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment. When Avolta's share of losses in an associate equals or exceeds its interest in the associate, Avolta does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to net profit / (loss) where appropriate.

Avolta determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, Avolta calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and recognizes the amount within the finance expenses in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between Avolta and its associates are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by Avolta.

Dilution gains and losses arising in investments in associates are recognized in the statement of profit or loss.

t) Inventories
Inventories are valued at the lower of historical cost or net realizable value.

The historical costs are determined according to the weighted average cost method, except the Food & Beverage inventories which are calculated using the FIFO method or with criteria that approximate FIFO. Historical cost includes all expenses incurred in bringing the inventories to their present location and condition. Beside the purchase price of the goods less the discounts or rebates obtained, the historical cost includes import duties and transport cost. Avolta purchases most of the inventory centrally and provides the subsidiaries the goods in their reporting currency, i. e. free of currency risk for them.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Inventory allowances are set up for slow-moving and obsolete stock. Expired items are fully written off.

u) Trade and credit card receivables
These accounts include receivables related to the sale of merchandise. Trade receivables that do not have a significant financing component are initially measured at transaction price and subsequently at amortized cost.

v) Cash and cash equivalents
Cash and cash equivalents consist of cash on hand or current bank accounts as well as current deposits at banks with initial maturity below 91 days. Credit card receivables with a maturity of up to 4 working days are included as cash in transit.

w) Lease obligations
At the commencement date of the lease, the Group recognizes lease obligations measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and

amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. Amounts resulting from a remeasurement of the lease obligation due to an index or a rate are recognized against right-of-use assets.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease obligations is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease obligations is remeasured if there is a modification, a change in the lease term, a change in the in substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Avolta uses a discount rate which is the aggregation of the risk free rate for the respective currency and lease duration, increased by individual company risk factors.

The lease obligation represents the net present value of fixed or in substance fixed lease payments over the lease term. The implied interest charge is presented as interest expenses on lease obligation. Where a lease agreement does not specify a discount rate and as the subsidiaries are financed internally, Avolta uses a discount rate which is the aggregation of the risk free rate for the respective currency and lease duration, increased by individual company risk factors.

Usually, the Group's lease contract do not specify interest, so that the accrued interest are considered a part of the minimal in substance fix commitments, which are presented in the cash flow from financing. In case the lease payments are higher due to variable fee clauses, these amounts are presented as cash outflow from operations.

x) Lease receivable
In its role as sub-lessor, the Group recognizes lease receivables as of the commencement date of the lease.

The sub-leases are determined with reference to the right-of-use asset deriving from the principal lease contract, rather than the underlying asset. For this reason, considering the recognition of a right-of-use asset under IFRS 16 and the fact that the sub-leases typically have a duration equal to the principal lease, the Group reduces its right-of-use assets and recognizes a lease receivable as a counter-entry, split between current and non-current assets.

The lease receivable corresponds to the present value of the minimum lease payments to be received as of the commencement date, including those determined on the basis of an index or rate (initially valued using the index or rate at the commencement date of the contract), as well as any penalties in the event that the lease term provides for the option for the early termination of the lease contract and the exercise of that option is estimated to be reasonably certain. The present value is determined using the implicit interest rate of the lease contract. If it is not possible to determine this rate easily, the Group uses the incremental borrowing rate as discount rate. The lease receivable is subsequently increased by the interest accrued and decreased by the receipts received for the lease.

Lease receivables are remeasured in the event of changes in the future minimum receipts expected for the lease, as result of:

- changes in the index or rate used to determine the lease receipts: in such cases the lease receivables are remeasured by discounting the new minimum lease receipts at the initial discount rate;
- change in the lease term or in the likelihood of exercise of the purchase, extension, or early termination option: in such cases the lease receivable is remeasured by discounting the new minimum lease receipts at the discount rate in place at the date of the change;
- contractual changes that do not fall under any of the reasons for the separate recognition of a new lease: in these cases as well, the lease receivable is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change.

The use of estimates in relation to the measurement of lease receivables is mentioned in the previous section on Right-of-use assets.

y) Provisions

Provisions are recognized when Avolta has a present obligation (legal or constructive) as a result of a past event, it is probable that Avolta will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate at the end of the reporting period of the consideration required to settle the present obligation, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination that represent a present obligation and its fair value can be measured reliably are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 Provisions, contingent liabilities and contingent assets and the amount initially recognized less cumulative income recognized in accordance with IFRS 15 Revenue from contracts with customers.

Onerous contracts

Present obligations arising under onerous contracts are measured and recognized as provisions. An onerous contract is considered to exist if Avolta has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructurings

A restructuring provision is recognized when Avolta has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity. Amounts of restructuring are shown in other provisions.

Lawsuits and duties
A lawsuits and duties provision is recognized to cover uncertainties dependent on the outcome of ongoing lawsuits in relation with taxes or contractual commitments, other than income taxes and duties.

z) Investments and other financial assets
(i) Classification
The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For respective criteria refer to section (iii) Measurement. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition
Regular purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as part of the financial result.

FVOCI: Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented in the other operational result.

FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented as net in the period in which it arises.

Equity instruments
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in the finance income or finance expenses in the statement of profit or loss as applicable.

(iv) Impairment of financial assets
The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. For trade receivables, receivables for refund from suppliers and related services the Group applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables.

aa) Trade and other account receivables
Trade and other account receivables (including credit cards receivables and other account receivables), that do not have a significant financing component are initially measured at transaction price and subsequently at amortized cost using the effective interest rate.

ab) Financial liabilities
(i) Financial liabilities at FVPL
These are stated at fair value, with any gains or losses arising on remeasurement recognized in the statement of profit or loss. The net gain or loss recognized in the consolidated statement of profit or loss incorporates any interest paid on the financial liability and is included in the finance income or finance expenses in the statement of profit or loss. Fair value is determined in the manner described in note 34.

(ii) Other financial liabilities
Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

(iii) Derecognition of financial liabilities
Avolta derecognizes financial liabilities only when the obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in the statement of profit or loss.

(iv) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously (see note 29.1).

ac) Compound financial instruments

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital and share premium. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible loan notes using the effective interest method.

ad) Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

– hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges),
– hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
– hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 34.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within OCI. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains / (losses).

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognized in the cash flow hedge reserve within OCI. The changes in the time value of the options that relate to the hedged item ("aligned time value") are recognized within OCI. When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ("aligned forward element") is recognized within OCI. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve.

Amounts accumulated in other comprehensive income (OCI) are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognized in profit or loss as the hedged item affects profit or loss (for example through cost of sales).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognized in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit or loss within other finance income or finance expenses. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold. See notes 28.1 and 28.2 for further details.

Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the statement of profit or loss and are included in other finance income or finance expenses.

Further details of derivative financial instruments are disclosed in note 34.

3.4 New standards, interpretations and amendments adopted

The accounting policies adopted are consistent with those of the previous financial year, except for the following new or revised Standards and Interpretations adopted in these consolidated financial statements (effective January 1, 2023).

New and amended standards adopted by the Group
- IAS 1: Disclosure of accounting policies
- IAS 8: Definition of accounting estimates
- IAS 12: Deferred tax related to assets and liabilities arising from a single transaction

The amendments apply for the first time in 2023, but do not have a material impact on the consolidated financial statements of the Group.

The Group has not early adopted any of the amendments that have been issued but not yet effective :

- Amendment to IFRS 16 – Leases on sale and leaseback
- Amendment to IAS 1 – Non-current liabilities with covenants
- Amendment to IAS 7 and IFRS 7 – Supplier finance
- Amendments to IAS 21 – Lack of Exchangeability

The new standards and interpretations issued not yet effective do not have a material impact from a qualitative and quantitative perspective.

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting the above mentioned new or amended standards.

Amendments to IAS 12 Income Taxes
The International Accounting Standards Board (IASB) has published ‘International Tax Reform – Pillar Two Model Rules’ (Amendments to IAS 12) in May 2023. Avolta has applied the temporary exception from the accounting requirements for deferred taxes in IAS 12 immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

OECD Pillar Two model rules
The Group is within the scope of the OECD Pillar Two model rules. Switzerland and other jurisdictions in which the Group operates have (substantively) enacted Pillar Two legislation. The legislations in those jurisdictions will be effective for the Group's financial year beginning January 1, 2024. Since the Pillar Two legislations were not effective at the reporting date, there is no current income tax exposure for the year ended December 31, 2023.

The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. As per a preliminary transitional safe harbour calculation based on 2023 figures, there are a limited number of jurisdictions where the transitional safe harbour rule may not apply.

4. Critical accounting judgments and key sources of estimation uncertainty

The preparation of Avolta's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

Key sources of estimation uncertainty
The key assumptions concerning the future and other key sources of estimation include uncertainties at the reporting date, which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial periods, are discussed below.

Impairment tests
Avolta annually tests goodwill and intangible assets with indefinite useful lives and assesses other non-financial assets for impairment indications. Where required, the company performs impairment tests which are based on the discounted value models of future cash flows. The underlying calculation requires the use of estimates. The estimates and assumptions used are disclosed in note 19.

5. Segment information

Avolta's risks and returns are predominantly affected by the fact that Avolta operates in different locations and geographies. Therefore, Avolta presents the segment information as it does internally to the Global Executive Committee, which represents the Chief Operating Decision Maker (CODM), using geographical segments and the Global Distribution Centers as an additional segment.

As part of the integration of the Autogrill Group, the Group implemented a new organization which became effective on February 7, 2023. The previous segment The Americas was split into Latin America (LATAM) and North America. Furthermore, certain countries have been reallocated from Europe, Middle East and Africa (EMEA) to Asia Pacific (APAC). In addition, the Group allocates advertising income to the operating segments. The comparative figures have been presented accordingly to reflect these changes.

The Group is presenting the CORE EBITDA (Non-GAAP) KPI which is used by the Global Executive Committee to monitor the Group's performance. This indicator provides the most relevant view on Avolta's business and represents an operational KPI excluding the accounting impact resulting from IFRS 16 related profit or loss line items (i.e. depreciation of right-of-use assets and lease interest) and adding the relevant concession fee owed based on the corresponding concession agreement. Please refer to Avolta's alternative performance measures section for details.

Information reported to the Global Executive Committee for the purposes of resource allocation and assessment of segment performance is focused on the geographical segments. The Group's reportable segments are therefore as follows:

2023 In millions of CHF	Turnover With external customer	 With other divisions	 Total	Core EBITDA (unaudited)	Employees (FTE)
Europe, Middle East and Africa (EMEA)[1,2]	6,520.2	–	6,520.2	696.5	26,107
North America[1]	3,971.4	–	3,971.4	519.3	29,851
Latin America (LATAM)	1,653.7	–	1,653.7	238.6	5,991
Asia Pacific (APAC)	557.8	–	557.8	41.6	5,804
Global Distribution Centers[3]	86.4	1,529.7	1,616.1	(366.5)	706
Total divisions	**12,789.5**	**1,529.7**	**14,319.2**	**1,129.5**	**68,459**
Eliminations	–	(1,529.7)	(1,529.7)	–	–
Total	**12,789.5**	**–**	**12,789.5**	**1,129.5**	**68,459**

2022 In millions of CHF	Turnover With external customer	 With other divisions	 Total	Core EBITDA (unaudited)	Employees (FTE)
Europe, Middle East and Africa (EMEA)[1,2]	3,541.3	–	3,541.3	444.1	10,353
North America[1]	1,638.3	–	1,638.3	280.6	8,969
Latin America (LATAM)	1,279.9	–	1,279.9	176.3	3,077
Asia Pacific (APAC)	210.7	–	210.7	(0.5)	810
Global Distribution Centers[3]	208.2	1,303.5	1,511.7	(294.3)	583
Total divisions	**6,878.4**	**1,303.5**	**8,181.9**	**606.2**	**23,792**
Eliminations	–	(1,303.5)	(1,303.5)	–	–
Total	**6,878.4**	**–**	**6,878.4**	**606.2**	**23,792**

1 The Group generated 28.3 % (2022: 21.4 %) of its turnover in the US, 10.8 % (2022: 14.7 %), in the United Kingdom and 11.0 % (2022: 2.2 %) in Italy.

2 Avolta generated 3.1 % (2022: 4.0 %) of its turnover with external customers in Switzerland (domicile).

3 Global Distribution Center and corporate entities have global functions that cannot be allocated to the other segments.

Transactions between operating segments considered on arm's length terms.

Profit or loss reconciliation IFRS / CORE

Please refer to pages 273 – 274 in Avolta's alternative performance measures chapter for more details on the reconciliation between the IFRS and CORE profit or loss.

2023 In millions of CHF	IFRS	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	Fuel sales adjustments (unaudited)	CORE (unaudited)
Net sales (IFRS)/(CORE)	12,583.7	–	–	(254.9)	12,328.8
Advertising income	205.8	–	–	–	205.8
Turnover (IFRS)/(CORE)	**12,789.5**	**–**	**–**	**(254.9)**	**12,534.6**
Cost of sales (IFRS)/(CORE)	(4,716.0)	–	–	239.0	(4,477.0)
Gross profit (IFRS)/(CORE)	**8,073.5**	**–**	**–**	**(15.9)**	**8,057.6**
Leases expenses (IFRS)/Concession expenses (CORE)	(1,875.5)	–	(1,303.2)	–	(3,178.7)
Personnel expenses	(2,539.3)	–	–	–	(2,539.3)
Other expenses (IFRS)/(CORE)	(1,375.7)	18.8	(60.8)	–	(1,417.7)
Other income (IFRS)/(CORE)	191.9	–	(0.1)	15.9	207.7
Operating profit before D&A/CORE EBITDA	**2,474.9**	**18.8**	**(1,364.1)**	**–**	**1,129.6**
Depreciation & impairment of PP&E	(277.4)	–	(0.1)	–	(277.5)
Amortization & impairment of intangibles (IFRS)/(CORE)	(242.8)	208.3	–	–	(34.5)
Depreciation & impairment right-of-use assets (IFRS)	(1,089.6)	–	1,089.6	–	–
Operating profit/CORE EBIT	**865.1**	**227.1**	**(274.6)**	**–**	**817.6**
Financial result (IFRS)/(CORE)	(567.1)	15.7	350.1	–	(201.3)
Profit before taxes/CORE EBT	**298.0**	**242.8**	**75.5**	**–**	**616.3**
Income tax (IFRS)/(CORE)	(81.6)	(53.3)	(24.6)	–	(159.5)
Net profit/CORE Net profit	**216.4**	**189.5**	**50.9**	**–**	**456.8**

2022 In millions of CHF	IFRS	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	Fuel sales adjustments (unaudited)	CORE (unaudited)
Net sales (IFRS)/(CORE)	6,721.2	–	–	–	6,721.2
Advertising income	157.2	–	–	–	157.2
Turnover (IFRS)/(CORE)	**6,878.4**	**–**	**–**	**–**	**6,878.4**
Cost of sales (IFRS)/(CORE)	(2,684.6)	–	–	–	(2,684.6)
Gross profit (IFRS)/(CORE)	**4,193.8**	**–**	**–**	**–**	**4,193.8**
Leases expenses (IFRS)/Concession expenses (CORE)	(1,081.9)	–	(948.0)	–	(2,029.9)
Personnel expenses	(997.9)	–	–	–	(997.9)
Other expenses (IFRS)/(CORE)	(578.7)	–	(42.0)	–	(620.7)
Other income (IFRS)/(CORE)	61.8	–	(0.9)	–	60.9
Operating profit before D&A/CORE EBITDA	**1,597.1**	**–**	**(990.9)**	**–**	**606.2**
Depreciation & impairment of PP&E	(113.9)	–	–	–	(113.9)
Amortization & impairment of intangibles (IFRS)/(CORE)	(195.6)	173.9	–	–	(21.7)
Depreciation & impairment right-of-use assets (IFRS)	(785.2)	–	785.2	–	–
Operating profit/CORE EBIT	**502.4**	**173.9**	**(205.7)**	**–**	**470.7**
Financial result (IFRS)/(CORE)	(305.6)	–	130.0	–	(175.6)
Profit before taxes/CORE EBT	**196.8**	**173.9**	**(75.7)**	**–**	**295.1**
Income tax (IFRS)/(CORE)	(76.2)	(37.1)	7.8	–	(105.5)
Net profit/CORE Net profit	**120.6**	**136.8**	**(67.9)**	**–**	**189.6**

Financial position and other disclosures

At December 31, 2023 In millions of CHF	Total assets	Total liabilities	Income tax (expense) / income	Capital expenditure paid	Depreciation amortization and impairment
Europe, Middle East and Africa (EMEA)[1]	9,792.3	7,677.1	(39.9)	(186.9)	(937.5)
North America[2]	4,085.3	2,698.3	(16.0)	(186.5)	(508.3)
Latin America (LATAM)	1,620.8	1,572.6	(13.9)	(23.1)	(102.6)
Asia Pacific (APAC)	369.5	538.0	(4.0)	(28.0)	(46.3)
Global Distribution Centers[3]	1,246.1	3,431.5	(6.3)	(16.3)	(13.6)
Total divisions[4]	**17,114.0**	**15,917.5**	**(80.1)**	**(440.8)**	**(1,608.3)**
Unallocated positions[5]	79.1	3,006.4	(1.5)	(0.2)	(1.5)
Eliminations	(678.2)	(4,904.3)	–	–	–
Total	**16,514.9**	**14,019.6**	**(81.6)**	**(441.0)**	**(1,609.8)**

At December 31, 2022 In millions of CHF	Total assets	Total liabilities	Income tax (expense) / income	Capital expenditure paid	Depreciation amortization and impairment
Europe, Middle East and Africa (EMEA)[1]	4,831.1	3,013.2	(10.6)	(35.6)	(659.4)
North America[2]	2,054.8	1,701.9	(29.4)	(46.6)	(254.6)
Latin America (LATAM)	1,413.9	1,572.6	(35.2)	(12.8)	(120.6)
Asia Pacific (APAC)	240.7	437.0	(1.2)	(4.8)	(43.8)
Global Distribution Centers[3]	1,399.9	3,531.0	1.2	(13.2)	(15.0)
Total divisions[4]	**9,940.4**	**10,255.6**	**(75.2)**	**(113.0)**	**(1,093.4)**
Unallocated positions[5]	40.9	3,045.5	(1.0)	(0.3)	(1.3)
Eliminations	(671.7)	(4,957.6)	–	–	–
Total	**9,309.6**	**8,343.5**	**(76.2)**	**(113.3)**	**(1,094.7)**

1 Within the Group, 5.7 % (2022: 9.4 %) of the total non-current assets are located in Switzerland (domicile) and 29.9 % (2022: 7.5 %) in Spain.

2 Within the Group, 21.1 % (2022: 15.1 %) of the total non-current assets are located in the US.

3 Global Distribution Centers and corporate entities have global functions and cannot be allocated to the other segments.

4 Before inter-segment elimination.

5 Total liabilities contain 3rd-party financing.

Reconciliation of assets

In millions of CHF	31.12.2023	31.12.2022
Operating assets	**17,114.0**	**9,940.4**
Current assets of corporate and holding companies	51.0	26.4
Non-current assets of corporate and holding companies	28.1	14.6
Eliminations	(678.2)	(671.7)
Total assets	**16,514.9**	**9,309.6**

Reconciliation of liabilities

In millions of CHF	31.12.2023	31.12.2022
Operating liabilities	**15,917.5**	**10,255.6**
Borrowings of corporate and holding companies, current	743.3	0.2
Borrowings of corporate and holding companies, non-current	2,190.4	2,999.0
Other non-segment liabilities	72.8	46.3
Eliminations	(4,904.3)	(4,957.6)
Total liabilities	**14,019.6**	**8,343.5**

6. Acquisitions of businesses

6.1 Combination with Autogrill

On February 3, 2023, Dufry, global leader in Travel Retail, successfully closed the business combination with Autogrill, global leader in Travel Food & Beverage to become Avolta Group. Dufry acquired Autogrill via a two-step acquisition. In accordance with the Combination Agreement, in consideration for the transfer of the 50.3 % stake in Autogrill to Dufry, Edizione (through its wholly owned subsidiary Schema Beta S.p.A.) was issued mandatory convertible non-interest bearing notes convertible into an aggregate of 30,663,329 newly issued Dufry shares, at an implied exchange ratio of 0.158 new Dufry shares for each Autogrill share. Edizione exercised its conversion right following closing on February 3, 2023, of the transfer and was issued 30,663,329 Dufry shares.

Pursuant to Italian law, Dufry launched a mandatory takeover offer (MTO) for the remaining Autogrill shares in several steps starting from February 3, 2023, which resulted in the delisting of Autogrill on July 24, 2023. Please refer to note 6.2 for further details.

Since then, Dufry has successfully integrated Autogrill into its organization, which is expected to generate cost synergies, comprising both cost reductions and gross profit improvements. Furthermore, the combination of Dufry, global leader in Travel Retail, and Autogrill, global leader in Travel Food & Beverage (F&B), creates a unique, integrated Travel Experience Player, leveraging mutual skills to develop more compelling offers for Avolta's customers and build the next generation of travel experience. The synergies are reflected in the value of the goodwill besides other intangibles that are not recognized individually. The resulting goodwill is not amortized, is not tax deductible and is subject to annual impairment testing.

The fair value of the identifiable assets and liabilities assumed of Autogrill at the date of acquisition and the resulting goodwill are determined as follows:

IN MILLIONS OF CHF	Final fair value	
Property, plant and equipment	785.2	
Right-of-use assets [1]	1,317.1	
Concession rights	860.5	
Brands	113.0	
Other intangible assets	36.4	
Investments in associates	4.2	
Deferred tax assets	43.6	
Other non-current assets	107.9	
Inventories	124.3	
Trade and credit card receivables	9.3	
Cash and cash equivalents	459.7	
Other current assets	158.0	
Borrowings	(571.4)	
Lease obligations	(1,434.1)	
Post-employment benefit obligations	(30.8)	
Deferred tax liabilities	(269.4)	
Provisions	(80.8)	
Trade payables	(402.6)	
Other liabilities	(399.7)	
Fair value of non-controlling interests	(57.5)	
Identifiable net assets	**772.9**	
Dufry's share in the net assets (50.3 %)		388.8
Goodwill		890.2
Consideration in cash	–	
Consideration in shares	1,279.0	
Total consideration		**1,279.0**

[1] adjusted for subleases and unfavorable lease terms.

From the date when Dufry took control of the Autogrill operations on February 3, 2023, until December 31, 2023, Autogrill operations contributed CHF 4,538.8 million in turnover and a net profit of CHF 47.9 million to the Group. If the business combination had taken place at the beginning of 2023, Autogrill would have generated a turnover of CHF 4,890.5 million (unaudited) and a net profit of CHF 29.4 million (unaudited). Transaction costs in connection to the Autogrill business combination are reflected in other expenses and finance expenses. Please refer to note 11 and note 13 for further information.

6.2 Transaction with non-controlling interest in Autogrill

After the initial acquisition on February 3, 2023, Dufry launched a MTO for the outstanding Autogrill shares at the Milan Stock Exchange and acquired until July 24, 2023, in several steps all the remaining of Autogrill shares (49.7 %) for a total consideration of CHF 1,304.6 million, thereof paid in shares CHF 1,260.5 million and a total consideration paid in cash of CHF 44.1 million equivalent to EUR 6.33 per share. The difference between the total consideration for the additional shares and the proportional reduction of the carrying amount of the non-controlling interests is CHF 920.5 million. This amount is recognized in the retained earnings in the line changes in participation of non-controlling interests in the statement of changes in equity.

There were no significant transactions during 2022.

7. Net sales

Net sales by product categories:

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2023
Perfumes and Cosmetics	1,533.1	165.7	555.2	97.5	58.8	2,410.3
Food, Confectionery & Catering	2,007.8	3,005.7	172.7	183.0	3.4	5,372.7
Wine and Spirits	661.7	67.4	426.1	139.2	11.2	1,305.6
Luxury goods	278.2	176.9	255.2	57.3	0.1	767.7
Tobacco goods	1,185.9	35.5	90.6	68.9	0.7	1,381.6
Electronics	14.0	126.8	70.4	1.7	–	212.9
Literature and Publications	11.7	95.1	4.6	–	–	111.4
Fuel	254.9	–	–	–	–	254.9
Other	466.9	263.7	33.6	2.2	0.3	766.7
Total	**6,414.3**	**3,936.8**	**1,608.3**	**549.8**	**74.5**	**12,583.7**

In millions of CHF	EMEA*	North America*	LATAM*	APAC*	Global DC*	2022
Perfumes and Cosmetics	1,275.0	128.4	382.6	60.6	73.6	1,920.2
Food, Confectionery & Catering	483.7	814.0	126.6	13.8	3.2	1,441.3
Wine and Spirits	589.5	58.4	388.0	80.4	25.7	1,142.0
Luxury goods	248.9	123.2	173.3	26.1	0.6	572.1
Tobacco goods	782.9	29.6	74.5	9.2	0.3	896.5
Electronics	13.1	127.7	40.7	2.0	–	183.5
Literature and Publications	9.7	89.1	3.8	–	–	102.6
Other	117.4	246.5	83.5	15.5	0.1	463.0
Total	**3,520.2**	**1,616.9**	**1,273.0**	**207.6**	**103.5**	**6,721.2**

* The comparative figures have been presented according to the new segment structure. Please refer to note 5 for further details.

Net sales by market sector:

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2023
Duty-free	2,581.5	255.9	1,463.7	369.0	–	4,670.1
Duty-paid	1,944.1	1,683.0	144.6	36.2	74.5	3,882.4
Food & Beverage	1,888.7	1,997.9	–	144.6	–	4,031.2
Total	**6,414.3**	**3,936.8**	**1,608.3**	**549.8**	**74.5**	**12,583.7**

In millions of CHF	EMEA*	North America*	LATAM*	APAC*	Global DC*	2022
Duty-free	2,205.9	317.8	1,151.1	182.7	0.4	3,857.9
Duty-paid	1,314.3	1,299.1	121.9	24.9	103.1	2,863.3
Total	**3,520.2**	**1,616.9**	**1,273.0**	**207.6**	**103.5**	**6,721.2**

* The comparative figures have been presented according to the new segment structure. Please refer to note 5 for further details.

Net sales by channel:

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2023
Airports	4,639.7	3,805.0	1,432.8	387.8	–	10,265.3
Motorways	1,278.3	–	–	–	–	1,278.3
Border, downtown & hotel shops	128.4	48.6	56.0	53.1	–	286.1
Cruise liners and seaports	72.0	–	118.9	–	–	190.9
Railway stations and other	295.9	83.2	0.6	108.9	74.5	563.1
Total	**6,414.3**	**3,936.8**	**1,608.3**	**549.8**	**74.5**	**12,583.7**

In millions of CHF	EMEA*	North America*	LATAM*	APAC*	Global DC*	2022
Airports	3,348.0	1,540.6	1,081.1	175.9	–	6,145.6
Border, downtown & hotel shops	70.1	37.1	54.3	16.8	–	178.3
Cruise liners and seaports	55.1	–	134.4	–	–	189.5
Railway stations and other	47.0	39.2	3.2	14.9	103.5	207.8
Total	**3,520.2**	**1,616.9**	**1,273.0**	**207.6**	**103.5**	**6,721.2**

* The comparative figures have been presented according to the new segment structure. Please refer to note 5 for further details.

8. Lease (expenses) / income

In millions of CHF	2023	2022
Lease expenses[1]	(1,891.0)	(1,168.9)
Lease expenses short-term contracts	(40.2)	(15.2)
Lease expenses low value contracts	(13.1)	(0.7)
Sublease income	60.6	10.7
Relief of lease obligations[2]	–	80.2
Change in provision for onerous contract	8.2	12.0
Total	**(1,875.5)**	**(1,081.9)**

[1] Lease expenses include only variable lease expenses. Fixed and in substance fixed commitments are recognized in accordance with lease accounting as depreciation of right-of-use assets or interest on lease obligations. For the following year, the Group estimates that the lease expenses may be between 15% and 17 % of net sales.

[2] In 2022, Avolta applied the COVID-19 related rent concession - amendment to IFRS 16 and recognized relief of lease obligations presented as lease expenses.

A part of the Company's lease contracts require as compensation the higher of two amounts: a) a percentage of sales or b) a fixed minimal guaranteed amount (MAG). The fair value of these fixed or in substance fixed MAG commitments over the contractual term are presented usually as right-of-use assets and expensed as depreciation. Lease payments exceeding the MAG are presented as lease expenses and are normally calculated as a percentage of sales. Other lease contracts require only variable payments, which are fully presented as lease expense.

Variable lease expense approximates the related cash flows due to the short payment term characteristic of these contracts.

For further details of right-of-use assets, please refer to note 17, for lease obligation, note 29 and for the gain in relation to modifications of lease contracts, to note 13.

9. Personnel expenses

In millions of CHF	2023	2022
Salaries and wages	(1,980.5)	(773.8)
Social security expenses	(291.2)	(129.9)
Retirement benefits	(53.5)	(12.9)
Other personnel expenses	(214.1)	(81.3)
Total	**(2,539.3)**	**(997.9)**

10. Depreciation, amortization and impairment

In millions of CHF	2023	2022
Depreciation of property, plant and equipment	(278.5)	(112.7)
Impairment of property, plant and equipment	(5.7)	(1.4)
Reversal of impairment of property, plant and equipment	6.8	0.2
Depreciation & impairment of PP&E	**(277.4)**	**(113.9)**
Depreciation of right-of-use assets	(1,088.3)	(818.9)
Impairment of right-of-use assets	(15.3)	(15.0)
Reversal of right-of-use assets	14.0	48.7
Depreciation & impairment RoU assets	**(1,089.6)**	**(785.2)**
Amortization of intangibles	(272.6)	(180.0)
Impairment of intangibles	(0.7)	(32.9)
Reversal of impairment of intangibles	30.5	17.3
Amortization & impairment of intangibles	**(242.8)**	**(195.6)**
Depreciation, amortization & impairment	**(1,609.8)**	**(1,094.7)**

Aggregated information of reversal of impairments per division (segment)

	2023			2022		
In millions of CHF	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill
Europe, Middle East and Africa (EMEA)	2.4	3.4	–	0.2	46.1	–
North America	–	–	–	–	–	–
Latin America (LATAM)	4.4	6.7	30.5	–	–	17.3
Asia Pacific (APAC)	–	3.9	–	–	2.6	–
Global Distribution Centers	–	–	–	–	–	–
Total	**6.8**	**14.0**	**30.5**	**0.2**	**48.7**	**17.3**

Aggregated information of impairments per division (segment)

In millions of CHF	2023 Property, plant and equipment	2023 Right-of-use assets	2023 Intangible assets and goodwill	2022 Property, plant and equipment	2022 Right-of-use assets	2022 Intangible assets and goodwill
Europe, Middle East and Africa (EMEA)	(5.5)	(0.4)	(0.7)	(1.4)	–	(32.9)
North America	–	–	–	–	–	–
Latin America (LATAM)	(0.2)	(14.7)	–	–	(15.0)	–
Asia Pacific (APAC)	–	(0.2)	–	–	–	–
Global Distribution Centers	–	–	–	–	–	–
Total	**(5.7)**	**(15.3)**	**(0.7)**	**(1.4)**	**(15.0)**	**(32.9)**

In 2023 and 2022, Avolta's performance was characterized by a strong recovery of the travel retail industry, resulting in increasing sales in most regions where Avolta operates. However, the level of recovery was not the same for all countries. Whereas some operations performance was better than expected, other operations recovered only slower than expected.

For further details, please refer to note 19 – Impairment test of tangible and intangible assets.

11. Other expenses

In millions of CHF	2023	2022
Repairs and maintenance	(179.5)	(44.8)
Utilities	(125.4)	(37.9)
Credit card expenses	(217.5)	(101.3)
Professional advisors	(168.0)	(70.7)
IT expenses	(87.9)	(56.1)
Freight & packaging	(72.4)	(45.9)
Acquisition related transaction costs [1]	(41.4)	(20.3)
Other operational expenses	(78.3)	(41.8)
Advertising expenses	(32.3)	(9.1)
Office and admin expenses	(43.4)	(22.0)
Travel, car, entertainment and representation	(49.0)	(15.2)
Royalties, franchise fees and commercial services	(144.9)	(30.1)
Public relations expenses	(24.2)	(14.2)
Taxes other than income taxes	(73.1)	(38.8)
Ancillary premises expenses	(8.0)	(7.4)
Insurances	(19.5)	(17.5)
Bank expenses	(10.9)	(5.6)
Total	**(1,375.7)**	**(578.7)**

[1] In 2023 thereof CHF 18.8 million financial-related transaction costs directly linked to the closing of the combination with Autogrill.

12. Other income

In millions of CHF	2023	2022
Selling Income	66.6	41.2
Airport services income [1]	103.6	–
Other operational income [2]	21.7	20.5
Other income	**191.9**	**61.7**

[1] Services provided in airline lounges. Related costs are recognized in the corresponding expense line items.
[2] In 2023, other operating income includes government support of CHF 7.0 (2022: 10.0) million.

13. Finance income and finance expenses

13.1 Finance income

In millions of CHF	2023	2022
Income on financial assets		
Interest income on current deposits	54.9	28.0
Interest income on 3rd party loans	2.6	2.5
Other finance income [1,2]	49.3	24.7
Interest income on financial assets	**106.8**	**55.2**
Income from financial investments and associates		
Share of result in associates	3.7	10.7
Gain on disposal of financial investments	–	2.6
Gain / (loss) on revaluation of financial investments	(1.0)	–
Income from financial investments and associates	**2.7**	**13.3**
Total finance income	**109.5**	**68.5**

[1] In 2023, thereof CHF 36.8 million gains of interest financial derivatives.
[2] In 2023, thereof gain in relation to modifications of lease contracts of CHF 7.6 million.

13.2 Finance expenses

In millions of CHF	2023	2022
Expenses on financial liabilities		
Interest expense	(533.9)	(284.6)
of which lease interest	(321.0)	(127.6)
of which bank interest	(91.8)	(47.8)
of which bank commitment fees	(28.0)	(12.8)
of which bank guarantees commission expense	(7.1)	(5.0)
of which notes interest	(84.5)	(83.6)
of which related to other financial liabilities	(1.5)	(7.8)
Amortization / write off of arrangement fees	(5.4)	(18.3)
Impairment on other financial assets	0.3	(2.6)
Other finance costs [1,2,3]	(87.5)	(45.4)
Interest expense on financial liabilities	**(626.5)**	**(350.9)**
Expenses on non-financial liabilities		
Interest expense	–	–
Interest and other finance expenses	**–**	**–**
Total finance expenses	**(626.5)**	**(350.9)**

[1] Thereof CHF 49.1 (2022: 38.8) million losses of interest financial derivatives.

[2] In 2023, thereof CHF 15.6 million financing related transaction costs in connection with the closing of the Autogrill transaction (Bridge financing).

[3] In 2023, thereof CHF 13.3 million net loss relating to the revaluation of financial investments.

14. Income taxes

Income tax recognized in the consolidated statement of profit or loss

In millions of CHF	2023	2022
Current Income tax income / (expense)	(121.4)	(73.1)
of which corresponding to the current period	(125.5)	(79.7)
of which adjustments recognized in relation to prior years	4.2	6.6
Deferred Income tax income / (expense)	39.8	(3.1)
of which related to the origination or reversal of temporary differences	47.6	(23.7)
of which adjustments recognized in relation to prior years	(8.6)	23.1
of which relates to foreign exchange movements [1]	0.6	(2.5)
of which adjustments due to change in tax rates	0.2	–
Total	**(81.6)**	**(76.2)**

Income tax reconciliation

In millions of CHF	2023	2022
Consolidated profit/(loss) before taxes	298.0	196.8
Expected tax rate in %	22.8%	21.8%
Income tax at the expected rate	(67.8)	(43.0)
Effect of		
Income not subject to income tax	3.8	3.6
Different tax rates for subsidiaries in other jurisdictions	25.3	(0.8)
Effect of changes in tax rates on previously recognized deferred tax assets and liabilities	(0.2)	–
Non-deductible expenses	(11.9)	(7.1)
Permanent differences	(5.0)	(5.7)
Losses of the year for which no deferred tax asset is recognized	(30.2)	(52.5)
Net change of recognition of temporary differences and tax credits	(7.2)	(0.4)
Non recoverable withholding taxes	(15.2)	(10.1)
Income taxes in non-controlling interest holders	25.9	14.0
Adjustments recognized in relation to prior year	(4.4)	29.7
Foreign exchange movements on deferred tax balances[1]	0.6	(2.5)
Other items	4.7	(1.4)
Total	**(81.6)**	**(76.2)**

[1] In countries where Avolta pays taxes in a currency other than the functional currency, deferred tax assets and liabilities are impacted by foreign exchange fluctuations between the functional and local currencies. These changes are included in the Group's tax expense line.

The expected tax rate in % approximates the average income tax rate of the countries where the Group is active, weighted by the profitability of the respective operations adjusted for impairments. For 2023, there were no major changes in tax rates noted for countries in which Avolta is operating.

Deferred income tax recognized in other comprehensive income or in equity

In millions of CHF	2023	2022
Recognized in other comprehensive income		
Actuarial gains/(losses) on defined benefit plans	0.1	4.1
Total	**0.1**	**4.1**
Recognized in equity		
Tax effect on share-based payments	–	–
Total	**–**	**–**

15. Components of other comprehensive income

2023 In millions of CHF	Employee benefit reserve	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the parent					
Remeasurement of post-employment benefits plans	11.2	–	–	11.2	–	11.2
Income tax effect	(0.1)	–	–	(0.1)	–	(0.1)
Subtotal	**11.1**	**–**	**–**	**11.1**	**–**	**11.1**
Exchange differences on translating foreign operations	–	(241.8)	–	(241.8)	(19.7)	(261.5)
Subtotal	**–**	**(241.8)**	**–**	**(241.8)**	**(19.7)**	**(261.5)**
Net gain/(loss) on hedge of net investment in foreign operations (note 28.1)	–	14.3	–	14.3	–	14.3
Income tax effect	–	–	–	–	–	–
Subtotal	**–**	**14.3**	**–**	**14.3**	**–**	**14.3**
Share of other comprehensive income of associates	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**
Other comprehensive income	**11.1**	**(227.5)**	**–**	**(216.4)**	**(19.7)**	**(236.1)**

2022 In millions of CHF	Employee benefit reserve	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the parent					
Remeasurement of post-employment benefits plans	(37.8)	–	–	(37.8)	0.2	(37.6)
Income tax effect	4.1	–	–	4.1	–	4.1
Subtotal	**(33.7)**	**–**	**–**	**(33.7)**	**0.2**	**(33.5)**
Exchange differences on translating foreign operations	–	(89.4)	–	(89.4)	(2.2)	(91.6)
Subtotal	**–**	**(89.4)**	**–**	**(89.4)**	**(2.2)**	**(91.6)**
Net gain/(loss) on hedge of net investment in foreign operations (note 28.1)	–	(3.6)	–	(3.6)	–	(3.6)
Income tax effect	–	–	–	–	–	–
Subtotal	**–**	**(3.6)**	**–**	**(3.6)**	**–**	**(3.6)**
Share of other comprehensive income of associates	–	0.5	–	0.5	–	0.5
Subtotal	**–**	**0.5**	**–**	**0.5**	**–**	**0.5**
Other comprehensive income	**(33.7)**	**(92.5)**	**–**	**(126.2)**	**(2.0)**	**(128.2)**

16. Property, plant and equipment

2023 In millions of CHF	Leasehold improvements	Buildings	Furniture fixtures	Computer hardware	Vehicles	Work in progress	Total
At cost							
Balance at January 1	**608.8**	**13.7**	**536.6**	**59.4**	**6.6**	**69.9**	**1,295.0**
Business combinations	430.9	49.7	206.4	–	0.5	97.7	785.2
Decrease in scope of consolidation	(3.4)	–	(0.1)	(0.3)	–	–	(3.8)
Additions	71.1	1.4	62.2	8.5	1.4	256.1	400.7
Disposals	(217.1)	–	(1.8)	(5.2)	(2.1)	(3.4)	(229.6)
Reclassification within classes	96.3	1.5	96.8	4.2	1.1	(199.9)	–
Currency translation adjustments	(163.1)	(4.6)	(108.9)	(7.6)	(1.2)	(15.8)	(301.2)
Balance at December 31	**823.5**	**61.7**	**791.2**	**59.0**	**6.3**	**204.6**	**1,946.3**
Accumulated depreciation							
Balance at January 1	**(388.8)**	**(8.9)**	**(407.5)**	**(42.7)**	**(5.3)**	**–**	**(853.2)**
Decrease in scope of consolidation	3.3	–	0.1	0.3	–	–	3.7
Additions (note 10)	(148.2)	(2.5)	(114.8)	(11.7)	(1.3)	–	(278.5)
Disposals	166.9	9.0	1.8	5.1	2.1	–	184.9
Reclassification within classes	29.1	(9.0)	(24.2)	4.0	0.1	–	–
Currency translation adjustments	110.5	1.8	85.9	6.0	1.0	–	205.2
Balance at December 31	**(227.2)**	**(9.6)**	**(458.7)**	**(39.0)**	**(3.4)**	**–**	**(737.9)**
Impairment							
Balance at January 1	**(81.0)**	**(2.6)**	**(38.5)**	**(2.3)**	**(0.1)**	**(3.0)**	**(127.5)**
Decrease in scope of consolidation	–	–	–	–	–	–	–
Impairment (note 10)	(5.3)	–	(0.4)	–	–	–	(5.7)
Reversal of impairment (note 10)	4.6	–	2.1	0.1	–	–	6.8
Disposals	37.3	–	–	–	–	–	37.3
Reclassification within classes	(8.2)	0.1	7.5	0.6	–	0.1	0.1
Currency translation adjustments	9.2	0.1	2.2	0.2	–	0.3	12.0
Balance at December 31	**(43.4)**	**(2.4)**	**(27.1)**	**(1.4)**	**(0.1)**	**(2.6)**	**(77.0)**
Carrying amount							
At December 31, 2023	**552.9**	**49.7**	**305.4**	**18.6**	**2.8**	**202.0**	**1,131.4**

2022 In millions of CHF	Leasehold improvements	Buildings	Furniture fixtures	Computer hardware	Vehicles	Work in progress	Total
At cost							
Balance at January 1	**580.8**	**15.2**	**530.9**	**53.3**	**6.7**	**50.0**	**1,236.9**
Increase in scope of consolidation	–	–	0.8	–	–	–	0.8
Decrease in scope of consolidation	(0.5)	–	(0.6)	(0.1)	–	(0.2)	(1.4)
Additions	25.3	–	14.7	6.1	0.6	61.1	107.8
Disposals	(12.1)	(1.1)	(9.5)	(2.4)	(0.6)	(2.5)	(28.2)
Reclassification within classes	20.1	–	16.0	1.7	–	(37.8)	–
Reclassification to Intangible	–	–	–	–	–	(0.5)	(0.5)
Currency translation adjustments	(4.8)	(0.4)	(15.7)	0.8	(0.1)	(0.2)	(20.4)
Balance at December 31	**608.8**	**13.7**	**536.6**	**59.4**	**6.6**	**69.9**	**1,295.0**
Accumulated depreciation							
Balance at January 1	**(349.7)**	**(8.5)**	**(379.4)**	**(35.8)**	**(5.1)**	**–**	**(778.5)**
Decrease in scope of consolidation	0.1	–	0.2	0.1	–	–	0.4
Additions (note 10)	(55.0)	(0.2)	(48.5)	(8.3)	(0.7)	–	(112.7)
Disposals	11.4	–	9.3	2.3	0.5	–	23.5
Reclassification within classes	1.3	(0.3)	(0.9)	(0.1)	–	–	–
Currency translation adjustments	3.1	0.1	11.8	(0.9)	–	–	14.1
Balance at December 31	**(388.8)**	**(8.9)**	**(407.5)**	**(42.7)**	**(5.3)**	**–**	**(853.2)**
Impairment							
Balance at January 1	**(86.2)**	**(3.9)**	**(34.9)**	**(1.8)**	**(0.1)**	**(2.4)**	**(129.3)**
Decrease in scope of consolidation	0.4	–	0.3	0.1	–	0.2	1.0
Impairment (note 10)	(0.4)	–	(1.0)	–	–	–	(1.4)
Reversal of impairment (note 10)	–	–	–	–	–	0.2	0.2
Disposals	0.2	1.1	–	–	–	–	1.3
Reclassification within classes	4.9	–	(3.2)	(0.6)	–	(1.1)	–
Currency translation adjustments	0.1	0.2	0.3	–	–	0.1	0.7
Balance at December 31	**(81.0)**	**(2.6)**	**(38.5)**	**(2.3)**	**(0.1)**	**(3.0)**	**(127.5)**
At December 31, 2022	**139.0**	**2.2**	**90.6**	**14.4**	**1.2**	**66.9**	**314.3**

Cash flow used for purchase of property, plant and equipment

In millions of CHF	2023	2022
Payables for capital expenditure at the beginning of the period	(19.8)	(9.3)
Additions of property, plant and equipment	(400.7)	(107.8)
Payables for capital expenditure at the end of the period	77.1	19.8
Payables for capital expenditure acquired through business combination	(66.5)	–
Other	0.2	–
Currency translation adjustments	5.3	(0.1)
Total Cash Flow	**(404.4)**	**(97.4)**

17. Right-of-use assets

2023 In millions of CHF	Shops	Other Buildings	Vehicles	Other	Total
At cost					
Balance at January 1	**5,766.9**	**245.7**	**6.9**	**2.6**	**6,022.1**
Business combinations	1,281.4	33.5	1.6	0.6	1,317.1
Decrease in scope of consolidation	(1.2)	(0.7)	–	–	(1.9)
Additions[1]	160.3	13.8	2.4	0.5	177.0
Disposals[2]	(144.6)	(22.1)	(0.5)	(0.3)	(167.5)
Lease modifications[3]	4,645.3	8.5	0.1	0.1	4,654.0
Currency translation adjustments	(612.4)	(19.8)	(0.6)	(0.2)	(633.0)
Balance at December 31	**11,095.7**	**258.9**	**9.9**	**3.3**	**11,367.8**
Accumulated depreciation					
Balance at January 1	**(3,014.9)**	**(106.8)**	**(4.2)**	**(1.4)**	**(3,127.3)**
Decrease in scope of consolidation	1.1	0.6	–	–	1.7
Additions (note 10)	(1,051.4)	(33.6)	(2.4)	(0.9)	(1,088.3)
Disposals[2]	126.7	15.4	0.5	0.3	142.9
Lease modifications[3]	(0.1)	1.6	–	–	1.5
Currency translation adjustments	230.4	8.5	0.4	0.1	239.4
Balance at December 31	**(3,708.2)**	**(114.3)**	**(5.7)**	**(1.9)**	**(3,830.1)**
Impairment					
Balance at January 1	**(320.7)**	**(6.3)**	**–**	**–**	**(327.0)**
Impairment (note 10)	(15.3)	–	–	–	(15.3)
Reversal of impairment (note 10)	14.0	–	–	–	14.0
Disposals[2]	4.0	–	–	–	4.0
Currency translation adjustments	23.2	0.4	–	–	23.6
Balance at December 31	**(294.8)**	**(5.9)**	**–**	**–**	**(300.7)**
Carrying amount					
At December 31, 2023	**7,092.7**	**138.7**	**4.2**	**1.4**	**7,237.0**

1 New contracts.

2 Ending of lease contracts.

3 Relates to contractual lease term change of existing Right-of-use assets in relation to duration, scope and commercial terms. The increase in 2023 predominantly relates to the retention of all relevant travel retail business concessions in Spain. Avolta won all bids it had tendered for, being Andalusia-Mediterranean, the Balearic Islands, the Canary Islands, Catalonia and Madrid. The contracts have a duration of twelve years, include 21 airports and 120 outlets covering around 60,000 m².

2022 In millions of CHF	Shops	Other Buildings	Vehicles	Other	Total
At cost					
Balance at January 1	**5,872.7**	**240.0**	**8.2**	**2.1**	**6,123.0**
Decrease in scope of consolidation	(0.6)	(0.4)	–	–	(1.0)
Additions [1]	50.9	10.5	0.4	0.9	62.7
Disposals [2]	(147.0)	(7.0)	(1.5)	(0.4)	(155.9)
Lease modifications [3]	152.7	6.6	0.3	0.1	159.7
Reclassification within classes	(0.3)	0.3	–	–	–
Currency translation adjustments	(161.5)	(4.3)	(0.5)	(0.1)	(166.4)
Balance at December 31	**5,766.9**	**245.7**	**6.9**	**2.6**	**6,022.1**
Accumulated depreciation					
Balance at January 1	**(2,528.7)**	**(84.9)**	**(4.2)**	**(1.4)**	**(2,619.2)**
Decrease in scope of consolidation	0.1	0.1	–	–	0.2
Additions (note 10)	(787.4)	(29.4)	(1.6)	(0.5)	(818.9)
Disposals [2]	135.3	6.4	1.3	0.4	143.4
Lease modifications [3]	75.3	(0.1)	–	–	75.2
Reclassification within classes	1.7	(1.8)	–	0.1	–
Currency translation adjustments	88.8	2.9	0.3	–	92.0
Balance at December 31	**(3,014.9)**	**(106.8)**	**(4.2)**	**(1.4)**	**(3,127.3)**
Impairment					
Balance at January 1	**(376.5)**	**(6.5)**	**–**	**–**	**(383.0)**
Business combination	0.5	0.3	–	–	0.8
Impairment (note 10)	(15.0)	–	–	–	(15.0)
Reversal of impairment (note 10)	48.7	–	–	–	48.7
Disposals [2]	4.7	–	–	–	4.7
Lease modifications [3]	7.5	–	–	–	7.5
Reclassification within classes	0.3	(0.3)	–	–	–
Currency translation adjustments	9.1	0.2	–	–	9.3
Balance at December 31	**(320.7)**	**(6.3)**	**–**	**–**	**(327.0)**
Carrying amount					
At December 31, 2022	**2,431.3**	**132.6**	**2.7**	**1.2**	**2,567.8**

[1] New contracts.
[2] Ending of lease contracts.
[3] Relates to contractual lease term changes.

18. Intangible assets and goodwill

2023 In millions of CHF	Concession rights Acquisition Related	Concession rights Plain	Brands	Others[1]	Total	Goodwill
At cost						
Balance at January 1	**4,357.8**	**84.7**	**262.0**	**256.1**	**4,960.6**	**2,390.2**
Business combinations	860.5	–	113.0	36.4	1,009.9	890.2
Decrease in scope of consolidation	–	–	–	(0.4)	(0.4)	–
Additions	–	–	–	36.7	36.7	–
Disposals	(73.7)	(5.4)	–	(17.9)	(97.0)	–
Reclassification within classes	(4.2)	2.6	–	1.6	–	–
Currency translation adjustments	(370.3)	(6.3)	(15.6)	(26.1)	(418.3)	(197.3)
Balance at December 31	**4,770.1**	**75.6**	**359.4**	**286.4**	**5,491.5**	**3,083.1**
Accumulated amortization						
Balance at January 1	**(2,344.1)**	**(51.2)**	**(3.3)**	**(197.7)**	**(2,596.3)**	**–**
Decrease in scope of consolidation	–	–	–	0.4	0.4	–
Additions (note 10)	(239.7)	(4.3)	–	(28.6)	(272.6)	–
Disposals	33.9	5.2	–	16.4	55.5	–
Reclassification within classes	(0.3)	0.1	–	0.2	–	–
Currency translation adjustments	195.4	5.3	0.1	20.2	221.0	–
Balance at December 31	**(2,354.8)**	**(44.9)**	**(3.2)**	**(189.1)**	**(2,592.0)**	**–**
Impairment						
Balance at January 1	**(856.3)**	**(20.5)**	**(5.7)**	**(4.0)**	**(886.5)**	**(118.0)**
Impairment (note 10)	–	–	–	(0.7)	(0.7)	–
Reversal of impairment (note 10)	30.5	–	–	–	30.5	–
Disposals	40.0	–	–	1.5	41.5	–
Reclassification within classes	–	–	–	–	–	–
Currency translation adjustments	57.7	1.9	0.5	(0.1)	60.0	13.5
Balance at December 31	**(728.1)**	**(18.6)**	**(5.2)**	**(3.3)**	**(755.2)**	**(104.5)**
Carrying amount						
Balance at December 31, 2023	**1,687.2**	**12.1**	**351.0**	**94.0**	**2,144.3**	**2,978.6**

[1] Others mainly contain IT software.

2022 In millions of CHF	Concession rights Acquisition Related	Plain	Brands	Others[1]	Total	Goodwill
At cost						
Balance at January 1	**4,529.7**	**85.5**	**266.1**	**245.0**	**5,126.3**	**2,512.8**
Additions	–	0.4	–	15.5	15.9	–
Disposals	(25.7)	(1.0)	–	(3.5)	(30.3)	–
Reclassification from property, plant and equipment	–	–	–	0.5	0.5	–
Currency translation adjustments	(146.2)	(0.2)	(4.1)	(1.4)	(151.8)	(122.6)
Balance at December 31	**4,357.8**	**84.7**	**262.0**	**256.1**	**4,960.6**	**2,390.2**
Accumulated amortization						
Balance at January 1	**(2,272.4)**	**(51.1)**	**(3.3)**	**(182.5)**	**(2,509.3)**	**–**
Additions (note 10)	(158.3)	(1.3)	–	(20.3)	(179.9)	–
Disposals	25.7	1.1	–	3.5	30.3	–
Currency translation adjustments	60.9	0.1	–	1.6	62.6	–
Balance at December 31	**(2,344.1)**	**(51.2)**	**(3.3)**	**(197.7)**	**(2,596.3)**	**–**
Impairment						
Balance at January 1	**(849.9)**	**(20.2)**	**(5.6)**	**(4.0)**	**(879.7)**	**(152.8)**
Impairment (note 10)	(32.9)	–	–	–	(32.9)	–
Reversal of impairment (note 10)	17.3	–	–	–	17.3	–
Currency translation adjustments	9.2	(0.3)	(0.1)		8.8	34.8
Balance at December 31	**(856.3)**	**(20.5)**	**(5.7)**	**(4.0)**	**(886.5)**	**(118.0)**
Carrying amount						
At December 31, 2022	**1,157.4**	**13.0**	**253.0**	**54.4**	**1,477.8**	**2,272.2**

[1] Others mainly contain IT software.

19. Impairment tests of tangible and intangible assets

Goodwill and brand names are subject to impairment testing on an annual basis or when indicators of impairment exist. Other tangible and intangible assets, including concession rights, are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

19.1 Key assumptions used for value-in-use calculations

The calculations of value-in-use are most sensitive to the following assumptions:

Sales growth
Management based its assumptions on information available at the time of the preparation of the financial statements and assumes that sales will continue to grow in 2024 in line with the international air traffic growth and inflation. Most locations have reached 2019 sales levels in 2023 or will reach in 2024. For the periods after 5 years, Avolta has used growth rates between 2.3%–4.0 % (2022: 2.0%–3.3%) to extrapolate the cash flow projections. In its projections, Avolta assumes that the climate change & environmental risk has no material impact on future sales levels and the overall recovery of the business.

Discount rates
The cash flows are discounted using a weighted average cost of capital ("WACC") rate composed among other factors of:

(a) a risk free interest rates derived from actual governmental bonds rates: CHF: up to 1.02%, EUR: up to 3.37%, USD: up to 4.83% (2022: up to CHF 1.50%, up to EUR 1.97%, up to USD 3.89%),
(b) a credit spread of 1.30 % – 3.40 % (2022: 2.00 % – 4.70%) ,
(c) a re-levered beta of 1.19 (2022: 1.07), and
(d) an equity-risk premium used in 2023 is up to 5.50% – 6.00% (2022: 6.25%). Certain WACC components, like country premium or default country risk, have been weighted for each segment.

19.2 Impairment test of goodwill

Goodwill is recognized from the acquisition of businesses by the Group and has been assigned for the purpose of impairment testing to the groups of cash-generating units (GCGU). These groups reflect the reportable segments expected to benefit from the synergies related to acquisitions.

In millions of CHF	31.12.2023	31.12.2022 [1]
Europe, Middle East and Africa (EMEA)	1,578.6	1,434.3
North America	872.9	513.9
Latin America (LATAM)	455.7	251.8
Asia Pacific (APAC)	33.3	34.4
Global Distribution Centers	38.1	37.8
Total carrying amount of goodwill	**2,978.6**	**2,272.2**

[1] Refer to Note 5 for details on implementation of the new segment structure.

The recoverable amount of each group of cash-generating units (GCGU) is determined based on value-in-use calculations, which require the use of assumptions (see specific assumptions in next table) and future cash flows. These cash flows reflect projections of financial forecasts approved by the management covering a five-year period and a residual value for the years beyond the five-year period. This residual value is an extrapolation of the 5th year cash flow using a constant terminal growth rate that does not exceed the long-term average growth rate for the respective market. This growth rate is consistent with the growth forecasts disclosed by the travel retail industry. The cash flows used include operational results generated by Global Distribution Centers in relation to the respective GCGU.

Specific assumptions used for the valuation of goodwill:

	Post tax discount rates		Pre-tax discount rates		CAGR [1] for net sales		Long term growth rate	
Group of cash generating units in percentage (%)	2023	2022 [2]	2023	2022 [2]	2023	2022 [2]	2023	2022 [2]
Europe, Middle East and Africa (EMEA)	6.63%	6.89%	8.56%	8.92%	3.42%	4.72%	2.28%	2.50%
North America	5.73%	6.21%	7.77%	8.28%	4.27%	5.25%	2.54%	2.70%
Latin America (LATAM)	5.66%	6.44%	8.02%	8.57%	0.48%	4.96%	2.41%	2.70%
Asia Pacific (APAC)	6.41%	6.34%	8.15%	8.52%	7.43%	19.43%	3.10%	2.50%

1 Compound Annual Growth Rate.

2 Refer to Note 5 for details on implementation of the new segment structure.

Sensitivity analysis to changes in assumptions

At closing, the estimated recoverable amount of goodwill of each Group's segments exceeded their carrying amounts. However, if the key assumptions used in the impairment tests would deteriorate to a possible reasonable value, as indicated in the following table, this change would, in isolation, lead to an additional impairment loss for the year of:

	Discount rate		Sales growth drop [1]	
Group of cash generating units in percentage (%)	2023	2022 [2]	2023	2022 [2]
	+2 %	+2 %	-3 %	-3 %
Europe, Middle East and Africa (EMEA)	–	–	–	–
North America	–	–	–	–
Latin America (LATAM)	–	–	–	–
Asia Pacific (APAC)	–	–	–	–

1 The reasonable drop in sales or margin (in percentage of sales) has been considered in each year within the impairment test.

2 Refer to Note 5 for details on implementation of the new segment structure.

19.3 Impairment test of brand names

Avolta's operations apply several retail and food & beverage concepts which use different brand names. The table below indicates the key components used for determining the value-in-use arising during business acquisitions in the past and have been kept at historical values.

At closing the estimated recoverable amount of all brand names of the Group exceed their carrying amounts. Management believes that no possible reasonable change in any of the key assumptions would lead to a situation where the recoverable amounts fall below the respective carrying amount.

Key assumptions used for the valuation of brand names:

Brand names in percentage (%)	Post tax discount rates 2023	Post tax discount rates 2022	Growth rates for net sales 2023	Growth rates for net sales 2022
Dufry	5.75%	6.78%	2.08%	4.46%
Hudson News	5.67%	8.35%	3.85%	8.28%
Nuance	6.06%	7.16%	4.14%	4.96%
World Duty Free	5.68%	7.52%	2.10%	2.26%
HMSHost	5.60%	n/a	5.18%	n/a
Autogrill	7.73%	n/a	3.95%	n/a

19.4 Impairment test of tangible and other intangible assets

The selection of CGUs for the test has been made based on historical impairments, profitability and materiality of assets. The methodology and assumptions used for these impairment tests are similar to those described for goodwill, except for:

(a) The tests were done on CGU level,
(b) The period of cash flows is limited to the contractual lease term, ignoring renewal probabilities,
(c) The effective tax rate was used as WACC component,
(d) For test purposes the carrying amount of the assets was net of linked liabilities, in particular lease obligations,
(e) No reliefs of minimal lease payments have been assumed unless contractually agreed by the time of approving these financial statements,
(f) The cash flows are reduced for a share of expenses related to corporate assets.

The table of note 10 discloses the aggregated impairment expense and reversal of impairment by segment incurred in 2023, whereas note 16, note 17 and note 18 show the cumulated impairment on property, plant and equipment, right-of-use assets and intangible assets by type of asset.

Sensitivity analysis to changes in assumptions

At closing, the estimated recoverable amount of CGU of each Group's segments exceeded their carrying amounts. However, if the key assumptions used in the impairment tests would deteriorate to a possible reasonable value, as indicated in the following table, this change would, in isolation, lead to an additional impairment loss for the year of:

Group of cash generating units in percentage (%)	Discount rate 2023	Discount rate 2022[1]	Sales growth drop 2023	Sales growth drop 2022[1]
	+1 %	+1 %	-3 %	-3 %
Europe, Middle East and Africa (EMEA)	(3.6)	(35.6)	(94.0)	(79.0)
North America	–	(0.3)	–	(8.6)
Latin America (LATAM)	(2.2)	(17.8)	(25.4)	(31.1)
Asia Pacific (APAC)	–	–	–	–

[1] Refer to Note 5 for details on implementation of the new segment structure.

20. Investments in associates

These investments are accounted for using the equity method.

Summarized statement of comprehensive income

In millions of CHF	2023	2022
Net profit / (loss)	**3.7**	**10.7**
Other comprehensive income		
Items to be reclassified to net income in subsequent periods	–	0.1
Total comprehensive income	**3.7**	**10.8**

21. Other non-current assets

In millions of CHF	31.12.2023	31.12.2022
Guarantee deposits	139.9	52.6
Loans	30.8	19.1
Lease receivables	54.1	4.0
Prepayment for leases	23.9	32.8
Tax receivables	78.7	55.2
Other	–	0.5
Subtotal	**327.4**	**164.2**
Allowances	(15.3)	(8.4)
Total	**312.1**	**155.8**

Movement in allowances

In millions of CHF	2023	2022
Balance at January 1	**(8.4)**	**(10.4)**
Creation	(9.3)	–
Utilized	1.5	1.7
Reclassification	0.3	0.6
Currency translation adjustments	0.6	(0.3)
Balance at December 31	**(15.3)**	**(8.4)**

22. Inventories

In millions of CHF	31.12.2023	31.12.2022
Inventories at cost	1,172.8	1,024.1
Inventory allowance	(110.8)	(95.7)
Total	**1,062.0**	**928.4**

Cost of sales includes inventories written down to net realizable value and inventory losses of CHF 94.5 (2022: 74.7) million.

23. Trade and credit card receivables

In millions of CHF	31.12.2023	31.12.2022
Trade receivables [1]	39.3	28.1
Credit card receivables	4.7	39.4
Gross	**44.0**	**67.5**
Allowances	(2.7)	(5.2)
Net	**41.3**	**62.3**

[1] Includes trade receivables against associates of CHF 9.0 (2022: 6.2) million.

Aging analysis of trade receivables

In millions of CHF	31.12.2023	31.12.2022
Not due	15.9	6.3
Overdue		
Up to 30 days	12.7	11.6
31 to 60 days	3.9	0.2
61 to 90 days	1.7	0.6
More than 90 days	2.3	4.2
Total overdue	**20.6**	**16.6**
Trade receivables, net	**36.5**	**22.9**

24. Other accounts receivable

In millions of CHF	31.12.2023	31.12.2022
Advertising receivables	166.4	194.0
Services provided to suppliers	2.3	1.6
Loans receivable	25.4	0.7
Receivables from subtenants and business partners	7.5	4.0
Personnel receivables	2.7	1.1
Accounts receivables	**204.3**	**201.4**
Prepayments of lease expenses and rents	18.3	28.6
Prepayments of sales and other taxes	136.0	109.6
Prepayments to suppliers	9.1	4.5
Prepayments, other	36.3	14.4
Prepayments	**199.7**	**157.1**
Receivables from operational and airport services income	56.6	–
Receivables from subleases	17.2	2.9
Guarantee deposits	46.7	102.4
Derivative financial assets	9.3	10.1
Other	59.6	16.2
Other receivables	**189.4**	**131.6**
Total	**593.4**	**490.1**
Allowance	(17.2)	(22.5)
Total	**576.2**	**467.6**

Movement in allowances

In millions of CHF	2023	2022
Balance at January 1	**(22.5)**	**(24.7)**
Creation	(8.2)	(3.4)
Release	11.7	5.0
Utilized	–	0.5
Reclassification	–	0.1
Currency translation adjustments	1.8	–
Balance at December 31	**(17.2)**	**(22.5)**

25. Equity

25.1 Fully paid ordinary shares

In millions of CHF	Number of shares	Share capital	Share premium
Balance at January 1, 2022	**90,797,007**	**454.0**	**4,542.2**
Balance at December 31, 2022	**90,797,007**	**454.0**	**4,542.2**
Conversion of mandatory convertible notes to equity	2,092,113	10.5	49.8
Share capital increase	59,725,131	298.6	2,240.8
Balance at December 31, 2023	**152,614,251**	**763.1**	**6,832.8**

On February 3, 2023, Dufry and Edizione successfully closed the transfer of the 50.3 % stake in Autogrill held by Edizione S.p.A (through a wholly owned subsidiary) to Dufry.

In accordance with the Combination Agreement entered into on July 11, 2022, and in consideration for the transfer of the 50.3 % stake in Autogrill to Dufry, Edizione (through its wholly owned subsidiary Schema Beta S.p.A.) was issued mandatory convertible non-interest bearing notes convertible into an aggregate of 30,663,329 newly issued Dufry shares, at an implied exchange ratio of 0.158 new Dufry shares for each Autogrill share. Edizione exercised its conversion right following closing on February 3, 2023, of the transfer and was issued 30,663,329 Dufry shares. Additional 29'061'802 Dufry shares were issued in several steps in context of the MTO for the outstanding Autogrill shares at the Milan Stock Exchange.

Avolta's Board of Directors will propose to the Annual General Meeting of Shareholders to pay out a dividend of CHF 0.70 per share in 2024.

25.2 Mandatory convertible notes

	Number of notes	In thousands of CHF
Balance at January 1, 2022	**695**	**60,300**
Balance at December 31, 2022	**695**	**60,300**
Conversion of mandatory convertible notes to equity	(695)	(60,300)
Balance at December 31, 2023	**–**	**–**

In November 2023, CHF 69.5 million Mandatory Convertible Bond has been converted into 2'092'113 Avolta AG shares at a conversion price of CHF 33.22.

25.3 Translation reserves

In millions of CHF	Attributable to equity holders of the parent	Non-controlling interests	Total
Balance at January 1, 2022	**(450.9)**		
Exchange differences arising on translating the foreign	(89.4)	(2.2)	(91.6)
Net gain/(loss) on hedge of net investments in foreign	(3.6)		(3.6)
Share of other comprehensive income of associates	0.5		0.5
Balance at December 31, 2022	**(543.4)**		
Exchange differences arising on translating the foreign operations	(241.8)	(19.7)	(261.5)
Net gain/(loss) on hedge of net investments in foreign operations	14.3	–	14.3
Share of other comprehensive income of associates	–	–	–
Balance at December 31, 2023	**(770.9)**		

26. Share-based payment plans

In 2023, Avolta recorded CHF 43.5 million in relation to its PSU plans (2023, 2022 and 2021) under personnel expenses, out of which CHF 6.9 million are recorded as other liabilities (personnel payables). In 2022, Avolta recorded CHF 18.5 million in relation to its PSU plans (2022 and 2021) under Personnel Expenses, whereas CHF 3.3 million are recorded as other liabilities (personnel payables). Amounts recorded in other payables include charges for cash settled portions CHF 1.9 million (2022: CHF 1.6 million) and accruals for social security charged CHF 5.0 million (2022: CHF 1.7 million).

2023 Plan
During 2023, Avolta granted to selected members of the management the award 2023 consisting of 862,071 performance share units (PSU). The PSU award 2023 will vest on June 1, 2026 and has a contractual life between 30 and 41 months. At grant dates, the fair values of one PSU award 2023 was calculated applying a combination of market share price and applying a Monte Carlo simulation. The range of fair values was determined between CHF 30.03 and CHF 39.28 for the respective grant dates, with a weighted average fair value of CHF 33.67. As part of this plan, 191,951 PSU will be settled in cash.

The PSU granted in 2023 are subject to three performance conditions (unchanged to the previous year): Cumulative CORE EPS with a 50 % weighting, Relative TSR with a 25 % weighting and an ESG target with a 25 % weighting. The ESG target consists of two different KPIs related to material areas from a business and stakeholder perspective, each with a weighting of ½ of the ESG target.

On the vesting date, the PSU vest and are converted into shares based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50 % targets achievement) and 2 shares (150 % or more targets achievement). The target (100 % vesting) in relation to the cumulative CORE EPS measured corresponds to a total of CHF 4.26, ranking at 50th percentile of the peer group for the TSR element and defined ESG targets in the aera of conducted trainings on embedding culture of diversity and suppliers related measures.

Holders of PSU are not entitled to vote or receive dividends like shareholders do. As of December 31, 2023, none of the PSU awards 2023, 2022 and 2021 have forfeited and 1,810,237 PSU (2022: 948,166) remain outstanding.

2022 Plan
During 2022, Avolta granted to selected members of the management the award 2022 consisting of 553,359 performance share units (PSU). The PSU award 2022 will vest on June 3, 2025 and has a contractual life between 31 and 41 months. At grant dates the fair values of one PSU award 2022 was calculated applying a combination of market share price and applying a Monte Carlo simulation. The range of fair values was determined between CHF 31.73 and CHF 48.78 for the respective grant dates, with a weighted average fair value of CHF 36.19. As part of this plan, 42,761 PSU will be settled in cash.

The PSU granted in 2022 are subject to three performance conditions: Cumulative Adjusted EPS with a 50 % weighting, Relative TSR with a 25 % weighting, and an ESG target with a 25 % weighting. The ESG target consists of three different KPIs related to material areas from a business and stakeholder perspective, each with a weighting of ⅓ of the ESG target.

On the vesting date, the PSU vest and are converted into shares based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50 % targets achievement) and 2 shares (150 % or more targets achievement). The target (100 % vesting) in relation to the cumulative adjusted EPS measured corresponds to a total of CHF 7.60 (to be adjusted by the effect of the combination with Autogrill), ranking at 50th percentile of the peer group for the TSR element and defined ESG measures per area, such as 60 % reduction of CO_2 emissions on scope 1 & 2 by 2024.

Holders of PSU are not entitled to vote or receive dividends like shareholders do. As of December 31, 2022, none of the PSU awards 2022 and 2021 have forfeited and 948,166 PSU (2021: 394,807) remain outstanding.

2021 Plan
On November 30, 2021, Avolta granted to selected members of the management the award 2021 consisting of 394,807 performance share units (PSU). The PSU award 2021 has a contractual life of 30 months and will vest on June 3, 2024. At grant date the fair value of one PSU award 2021 represented the market value for one Avolta share at that date, i. e. CHF 41.54. As part of this plan, 44,753 PSU will be settled in cash.

Holders of one PSU award 2021 will have the right to receive free of charge up to two Avolta shares depending on two performance targets reached by Avolta during the grant year of award and the following two years compared with the target. The performance targets of the 2021 PSU grant are the cumulative adjusted EPS, with a 50 % weighting, and the cumulative Equity Free Cash Flow (EFCF) with a 50 % weighting. On the vesting date, after the three-year vesting period, the PSU vest and are converted into shares based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50 % targets achievement) and 2 shares (150 % or more targets achievement). The target (100 % vesting) in relation to the cumulative adjusted EPS measured corresponds to an improvement by CHF 26.50 compared to the adjusted EPS for fiscal year 2020, respectively an improvement by CHF 993 million compared to the EFCF for fiscal year 2020. Holders of PSU are not entitled to vote or receive dividends like shareholders do.

Older Plans
During 2020, Avolta did not grant any awards and therefore no PSU were allocated in 2023.

26.1 Treasury shares

Treasury shares are valued at historical cost.

	Number of shares	In millions of CHF
Balance at January 1, 2022	**11,281**	**(1.3)**
Purchased shares	600,000	(21.6)
Balance at December 31, 2022	**611,281**	**(22.9)**
Returned shares[1]	804,728	(34.1)
Purchased shares	801,056	(33.4)
Balance at December 31, 2023	**2,217,065**	**(90.4)**

[1] Related to a past business combination.

26.2 Earnings per share

26.2.1 Earnings per share attributable to equity holders of the parent

Basic

Basic earnings per share are calculated by dividing the net profit/(loss) attributable to equity holders of the parent by the weighted average number of shares outstanding during the year.

In millions of CHF / Quantity	2023	2022
Net profit/(loss) attributable to equity holders of the parent	87.3	58.2
Weighted average number of ordinary shares outstanding	136,299,408	92,800,277
Basic earnings per share in CHF	**0.64**	**0.63**

Diluted

Diluted earnings per share are calculated by dividing the net profit/(loss) attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Refer to note 28 for instruments that could potentially dilute basic earnings per share in future, but were not included in the calculation of diluted earnings per share because they are antidilutive for 2023 and 2022.

In millions of CHF / Quantity	2023	2022
Net profit/(loss) attributable to equity holders of the parent	87.26	58.20
Weighted average number of ordinary shares outstanding	139,360,952	94,010,983
Diluted earnings per share in CHF	**0.63**	**0.62**

26.2.2 Weighted average number of ordinary shares

In shares	2023	2022
Outstanding shares	137,659,900	90,797,007
Mandatory convertible shares	–	2,092,113
Less treasury shares	(1,360,492)	(88,843)
Used for calculation of basic earnings per share	**136,299,408**	**92,800,277**
Effect of dilution		
PSU plans	3,061,544	1,210,706
Used for calculation of diluted earnings per share	**139,360,952**	**94,010,983**

27. Breakdown of transactions with non-controlling interests

The following transactions have been recognized in equity attributable to non-controlling interests holders:

In millions of CHF	2023	2022
Acquisition of NCI share in Autogrill Feb	441.6	–
Changes in NCI share in Autogrill	(384.1)	–
Change in relation to put option (49 % of Dufry Staer Holding Ltd)[1]	(5.3)	5.1
Navinten NCI change to 49 %	16.2	–
Other non-controlling interests (disposed) / acquired	6.9	2.8
Change in Avolta's interest	**75.3**	**7.9**
NCI portion of increases in share capital of subsidiaries	19.2	1.5
Share capital changes	**19.2**	**1.5**
Total	**94.5**	**9.4**

1 No cash flow effects.

27.1 Information on companies with non-controlling interests

In 2023, Avolta allocated CHF 129.1 (2022: 62.4) million of net result to non-controlling interests (NCI). Within the Avolta Group, the net earnings allocated to non-controlling interests is predominantly related to the US subsidiaries, totaling CHF 104.1 (2022: 47.2) million.

Airport authorities in the United States frequently require companies to partner with local business partners based on Airport Concession Disadvantaged Business Enterprise (“ACDBE”) regulation. Avolta may partner with third parties to win new business opportunities and maintain existing ones. Consequently, Avolta’s business model contemplates the involvement of local partners. Net profits from these operating subsidiaries attributed to Avolta and to non-controlling interests holders reflect the applicable ownership structure. The net profits and dividend payments attributable to non-controlling interests exclude expenses incurred by Avolta at the acquisition of these businesses, which are not attributable to the local partners, such as acquisition related interest expenses, income taxes and amortization of intangible assets from acquisitions.

There are no individual significant non-controlling interests in 2023 and 2022.

28. Borrowings

In millions of CHF	31.12.2023	31.12.2022
Bank debt overdrafts	41.5	–
Senior Notes	743.0	–
Bank debt loans	32.1	119.6
Third party loans	2.8	3.1
Borrowings, current	**819.4**	**122.7**
Bank debt loans	379.3	453.9
Senior Notes	2,138.0	2,993.0
Third party loans	3.3	5.4
Borrowings, non-current	**2,520.6**	**3,452.3**
Total	**3,340.0**	**3,575.0**
Of which are		
Bank debt	452.9	573.5
Senior Notes	2,881.0	2,993.0
Third party loans	6.1	8.5

Bank debt

In millions of CHF	31.12.2023	31.12.2022
Bank debts are denominated in		
US Dollar	311.4	409.5
Euro	46.4	–
Deferred arrangement fees	(18.1)	(17.3)
Subtotal	**339.7**	**392.2**
Bank debts at subsidiaries in		
Euro*	93.2	104.9
Swiss Franc*	6.8	11.0
British Pound*	–	55.9
US Dollar	6.9	–
Other currencies*	6.3	9.5
Total	**452.9**	**573.5**

* Include Government backed COVID-19 loans of CHF 66.8 (2022: 175.9) million.

Since the beginning of the COVID-19 pandemic in 2020 and as a consequence thereof economical restrictions, governments granted backed COVID-19 loans to certain Avolta subsidiaries, which are accounted for financial liability in accordance with IFRS 9. As of December 2023, the amount of loans granted was overall CHF 66.8 (2022: 175.9) million, whereas the loans were granted in different currencies. Loans granted were in EUR 65.8 (2022: 106.0) million and in CHF 5.7 (2022: 11.0) million. The loans in GBP have been completely reimbursed (2022: 50.0 million) as well as in MAD (2022: 46.8 million). The interest rates vary between 0.0 % and 5.6 % (2022: 0.0 % and 5.5 %).

Notes

In millions of CHF	31.12.2023	31.12.2022
Senior Notes denominated in Euro	2,121.3	2,251.4
Senior Notes denominated in CHF	300.0	300.0
Convertible Notes denominated in CHF	474.2	463.5
Deferred interest on modification of financing arrangements	(6.4)	(8.9)
Deferred arrangement fees	(8.1)	(13.0)
Total	**2,881.0**	**2,993.0**

Detailed credit facilities
Avolta negotiates and manages its main credit facilities centrally. In December 2022, Avolta had successfully refinanced its main bank credit facilities. A new EUR 2,085 million Revolving Credit Facility (RCF) replaced EUR 1,300 million RCF and USD 550 million Term Loan with maturity in December 2027 compared to previous maturity date in November 2024. In April 2023, EUR 2,085 million RCF has been increased by EUR 180 million, in June 2023 by EUR 410 million and in September 2023 by EUR 75 million to a new total amount of EUR 2,750 million. As of December 31, 2023 the drawn amount is CHF 357.8 million.

In February 2022, Avolta entered into an amendment of certain borrowing instruments which waived compliance with certain financial covenants for another twelve months until and including June 30, 2023.

On signing date in December 2022, the margin of the RCF was 3.5 % based on Avolta's rating. Due to two upgrades by S&P and one upgrade by Moody's, the margin has improved and is 2.75 % as of December 31, 2023.

In June 2023, the former Autogrill credit facility was cancelled by repaying the notional drawn amount of CHF 506.8 million (EUR 200.0 million and USD 347.8 million).

The post agreements and the bank guarantee facilities contain covenants and conditions customary to this type of financing. In 2023 and 2022, Avolta complied with the financial covenants and conditions contained in the bank credit agreements.

Financial covenants included in the borrowing instruments require the Group to comply with:

- a maximum ratio of Total Drawn Debt to CORE EBITDA of 4.5:1 for the test periods ending December 31, 2023 and thereafter,
- a minimum ratio of CORE EBITDA to Total Interest Expense (excluding lease interest) of 3:1 for the test periods ending December 31, 2023 and thereafter.

Bank credit facilities

In millions of CHF	Maturity	Currency	Credit limit in foreign currency	Draw amount in CHF
Revolving credit facility (multi-currency)	20.12.2027	EUR	2,750.0	357.8
Uncommitted current facilities	n/a	CHF	50.0	–
At December 31, 2023				**357.8**

In millions of CHF	Maturity	Currency	Credit limit in foreign currency	Draw amount in CHF
Revolving credit facility (multi-currency)[1]	20.12.2027	EUR	2,085.0	409.5
Uncommitted current facilities	n/a	CHF	50.0	–
At December 31, 2022				**409.5**

[1] New revolving credit facility replacing the EUR 1,300.0 million revolving credit facility which was cancelled and the USD 550.0 million committed term loan which was fully repaid, both before their maturity.

Notes

					Amount in CHF	
In millions of CHF	Maturity	Coupon rate	Currency	Nominal in foreign currency	2023	2022
Senior notes	15.10.2024	2.50%	EUR	800.0	745.9	790.3
Senior notes	15.02.2027	2.00%	EUR	750.0	692.0	732.1
Senior notes	15.04.2028	3.38%	EUR	725.0	672.1	712.2
Senior notes	15.04.2026	3.63%	CHF	300.0	299.4	298.9
Convertible notes[1]	30.03.2026	0.75%	CHF	500.0	471.6	459.5
Total					**2,881.0**	**2,993.0**

[1] Equity component CHF 54.1 million.

Weighted average interest rate

Below are the overall weighted average notional interest rates on the main currencies of bank credit facilities and notes:

Interest rate in percentage (%)	2023	2022
Average on USD	7.88	4.96
Average on CHF	2.01	2.01
Average on EUR	3.51	3.19
Weighted Average Total	**3.76**	**3.10**

28.1 Hedge of net investments in foreign operations

The company has designated USD 292.9 million bank loans in relation to the investments in Alliance Inc., Interbaires SA, Navinten SA, Blaicor SA, International Operation & Services SA, and Duty Free Ecuador SA.

In millions of	CHF	USD
Balance at January 1, 2022	**267.1**	**292.9**
Currency translation adjustments	3.6	–
Balance at December 31, 2022	**270.7**	**292.9**
Currency translation adjustments	(14.3)	–
Balance at December 31, 2023	**256.4**	**292.9**

There is no ineffectiveness for these hedges and the effect of hedging is presented in line item Net gain / (loss) on hedge of net investment in foreign operations in OCI.

The company maintains the hedge ratio by verifying 100 % hedge ratio.

28.2 Equity-like loans

Avolta granted to below mentioned foreign subsidiaries long-term loans. These loans are considered as part of Avolta's net investment in foreign operations, as settlement is neither planned nor likely to occur in the foreseeable future.

		Amount in foreign currency		Equivalent amount in CHF	
In millions of	Currency	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Dufry International AG	EUR	1,572.9	1,087.1	1,460.8	1,075.8
Nuance Group (Australia) Pty Ltd.	AUD	121.8	121.8	69.8	76.7
Dufry Americas y Caribe Corp.	USD	10.2	10.2	8.6	9.4
Nuance Group (Sverige) AB	SEK	110.0	110.0	9.2	9.8
Dufry Duty Free (Nigeria) Ltd.	USD	6.8	6.8	5.7	6.3

Any translation differences arising on these loans are accounted for in equity in the line item Exchange difference on translating foreign operations.

29. Borrowings and lease obligations, net

In millions of CHF	Cash and cash equivalents	Lease obligations	Financial derivatives asset-borrowings	Financial derivatives liability-borrowings	Borrowings	Net debt
Balance at January 1, 2023	**854.7**	**3,002.6**	**9.4**	**99.8**	**3,575.1**	**5,813.4**
Cash flows from operating, financing and investing activities	(502.1)	–	–	–	–	502.1
Repayment of 3rd party loans payable					1.6	1.6
Transaction costs for financial instruments	–	–	–	–	(6.0)	(6.0)
Repayment of borrowings	–	–	(1.7)	(0.7)	(865.5)	(864.5)
Proceeds from borrowings					231.2	231.2
Lease payments	–	(1,361.7)	–	–	–	(1,361.7)
Cash flow	**(502.1)**	**(1,361.7)**	**(1.7)**	**(0.7)**	**(638.7)**	**(1,497.3)**
Business combinations (note 6)	459.7	1,434.1	0.4	–	571.4	1,545.4
Other change in scope	(0.7)	(0.3)			0.8	1.2
Additions to lease obligations	–	179.7	–	–		179.7
Interest on lease obligations	–	321.0	–	–	–	321.0
Modification of lease obligations	–	4,671.0	–	–	–	4,671.0
Early termination of lease obligations	–	(28.1)	–	–	–	(28.1)
Other	–	(0.5)			3.3	2.8
Discounted interests	–	–	–	–	11.8	11.8
Arrangement fees amortization	–	–	–	–	10.4	10.4
Currency translation adjustments	(97.0)	(364.4)	1.2	(19.1)	(194.1)	(481.8)
Other non-cash movements	**362.0**	**6,212.5**	**1.6**	**(19.1)**	**403.6**	**6,233.4**
Balance at December 31, 2023	**714.6**	**7,853.4**	**9.3**	**80.0**	**3,340.0**	**10,549.5**

In millions of CHF	Cash and cash equivalents	Lease obligations	Financial derivatives asset-borrowings	Financial derivatives liability-borrowings	Borrowings	Net debt
Balance at January 1, 2022	**793.5**	**3,636.4**	**7.4**	**63.5**	**3,817.0**	**6,716.0**
Cash flows from operating, financing and investing activities	98.8	–	–	–	–	(98.8)
Business combinations	1.1	–	–	–	–	(1.1)
Repayment of 3rd party loans payable	–	–	–	–	(1.8)	(1.8)
Transaction costs for financial instruments	–	–	–	–	(16.8)	(16.8)
Repayment of borrowings	–	–	–	–	(152.2)	(152.2)
Payments of derivatives interests	–	–	(24.3)	(38.5)	–	(14.2)
Lease payments	–	(907.8)	–	–	–	(907.8)
Cash flow	**99.9**	**(907.8)**	**(24.3)**	**(38.5)**	**(170.8)**	**(1,192.7)**
Additions to lease obligations	–	63.0	–	–	–	63.0
Interest on lease obligations	–	127.6	–	–	–	127.6
Modification of lease obligations	–	244.2	–	–	–	244.2
Relief on lease obligations	–	(80.2)	–	–	–	(80.2)
Early termination of lease obligations	–	(13.9)	–	–	–	(13.9)
Discounted interests of financial derivatives	–	–	24.1	38.7	–	14.6
Discounted interests	–	–	–	–	10.2	10.2
Arrangement fees amortization	–	–	–	–	17.7	17.7
Currency translation adjustments	(38.7)	(87.3)	2.2	36.1	(147.5)	(162.2)
Unrealized exchange differences on the translation of net debt in foreign currencies	–	20.6	–	–	48.4	69.0
Other non-cash movements	**(38.7)**	**274.0**	**26.3**	**74.8**	**(71.2)**	**290.0**
Balance at December 31, 2022	**854.7**	**3,002.6**	**9.4**	**99.8**	**3,575.0**	**5,813.3**

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29.1 Offsetting financial assets and financial liabilities

Avolta's notional cash pool is operated by a major finance institute. Based on enforceable master netting agreement, the respective balances at the end of the period have been set-off as follows:

In millions of CHF	Balance before global pooling	Set-off	Net balance
31.12.2023			
Cash and cash equivalents	2,153.8	(1,439.2)	714.6
Borrowings, current	2,258.6	(1,439.2)	819.4
31.12.2022			
Cash and cash equivalents	1,727.9	(873.2)	854.7
Borrowings, current	995.9	(873.2)	122.7

1 Thereof CHF 74.9 million (2022: CHF 0.0 million) credit card receivables with a maturity of up to 4 working days included in cash and cash equivalents.

29.2 Legal restrictions on money transfer

Cash and cash equivalents at the end of the reporting period include CHF 123.6 (2022: 110.1) million held by subsidiaries operating in countries with exchange controls or other legal restrictions on money transfer. There are no material assets that have any other restrictions to realize or settle liabilities of the Group.

30. Other liabilities

In millions of CHF	31.12.2023	31.12.2022
Concession fee payables	181.4	181.5
Other service related vendors	289.6	255.9
Personnel payables	362.7	158.9
Sales and other tax liabilities	99.6	62.4
Put option Dufry Staer Holding Ltd	26.8	7.7
Financial derivative liabilities - current	80.2	99.8
Lease obligation due to tax refund	20.9	18.6
Payables for capital expenditure	77.1	19.9
Interest payables	22.6	25.4
Payables to local business partners	3.8	1.9
Other payables [1]	108.8	38.4
Total	**1,273.5**	**870.4**
Thereof		
Current liabilities	1,193.1	841.1
Non-current liabilities	80.4	29.3
Total	**1,273.5**	**870.4**

1 Thereof CHF 15.6 million related to Covid-19 related employee retention liability in the US.

31. Deferred tax assets and liabilities

Deferred tax assets and liabilities arise from the following positions:

In millions of CHF	31.12.2023	31.12.2022
Deferred tax assets		
Inventories	12.4	14.9
Property, plant and equipment	38.6	64.1
Intangible assets	42.7	46.4
Lease obligations	1,433.2	286.9
Provisions and other payables	76.9	51.5
Tax loss carry-forward	75.7	89.6
Other	7.6	4.5
Total	**1,687.1**	**557.9**
Deferred tax liabilities		
Property, plant and equipment	(24.8)	(34.7)
Right-of-use assets	(1,403.1)	(295.6)
Intangible assets	(445.2)	(282.9)
Provisions and other payables	(51.4)	(13.2)
Other	(8.3)	(7.5)
Total	**(1,932.8)**	**(633.9)**
Deferred tax liabilities net	**(245.7)**	**(76.0)**

Deferred tax balances are presented in the consolidated statement of financial position as follows:

In millions of CHF	2023	2022
Deferred tax assets	164.7	145.4
Deferred tax liabilities	(410.4)	(221.4)
Balance at December 31	**(245.7)**	**(76.0)**

Reconciliation of movements to the deferred taxes:

In millions of CHF	2023	2022
Changes in deferred tax assets	19.3	(34.5)
Changes in deferred tax liabilities	(189.0)	54.0
Business combinations (note 6)	225.8	–
Currency translation adjustments	(16.4)	(18.5)
Deferred tax movements (expense) at December 31	**39.7**	**1.0**
Thereof		
Recognized in the statement of profit or loss	39.8	(3.1)
Recognized in equity	–	–
Recognized in OCI	(0.1)	4.1

Tax loss carry forward

Certain subsidiaries incurred tax losses, which according to the local tax legislation gives rise to a tax credit usable in future tax periods. However, the use of this tax benefit may be limited by local law in time (expiration) or in quantity or limited by the ability of the respective subsidiary to generate enough taxable profits in the future.

Deferred tax assets relating to unused tax losses carry forwards or temporary differences are recognized when it is probable that such tax credits can be utilized in future periods by the respective entity in accordance with the approved budget 2024 and the management projections thereafter.

The unrecognized tax losses carry forwards by expiry date are as follows:

In millions of CHF	31.12.2023	31.12.2022
Expiring within 1 to 3 years	358.5	292.1
Expiring within 4 to 7 years	750.4	775.6
Expiring after 7 years	27.5	117.4
With no expiration limit	1,580.5	1,089.4
Total	**2,716.9**	**2,274.5**

Unrecognized deferred tax assets

Avolta has unrecognized tax losses as shown in the table above which could lead to a potential tax benefit amounting to CHF 607.4 (2022: CHF 502.2) million. The unrecognized tax losses can be allocated to the following countries: Switzerland CHF 694.3 million; Spain CHF 358.7 million; Italy CHF 349.1 million; Brazil CHF 210.3 million; Netherlands CHF 207.9 million; Australia CHF 148.0 million; US CHF 84.8 million; Mexico CHF 81.6 million; Russia CHF 52.7 million; Belgium CHF 51.7 million and other countries CHF 477.9 million.

In addition, Avolta has unrecognized temporary differences of CHF 170.5 (2022: CHF 163.1) million tax effected. These tax effected unrecognized temporary differences can be allocated to the following countries: Spain CHF 59.4 million; Switzerland CHF 31.8 million; Brazil CHF 27.9 million; US CHF 16.2 million; Mexico CHF 11.4 million and other countries CHF 23.8 million.

Unrecognized deferred tax liabilities

Avolta has not recognized deferred tax liabilities associated with investments in subsidiaries where Avolta can control the reversal of the timing differences and where it is not probable that the temporary differences will reverse in the foreseeable future. Avolta does not expect that these differences result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the investment is recovered.

32. Provisions

2023 In millions of CHF	Contingent liabilities	Onerous contract	Closedown	Lawsuits and duties	Labor disputes	Other	Total
Balance at January 1, 2023	**8.7**	**8.4**	**6.4**	**43.6**	**3.0**	**63.2**	**133.3**
Business combinations (note 6)	13.7	8.9	–	11.0	1.1	46.1	80.8
Charge for the year	–	2.7	0.7	1.9	2.6	27.3	35.2
Utilized	–	(8.3)	(2.8)	–	(1.2)	(3.0)	(15.3)
Unused amounts reversed	–	(0.9)	(0.2)	(3.7)	(1.9)	(37.4)	(44.1)
Currency translation adjustments	(1.8)	(1.1)	(0.5)	(1.5)	(0.3)	(4.9)	(10.1)
Balance at December 31, 2023	**20.6**	**9.7**	**3.6**	**51.3**	**3.3**	**91.3**	**179.8**
Thereof							
Current	–	5.9	3.6	51.3	0.5	44.4	105.7
Non-current	20.6	3.8	–	–	2.8	46.9	74.1

Management believes that its provisions are adequate based upon currently available information. However, given the inherent difficulties in estimating liabilities in the areas described below, future expenses may be different from the amounts provisioned.

Contingent liabilities
Contingent liabilities are recognized in connection with business combinations, usually in relation with legal claims, from which the final outcome is difficult to assess.

Onerous contracts
Avolta enters in certain non-cancellable agreements. If the economic condition to operate such business deteriorates materially, it can happen that the present value of the unavoidable future cash flows is not enough to cover the carrying amount of the tangible or intangible assets, or even become negative so that the company would need to present a provision for onerous contracts. Estimating these future cash flows require management to project future sales and operating profits. At balance sheet date, an amount of CHF 9.7 (2022: 8.4) million has been provided mainly in relation to three operation in the region Europe, Middle East and Africa (EMEA) and one operation in Latin America (LATAM).

Close down
The provision of CHF 3.6 (2022: 6.4) million relates mainly to four operations in Asia Pacific (APAC) and three in EMEA.

Lawsuits and duties
The provision for lawsuits and duties of CHF 51.3 (2022: 43.6) million covers uncertainties related to the outcome of law suits in relation to taxes-other than income, duties and includes risk in relation to concession fees in connection with Avolta's subsidiaries in EMEA, North America and LATAM.

Labor disputes
The provision of CHF 3.3 (2022: 3.0) million relates mainly to claims presented by Avolta employees mainly in EMEA and LATAM.

Other

Other provisions comprise mainly potential liabilities to cover the cost for restoration of leased shops to their original condition at the end of the lease agreement and restructuring costs. These provisions relate mainly to operation in EMEA and APAC.

Cash outflows of non-current provisions

The cash outflows of non-current provisions as of December 31, 2023 are expected to occur in:

In millions of CHF	Expected cash outflow
2025	25.3
2026	7.0
2027	7.5
2028	2.1
2029+	32.2
Total non-current	**74.1**

33. Post-employment benefit obligation

Avolta provides retirement benefits through a variety of arrangements comprised principally of stand-alone defined benefit or defined contribution plans, or state administered plans that cover a substantial portion of employees in accordance with local regulations and practices. The most significant plans in terms of the benefits accrued to date by participants are cash balance and final salary plans. Around 93.8 % (2022: 93.0 %) of the total defined benefit obligation and 96.7 % (2022: 96.6 %) of the plan assets correspond to pension funds in Switzerland, the United Kingdom (UK) and Italy.

			2023			2022
In millions of CHF	Funded	Unfunded	Total	Funded	Unfunded	Total
Switzerland						
Fair value of plan assets	263.7	–	263.7	151.3	–	151.3
Present value of defined benefit obligation	(244.5)	–	(244.5)	(151.3)	–	(151.3)
Financial (liability) asset	**19.2**	**–**	**19.2**	**–**	**–**	**–**
UK						
Fair value of plan assets	129.0	–	129.0	132.1	–	132.1
Present value of defined benefit obligation	(114.9)	–	(114.9)	(115.1)	–	(115.1)
Financial (liability) asset	**14.1**	**–**	**14.1**	**17.0**	**–**	**17.0**
Italy						
Fair value of plan assets	–	–	–	–	–	–
Present value of defined benefit obligation	–	(28.5)	(28.5)	–	(2.1)	(2.1)
Financial (liability) asset	**–**	**(28.5)**	**(28.5)**	**–**	**(2.1)**	**(2.1)**
Other plans						
Fair value of plan assets	9.4	3.9	13.3	10.0	–	10.0
Present value of defined benefit obligation	(18.7)	(7.0)	(25.7)	(11.4)	(8.8)	(20.2)
Financial (liability) asset	**(9.3)**	**(3.1)**	**(12.4)**	**(1.4)**	**(8.8)**	**(10.2)**
Carrying amount						
Net defined benefit assets	**36.0**	**–**	**36.0**	**17.0**	**–**	**17.0**
Net defined benefit obligation	**(11.9)**	**(31.6)**	**(43.5)**	**(1.4)**	**(10.9)**	**(12.3)**

33.1 Switzerland

In Switzerland two pension plans are in place, one already existing before the acquisition (CHF 170.7 million of liabilities and CHF 192.5 million of assets at December 31, 2023), whereas the second plan is related to the acquired entities in Switzerland (referring to note 6) with CHF 73.8 million of liabilities and CHF 71.2 million of assets at December 31, 2023. Both pension plans are cash balance plans where contributions are made by employees and employer based on a percentage of the insured salary. The pension plans guarantee the amount accrued on the members saving account, as well as interest on those savings amounts. At retirement date, the savings account are converted into pensions, or optionally part of the savings can be paid out as a lump sum.

Legal framework
Pension plans in Switzerland are governed by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed as independent, legally autonomous units, a pension fund. Pension plans are overseen by a regulator as well as by a state supervisory body. A pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives.

Main risks
The main risks to which the pension fund is exposed are: a) mortality risk, when the effective average life results to be longer than the assumptions used based on the official demographic statistics, then pension payments would need to be done for longer periods, b) Market and liquidity risk as if the future rate of return on plan assets is lower to the actual discount rate used to calculate the conversion factor, then additional funds will be needed and c) Death and disability risk as if the amounts or number of effective cases are higher than the indications provided by the demographic statistics, this can result in a mismatch of asset-liabilities relation of the pension fund. These risks are regularly monitored by an actuary and the Board of Trustees.

Asset-liability management
Both Swiss pension funds currently invest in a diverse portfolio of asset classes including equities, bonds, property and alternative investments but do not currently use any more explicit asset-liability matching strategy instruments such as annuity purchase products or longevity swaps. With the investment strategy, the board of trustees defines the allocation of asset classes, currencies and other risks, which takes into account requirements from BVG, and the objective of achieving an investment return which together with the contributions paid, is sufficient to maintain reasonable control over the various funding risks of the plan.

33.2 United Kingdom (UK)

Avolta participates in another defined benefit pension plan in the UK under specific regulatory frameworks. The Plan has been closed to new members for many years and as well as to existing members. Under the Plan, members are entitled to annual pensions on retirement at age 65 of one sixtieth of revalued pensionable salary for each year of service. Pensionable salary is defined as basic salary less the statutory Lower Earnings limit. The Plan is administered by a separate board of trustees which is legally separate from the Company. The Trustees are comprised of representatives of employer, employees and independent trustees. The trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regards to assets plus the day to day administration of the scheme. The pension payments are made from the trustee-administered funds; however, where plans are underfunded, the company meets the benefit payment obligation as it falls due.

33.3 Italy

The Group recognizes defined benefit plans in Italy related to the legal obligations for Italian post-employment benefits ("trattamento di fine rapporto" or "T.F.R."). This relates to T.F.R. accrued at December 31, 2006 by employees of the Group's italian companies. The calculation of the legal obligation due by the employer is foreseen by the art. 2120 of the Civil Code and it differs from the one calculated on actuarial basis (respectively CHF 29.5 million and CHF 28.5 million).

With the introduction of Legislative Decree no. 124/93, the possibility of allocating post-employment benefit portions to finance supplementary pension provision was envisaged (the "Social Security Reform"). This reform provides, inter alia, that starting from January 1, 2007 the annual provision of participants who have decided not to allocate this provision to a pension fund is transferred, for companies with on average at least 50 employees during 2006, to a special Treasury Fund set up at INPS (the Italian social institution).

Due to the above mentioned in the system of post-employment benefits brought about by Law 296 of December 27, 2006 and by the decrees and regulations issued in early 2007:

- TFR accrued at December 31, 2006 by employees of the Group's Italian companies is treated as a defined benefit plan in accordance with IAS 19.
- TFR accrued from January 1, 2007 is treated as a defined contribution plan, so contributions accrued during the exercise are fully recognized as costs.

Cost of defined benefit plans

			2023			2022
In millions of CHF	Switzerland	UK	Italy	Switzerland	UK	Italy
Service costs						
Current service costs	(4.6)	–	–	(6.3)	–	–
Past service costs	(0.4)	–	–	3.9	–	–
Net interest	0.1	0.8	(0.9)	0.2	0.5	–
Fund Administration	(0.2)	–	–	–	–	–
Total pension expenses recognized in the statement of profit or loss	**(5.1)**	**0.8**	**(0.9)**	**(2.2)**	**0.5**	**–**

The current and past service costs are included in personnel expenses, whereas fund administration expenses are included in the other expenses. The past service costs are a consequence of Avolta's modified pension fund plan rules as of 1st of January 2023 (lower conversion rate and increase in the maximum insured salary).

Remeasurements employee benefits

			2023			2022
In millions of CHF	Switzerland	UK	Italy	Switzerland	UK	Italy
Actuarial gains (losses) - experience	6.9	(3.0)	0.2	(7.9)	(9.1)	(0.1)
Actuarial gains (losses) - demographic assumptions	(1.0)	1.2	–	–	1.1	–
Actuarial gains (losses) - financial assumptions	(30.5)	(3.3)	(0.7)	50.2	73.2	0.4
Return on plan assets exceeding expected interest	(5.6)	2.2	–	(19.7)	(72.8)	–
Effect of asset ceiling	45.3	–	–	(53.3)	–	–
Total remeasurements recorded in other comprehensive income	**15.1**	**(2.9)**	**(0.5)**	**(30.7)**	**(7.6)**	**0.3**

The following tables summarize the components of the funded status and amounts recognized in the statement of financial position for the plan:

Change in the fair value of plan assets

	2023			2022		
In millions of CHF	Switzerland	UK	Italy	Switzerland	UK	Italy
Balance at January 1	**151.3**	**132.1**	**–**	**226.9**	**227.5**	**–**
Business combination	69.6	–	–	–	–	–
Interest income [1]	6.2	6.0	–	0.9	4.0	–
Return on plan assets, above interest income	(5.6)	2.2	–	(19.7)	(72.8)	–
Contributions paid by employer	7.2	–	–	5.1	–	–
Contributions paid by employees	14.9	–	–	7.3	–	–
Benefits paid	(23.9)	(5.7)	–	(15.6)	(5.0)	–
Administration costs	–	–	–	(0.2)	(0.2)	–
Asset ceiling [2]	44.0	–	–	(53.3)	–	–
Currency translation	–	(5.6)	–	(0.1)	(21.4)	–
Balance at December 31	**263.7**	**129.0**	**–**	**151.3**	**132.1**	**–**

[1] Expected interest income on plan assets based on discount rate. See actuarial assumptions.

[2] The plan assets are larger than the DBO. However, as no economic benefit is expected, the net defined benefit asset must be ceiled. There is no economic benefit as the employer service cost is smaller than the employer's expected contributions and no employer's contribution reserve is available.

Change in present value of defined benefit obligation

In millions of CHF	2023 Switzerland	2023 UK	2023 Italy	2022 Switzerland	2022 UK	2022 Italy
Balance at January 1	**151.3**	**115.1**	**2.1**	**198.8**	**200.6**	**3.1**
Business combination	67.5	–	29.8		–	–
Current service costs	4.6	–	–	6.3	–	–
Interest costs	4.9	5.1	1.0	0.8	3.5	–
Contributions paid by employees	14.9	–	–	7.3	–	–
Actuarial losses/(gains) - experience	(6.9)	3.1	(0.2)	7.9	9.1	0.1
Actuarial losses/(gains) - demographic assumptions	1.0	(1.2)	–	–	(1.1)	–
Actuarial losses/(gains) - financial assumptions	30.5	3.3	0.7	(50.2)	(73.2)	(0.4)
Benefits paid	(23.9)	(5.7)	(2.7)	(15.6)	(5.0)	(0.2)
Past service cost - plan amendments	0.4	–	–	(3.9)	–	–
Other	0.2	–	–	–	–	–
Currency translation	–	(4.8)	(2.2)	(0.1)	(18.8)	(0.5)
Balance at December 31	**244.5**	**114.9**	**28.5**	**151.3**	**115.1**	**2.1**
Net defined benefit (obligation)/asset at December 31	**19.2**	**14.1**	**(28.5)**	**–**	**17.0**	**(2.1)**

Based on pension legislation of certain countries the employer and/or the employees have the obligation to remedy any default situation of the pension foundation, which usually would result in higher periodic contributions. At the statement of financial position date, there was no such default situation. The actuarial calculations based on IAS 19 resulted in a defined benefit obligation/asset.

Actuarial assumptions

The present value of the defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. The main actuarial assumptions used are:

In percentage (%)	2023 Switzerland	2023 UK	2023 Italy	2022 Switzerland	2022 UK	2022 Italy
Discount rates	1.50	4.50	2.99	2.30	4.75	3.6
Future salary increases	1.80	–	2.00	1.50	–	n/a
Future pension increases	–	1.80	3.00	–	1.85	3.2
Mortality table (generational tables)	2020	2022	2022	2,020	2,021	n/a

The mortality table takes into account changes in the life expectancy.

Plan asset structure

The structure of categories of plan assets is as follows:

In percentage (%)	2023 Switzerland	2023 UK	2023 Italy	2022 Switzerland	2022 UK	2022 Italy
Shares	31.0	99.7	n/a	27.2	99.6	n/a
Bonds	21.8	–	n/a	13.9	–	n/a
Real estate	32.2	–	n/a	45.7	–	n/a
Other[1]	15.0	0.3	n/a	13.2	0.4	n/a
Total	**100.0**	**100.0**	**n/a**	**100.0**	**100.0**	**n/a**

[1] Includes Cash and cash equivalents (CHF 3.2 million in 2023) and alternative investments.

All assets held by the Pension fund in Switzerland and UK are fair-value-level 1 (quoted prices in active markets), except certain real estate and alternative investments in Switzerland which are fair-value-level 3 (significant unobservable inputs) representing 36.5 % (2022: 45.7 %) of the total assets.

The net outflow of funds due to pension payments can be planned reliably. Contributions are paid regularly to the funded pension plans in Switzerland and UK. Furthermore, the respective investment strategies take account of the need to guarantee the liquidity of the plan at all times. Avolta does not make use of any assets held by these pension plans.

Plan participants

In millions of CHF	2023 Switzerland	2023 UK	2023 Italy	2022 Switzerland	2022 UK	2022 Italy
Expected cash flow for						
Contribution Employer	5.2	–	n/a	4.9	–	n/a
Contribution Employees	7.4	–	n/a	3.0	–	n/a
Weighted average duration of defined benefit	17.2	17.1	7.6	15.7	16.0	8.0

Sensitivities of significant actuarial assumptions

The discount rate and the future salary increase were identified as significant actuarial assumptions.

A change of 0.5 % in the below assumptions would imply the following impacts on the defined benefit obligation:

	Switzerland		UK		Italy	
2023 **In millions of CHF**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate	(18.7)	20.5	(4.8)	4.8	(1.8)	1.9
Salary rate	2.7	(3.5)	–	–	1.9	(1.8)

The sensitivity analysis is based on realistically possible changes as of the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

34. Fair value measurement

Fair value of financial instruments carried at amortized cost
Except as detailed in the table Quantitative disclosures fair value measurement hierarchy for assets below, Avolta considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

The following tables provide the fair value measurement hierarchy of Avolta's assets and liabilities, that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i. e. as prices) or indirectly (i. e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation of the put option related to unlisted shares is derived from the proportional share of the net assets. The movement of the put option is recorded through equity instead of through profit or loss.

Quantitative disclosures fair value measurement hierarchy for assets

December 31, 2023 In millions of CHF	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amounts
Assets measured at fair value					
Derivative financial assets					
Foreign exchange forward contracts - USD	–	–	–	–	–
Foreign exchange swaps contracts - EUR	–	–	–	–	–
Foreign exchange swaps contracts - OTHER	4.4	–	4.4	–	4.4
Cross currency swaps contracts - EUR	4.9	–	4.9	–	4.9
Subtotal (note 37.3)	**9.3**	**–**	**9.3**	**–**	**9.3**
Short-term investments - USD	54.9	54.9	–	–	54.9
Money market deposits - USD	16.8	–	16.8	–	16.8
Total	**81.0**	**54.9**	**26.1**	**–**	**81.0**
Assets for which fair values are disclosed					
Loans and receivables					
Trade and credit card receivables	4.7	–	4.7	–	4.7

December 31, 2022 In millions of CHF	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amounts
Assets measured at fair value					
Derivative financial assets					
Foreign exchange forward contracts - USD	0.1	–	0.1	–	0.1
Foreign exchange swaps contracts - EUR	3.7	–	3.7	–	3.7
Foreign exchange swaps contracts - OTHER	0.5	–	0.5	–	0.5
Cross currency swaps contracts - EUR	5.1	–	5.1	–	5.1
Options - USD	0.7	–	0.7	–	0.7
Total (note 37.3)	**10.1**	**–**	**10.1**	**–**	**10.1**
Assets for which fair values are disclosed					
Loans and receivables					
Trade and credit card receivables	62.0	–	62.0	–	62.3

There were no transfers between Level 1 and 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities

December 31, 2023 In millions of CHF	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amounts
Liabilities measured at fair value					
Derivative financial liabilities					
Foreign exchange forward contracts - USD	0.1	–	0.1	–	0.1
Foreign exchange swaps contracts - EUR	4.8	–	4.8	–	4.8
Foreign exchange swaps contracts - OTHER	–	–	–	–	–
Cross currency swaps contracts - EUR	75.3	–	75.3	–	75.3
Put option Dufry Staer Holding Ltd	26.8	–	–	26.8	26.8
Total (Note 37.3)	**107.0**	**–**	**80.2**	**26.8**	**107.0**
Liabilities for which fair values are disclosed					
At amortized cost					
Senior notes CHF 300	297.3	297.3	–	–	299.4
Senior notes EUR 800	730.6	730.6	–	–	745.9
Senior notes EUR 750	650.7	650.7	–	–	692.0
Senior notes EUR 725	643.6	643.6	–	–	672.1
Convertible notes CHF 500	470.4	470.4	–	–	471.6
Total	**2,792.6**	**2,792.6**	**–**	**–**	**2,881.0**
RCF - multicurrency - USD	311.8	–	311.8	–	311.4
RCF - multicurrency - EUR	46.5	–	46.5	–	46.4
Related deferred arrangement fees	–	–	–	–	(18.1)
Short-term financing	–	–	–	–	–
Total	**358.3**	**–**	**358.3**	**–**	**339.7**

There were no transfers between Level 1 and 2 during the period.

December 31, 2022 In millions of CHF	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amounts
Liabilities measured at fair value					
Derivative financial liabilities					
Foreign exchange forward contracts - USD	0.1	–	0.1	–	0.1
Foreign exchange swaps contracts - EUR	–	–	–	–	–
Foreign exchange forward contracts - OTHER	0.6	–	0.6	–	0.6
Cross currency swaps contracts - EUR	99.1	–	99.1	–	99.1
Put option Dufry Staer Holding Ltd	7.7	–	–	7.7	7.7
Total	**107.5**	**–**	**99.8**	**7.7**	**107.5**
Liabilities for which fair values are disclosed					
At amortized cost					
Senior notes CHF 300	262.6	262.6	–	–	298.9
Senior notes EUR 800	765.2	765.2	–	–	790.3
Senior notes EUR 750	604.2	604.2	–	–	732.1
Senior notes EUR 725	592.9	592.9	–	–	712.2
Convertible notes CHF 500	420.2	420.2	–	–	459.5
Total	**2,645.1**	**2,645.1**	**–**	**–**	**2,993.0**
Floating rate borrowings USD	412.8	–	412.8	–	392.2
Total	**412.8**	**–**	**412.8**	**–**	**392.2**

There were no transfers between Level 1 and 2 during the period.

35. Capital risk management

Capital comprises equity attributable to the equity holders of the parent less hedging and revaluation reserves for unrealized gains or losses on net investments, plus other equity-linked or equity-like instruments attributable to the parent.

The primary objective of Avolta's capital management is to ensure that it maintains an adequate credit rating and sustainable capital ratios in order to support its business and maximize shareholder value.

Avolta manages its financing structure and makes adjustments to it in light of its strategy and the long-term opportunities and costs of each financing source. To maintain or adjust the financing structure, Avolta may adjust dividend payments to shareholders, return capital to shareholders, issue new shares or issue equity-linked instruments or equity-like instruments.

Furthermore, Avolta monitors the financing structure using a combination of ratios, including a gearing ratio, cash flow considerations and profitability ratios. As for the gearing ratio Avolta includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Avolta has a medium-term leverage target of 1.5-2.0x net debt/CORE EBITDA with flexibility up to 2.5x.

35.1 Gearing ratio

The following ratio compares owner's equity to borrowed funds:

In millions of CHF	31.12.2023	31.12.2022
Cash and cash equivalents	(714.6)	(854.7)
Borrowings, current	819.4	122.7
Borrowings, non-current	2,520.6	3,452.3
Borrowings, net (excluding derivatives)	**2,625.4**	**2,720.3**
Equity attributable to equity holders of the parent	2,360.8	893.0
Adjusted for		
Accumulated hedged gains/(losses)	(185.9)	(171.6)
Effects from transactions with non-controlling interests [1]	2,412.1	1,497.9
Total capital [2]	**4,587.0**	**2,219.3**
Total net debt and capital	**7,212.4**	**4,939.6**
Gearing ratio	**36.4%**	**55.1%**

[1] Represents the excess paid/(received) above fair value on shares acquired/(sold) from non-controlling interests as long as there is no change in control (IFRS 10.23).

[2] Includes all capital and reserves of Avolta that are managed as capital.

Avolta did not hold collateral of any kind at the reporting dates.

35.2 Categories of financial instruments

At December 31, 2023	Financial assets				
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial assets[1]	Total
Cash and cash equivalents	714.6	–	714.6	–	714.6
Trade and credit card receivables	41.3	–	41.3	–	41.3
Other accounts receivable	321.3	26.1	347.4	228.8	576.2
Current Investment	–	54.9	54.9	–	54.9
Other non-current assets	283.8	–	283.8	28.3	312.1
Total	**1,361.0**	**81.0**	**1,442.0**		

	Financial liabilities				
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial liabilities[1]	Total
Trade payables	873.7	–	873.7	–	873.7
Borrowings, current	819.4	–	819.4	–	819.4
Lease obligations, current	1,102.6	–	1,102.6	–	1,102.6
Other liabilities	949.8	107.0	1,056.8	136.3	1,193.1
Borrowings, non-current	2,520.6	–	2,520.6	–	2,520.6
Lease obligations, non-current	6,750.8	–	6,750.8	–	6,750.8
Other non-current liabilities	51.9	–	51.9	28.5	80.4
Total	**13,068.8**	**107.0**	**13,175.8**		

At December 31, 2022	Financial assets				
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial assets[1]	Total
Cash and cash equivalents	854.7	–	854.7	–	854.7
Trade and credit card receivables	62.3	–	62.3	–	62.3
Other accounts receivable	309.8	10.1	319.9	147.7	467.6
Other non-current assets	119.6	0.4	120.0	35.8	155.8
Total	**1,346.4**	**10.5**	**1,356.9**		

	Financial liabilities				
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial liabilities[1]	Total
Trade payables	486.4	–	486.4	–	486.4
Borrowings, current	122.7	–	122.7	–	122.7
Lease obligations, current	992.4	–	992.4	–	992.4
Other liabilities	647.0	107.5	754.5	86.6	841.1
Borrowings, non-current	3,452.3	–	3,452.3	–	3,452.3
Lease obligations, non-current	2,010.2	–	2,010.2	–	2,010.2
Other non-current liabilities	29.3	–	29.3	–	29.3
Total	**7,740.3**	**107.5**	**7,847.8**		

[1] Non-financial assets or non-financial liabilities comprise prepaid expenses and deferred income, which will not generate a cash outflow or inflow as well as other tax positions.

35.3 Net income by IFRS 9 valuation category

Financial Assets at December 31, 2023

In millions of CHF	At amortized cost	At FVPL	Total
Interest income	57.5	–	57.5
Other finance income	12.5	36.8	49.3
From interest	**70.0**	**36.8**	**106.8**
Foreign exchange gain / (loss) [1]	(8.6)	–	(8.6)
Impairments / allowances [2]	0.3	–	0.3
Total – from subsequent valuation	**(8.3)**	**–**	**(8.3)**
Net (expense) / income	**61.7**	**36.8**	**98.5**

Financial Liabilities at December 31, 2023

In millions of CHF	At amortized cost	At FVPL	Total
Interest expenses	(534.9)	1.0	(533.9)
Amortization of arrangement fees	(5.4)	–	(5.4)
Other finance expenses	(25.1)	(62.4)	(87.5)
From interest	**(565.4)**	**(61.4)**	**(626.8)**
Foreign exchange gain / (loss) [1]	(41.5)	–	(41.5)
Total – from subsequent valuation	**(41.5)**	**–**	**(41.5)**
Net (expense) / income	**(606.9)**	**(61.4)**	**(668.3)**

[1] This position includes the foreign exchange gain / (loss) recognized on third party and intercompany financial assets and liabilities through consolidated statement of profit or loss.

[2] This position includes net income / (expense) from released impairments, allowances or recoveries during the period less the increase of impairments or allowances.

Financial Assets at December 31, 2022

In millions of CHF	At amortized cost	At FVPL	Total
Interest income	31.0	–	31.0
Other finance income	0.1	24.1	24.2
From interest	**31.1**	**24.1**	**55.2**
Foreign exchange gain/(loss)[1]	37.4	1.4	38.8
Impairments/allowances[2]	(2.6)	–	(2.6)
Total – from subsequent valuation	**34.8**	**1.4**	**36.2**
Net (expense)/income	**65.9**	**25.5**	**91.4**

Financial Liabilities at December 31, 2022

In millions of CHF	At amortized cost	At FVPL	Total
Interest expenses	(284.6)	–	(284.6)
Amortization of arrangement fees	(18.3)	–	(18.3)
Other finance expenses	(6.7)	(38.7)	(45.4)
From interest	**(309.6)**	**(38.7)**	**(348.3)**
Foreign exchange gain/(loss)[1]	10.0	(72.0)	(62.0)
Total – from subsequent valuation	**10.0**	**(72.0)**	**(62.0)**
Net (expense)/income	**(299.6)**	**(110.7)**	**(410.3)**

[1] This position includes the foreign exchange gain/(loss) recognized on third party and intercompany financial assets and liabilities through consolidated statement of profit or loss.

[2] This position includes net income/(expense) from released impairments, allowances or recoveries during the period less the increase of impairments or allowances.

36. Financial risk management objectives

Avolta has worldwide activities which are financed in different currencies and are consequently affected by fluctuations of foreign exchange and interest rates. Avolta's treasury manages the financing of the operations through centralized credit facilities to ensure an adequate allocation of these resources and simultaneously minimize the potential currency and financial risk impacts.

Avolta continuously monitors the market risk, such as risks related to foreign currency, interest rate, credit, liquidity and capital. Avolta seeks to minimize the currency exposure and interest rates risk using appropriate transaction structures or alternatively, using derivative financial instruments to hedge the exposure to these risks. The treasury policy forbids entering or trading financial instruments for speculative purposes.

37. Market risk

Avolta's financial assets and liabilities are mainly exposed to market risk in foreign currency exchange and interest rates. Avolta's objective is to minimize the impact on statement of profit or loss and to reduce fluctuations in cash flows through structuring the respective transactions to minimize market risks. In cases, where the associated risk cannot be hedged appropriately through a transaction structure, and the evaluation of market risks indicates a material exposure, Avolta may use financial instruments to hedge the respective exposure.

Avolta may enter into a variety of financial instruments to manage its exposure to foreign currency risk, including forward foreign exchange contracts, currency swaps and over the counter plain vanilla options.

During the current financial year, Avolta utilized foreign currency forward contracts and options for hedging purposes.

37.1 Foreign currency risk management

Avolta manages the cash flow surplus or deficits in foreign currency of the operations through FX-transactions in the respective local currency. Major imbalances in foreign currencies at Group level are hedged through foreign exchange forwards contracts. The terms of the foreign currency forward contracts have been negotiated to match the terms of the forecasted transactions.

37.2 Foreign currency sensitivity analysis

Among various methodologies to analyze and manage risk, Avolta utilizes a system based on sensitivity analysis. This tool enables Group treasury to identify the level of risk of each entity. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions.

Foreign Currency Exposure

In millions of CHF	USD	EUR	GBP	BRL	Other	Total
December 31, 2023						
Monetary assets	1,148.0	2,930.1	391.3	75.5	2,339.6	6,884.5
Monetary liabilities	(527.5)	(2,394.4)	(402.1)	(133.3)	(2,095.0)	(5,552.3)
Net currency exposure before foreign currency contracts and hedging	**620.5**	**535.7**	**(10.8)**	**(57.8)**	**244.6**	**1,332.2**
Foreign currency contracts	(826.6)	983.2	–	–	(210.2)	(53.6)
Hedging	232.1	(1,460.8)	–	–	(79.0)	(1,307.7)
Net currency exposure	**26.0**	**58.1**	**(10.8)**	**(57.8)**	**(44.6)**	**(29.1)**
December 31, 2022						
Monetary assets	1,099.7	704.4	404.6	108.6	2,116.7	4,434.0
Monetary liabilities	516.5	2,637.5	399.3	140.9	2,092.9	5,787.1
Net currency exposure before foreign currency contracts and hedging	**583.2**	**(1,933.1)**	**5.3**	**(32.3)**	**23.8**	**(1,353.1)**
Foreign currency contracts	(815.6)	813.1	–	43.1	98.4	139.0
Hedging	255.7	1,075.9	–	–	(86.5)	1,245.1
Net currency exposure	**23.3**	**(44.1)**	**5.3**	**10.8**	**35.7**	**31.0**

The sensitivity analysis includes all monetary assets and liabilities irrespective of whether the positions are third party or intercompany. Avolta has considered some intercompany long-term loans as equity-like loans. Consequently, the related exchange differences are presented in other comprehensive income and thereafter as translation reserve in equity. In addition, Avolta has entered into cross currency swaps to reduce the currency exposure.

The foreign exchange rate sensitivity is calculated by aggregation of the net currency exposure of Avolta entities at December 31 of the respective year. The values and risk disclosed here are the hedged and remaining net currency exposure assuming a 5% appreciation of the CHF against all other currencies.

A positive result indicates a profit, before tax in the statement of profit or loss or in the hedging and revaluation reserves when the CHF strengthens against the relevant currency.

In millions of CHF	31.12.2023	31.12.2022
Effect on profit or loss based on USD	(1.3)	(1.2)
Other comprehensive income based on USD	11.6	12.8
Effect on profit or loss based on EUR	(2.9)	2.2
Other comprehensive income based on EUR	(73.0)	53.8
Effect on profit or loss based on GBP	0.6	(0.3)
Effect on profit or loss based on BRL	2.9	(0.5)

Reconciliation to categories of financial instruments:

In millions of CHF	31.12.2023	31.12.2022
Financial assets		
Total financial assets held in foreign currencies (see above)	6,884.5	4,434.0
Less intercompany financial assets in foreign currencies	(6,259.2)	(3,584.6)
Third party financial assets held in foreign currencies	625.3	849.4
Third party financial assets held in reporting currencies	816.7	507.5
Total third party financial assets	**1,442.0**	**1,356.9**
Financial liabilities		
Total financial liabilities held in foreign currencies (see above)	5,552.3	5,787.1
Less intercompany financial liabilities in foreign currencies	(3,561.1)	(3,852.1)
Third party financial liabilities held in foreign currencies	1,991.2	1,935.0
Third party financial liabilities held in reporting currencies	11,184.6	5,912.8
Total third party financial liabilities	**13,175.8**	**7,847.8**

37.3 Foreign exchange forward contracts and foreign exchange options at fair value

As the management of the company actively pursues to naturally hedge the positions in each operation, the policy of Avolta is to enter into foreign exchange forwards and options contracts only where needed.

The following table shows the contracts or underlying principal amounts and fair values of derivative financial instruments, including foreign exchange forwards and foreign exchange swaps as well as cross currency swaps. Contracts or underlying principal amounts indicate the volume of business outstanding at the balance sheet date. The fair values as per the table below are determined by reference to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly at December 31 of each year.

In millions of CHF	Contract under-lying or principal amount	Positive fair value	Negative fair value
December 31, 2023	1,204.3	9.3	80.2
December 31, 2022	856.0	10.1	99.8

38. Interest rate risk management

Avolta manages the interest rate risk through interest rate swaps and options to the extent that the hedging cannot be implemented through managing the duration of the debt drawings. The levels of the hedging activities are evaluated regularly and may be adjusted in order to reflect the development of the various parameters.

38.1 Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates derivatives and non-derivative instruments at the reporting date. The risk analysis provided here assumes a simultaneous increase of 100 basis points of the interest rate of all interest bearing financial positions.

If interest rates had been 100 basis points higher whereas all other variables were held constant, Avolta's net profit/loss for the year 2023 would decrease by CHF 36.1 (2022: decrease by CHF 35.3) million.

38.2 Allocation of financial assets and liabilities to interest classes

	In %		In millions of CHF				
At December 31, 2023	**Average variable interest rate**	**Average fixed interest rate**	**Variable interest rate**	**Fixed interest rate**	**Total interest bearing**	**Non-interest bearing**	**Total**
Cash and cash equivalents	1.9%	3.1%	388.5	104.8	493.3	221.3	714.6
Trade and credit card receivables			–	–	–	41.3	41.3
Other accounts receivable	1.6%	0.5%	15.8	17.9	33.7	313.7	347.4
Current investment	2.8%		54.9	–	54.9	–	54.9
Other non-current assets	4.7%	0.6%	2.9	59.9	62.8	221.0	283.8
Financial assets			**462.1**	**182.6**	**644.7**	**797.3**	**1,442.0**
Trade payables				–	–	873.7	873.7
Borrowings, current		2.4%	–	807.4	807.4	12.0	819.4
Other liabilities	7.3%	11.3%	0.1	1.1	1.2	1,055.6	1,056.8
Borrowings, non-current	4.1%	2.2%	598.9	1,921.7	2,520.6	–	2,520.6
Lease obligations		7.6%	–	7,853.4	7,853.4	–	7,853.4
Other non-current liabilities			–	–	–	51.9	51.9
Financial liabilities			**599.0**	**10,583.6**	**11,182.6**	**1,993.2**	**13,175.8**
Net financial liabilities			**136.9**	**10,401.0**	**10,537.9**	**1,195.9**	**11,733.8**

	In %		In millions of CHF				
At December 31, 2022	**Average variable interest rate**	**Average fixed interest rate**	**Variable interest rate**	**Fixed interest rate**	**Total interest bearing**	**Non-interest bearing**	**Total**
Cash and cash equivalents	1.0%	4.5%	378.2	92.7	470.9	383.8	854.7
Trade and credit card receivables			–	–	–	62.3	62.3
Other accounts receivable	1.1%		0.1	–	0.1	319.8	319.9
Other non-current assets	0.7%	9.3%	2.4	4.8	7.2	112.8	120.0
Financial assets			**380.7**	**97.5**	**478.2**	**878.7**	**1,356.9**
Trade payables			–	–	–	486.4	486.4
Borrowings, current	2.9%	3.6%	19.0	103.0	122.0	0.7	122.7
Other liabilities			–	–	–	754.5	754.5
Borrowings, non-current	6.1%	2.4%	448.7	3,003.6	3,452.3	0.0	3,452.3
Lease obligations		4.8%	–	3,002.6	3,002.6	0.0	3,002.6
Other non-current liabilities			–	–	–	29.3	29.3
Financial liabilities			**467.7**	**6,109.2**	**6,576.9**	**1,270.9**	**7,847.8**
Net financial liabilities			**87.0**	**6,011.7**	**6,098.7**	**392.2**	**6,490.9**

39. Credit risk management

Credit risk refers to the risk that counterparty may default on its contractual obligations resulting in financial loss to Avolta.

Almost all Avolta sales are retail sales made against cash or internationally recognized credit / debit cards. Avolta has policies in place to ensure that other sales are only made to customers with an appropriate credit history or that the credit risk is insured adequately. The remaining credit risk is in relation to refunds from suppliers and guarantee deposits.

The credit risk on cash deposits or derivative financial instruments relates to banks or financial institutions. Avolta monitors the credit ranking of these institutions and does not expect defaults from non-performance of these counterparties.

The main banks where the Group keeps net assets positions hold a credit rating of A– or higher.

39.1 Maximum credit risk

The carrying amount of financial assets recorded in the financial statements, after deduction of any allowances for losses, represents Avolta's maximum exposure to credit risk.

40. Liquidity risk management

Avolta evaluates this risk as the ability to settle its financial liabilities on time and at a reasonable price. Besides its capability to generate cash through its operations, Avolta mitigates liquidity risk by keeping unused credit facilities with financial institutions (see note 28).

40.1 Remaining maturities for non-derivative financial assets and liabilities

The following tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities (based on the earliest date on which Avolta can receive or be required to pay). The tables include principal and interest cash flows.

At December 31, 2023 In millions of CHF	1-6 months	6-12 months	1-2 years	More than 2 years	Total
Cash and cash equivalents	595.9	149.0	–	–	744.9
Trade and credit card receivables	38.2	3.1	–	–	41.3
Other accounts receivable	307.2	42.5	–	–	349.7
Current Investment	54.9	–	–	–	54.9
Other non-current assets	0.5	0.5	32.4	294.0	327.4
Total cash inflows	**996.7**	**195.1**	**32.4**	**294.0**	**1,518.2**
Trade payables	857.7	16.0	–	–	873.7
Borrowings, current	100.4	762.7	–	–	863.1
Other liabilities	931.0	45.6	–	–	976.6
Borrowings, non-current	26.6	30.1	912.2	1,807.3	2,776.2
Lease obligations [1]	771.7	648.8	1,230.0	7,409.6	10,060.1
Other non-current liabilities	–	–	–	51.9	51.9
Total cash outflows	**2,687.4**	**1,503.2**	**2,142.2**	**9,268.8**	**15,601.6**

[1] Lease obligation with a maturity of more than 2 years contain an amount of CHF 4'329.6 million with a maturity longer than 5 years.

At December 31, 2022 In millions of CHF	1-6 months	6-12 months	1-2 years	More than 2 years	Total
Cash and cash equivalents	863.4	8.8	–	–	872.2
Trade and credit card receivables	62.3	–	–	–	62.3
Other accounts receivable	308.4	1.4	–	–	309.8
Other non-current assets	0.2	0.5	2.2	117.2	120.1
Total cash inflows	**1,234.3**	**10.7**	**2.2**	**117.2**	**1,364.4**
Trade payables	486.4	–	–	–	486.4
Borrowings, current	116.6	25.7	–	–	142.3
Other liabilities	754.5	–	–	–	754.5
Borrowings, non-current	55.8	56.1	118.0	3,728.3	3,958.2
Lease obligations [1]	555.8	436.6	514.7	2,087.6	3,594.7
Other non-current liabilities	–	–	–	29.3	29.3
Total cash outflows	**1,969.1**	**518.4**	**632.7**	**5,845.2**	**8,965.4**

[1] Lease obligation with a maturity of more than 2 years contain an amount of CHF 801.5 million with a maturity longer than 5 years.

40.2 Remaining maturities for derivative financial instruments

Avolta holds derivative financial instruments at year-end.

At December 31, 2023 In millions of CHF	1-6 months	6-12 months	1-2 years	More than 2 years	Total
Derivative financial assets	9.3	–	–	–	9.3
Derivative financial liabilities	80.2	–	–	–	80.2

At December 31, 2022 In millions of CHF	1-6 months	6-12 months	1-2 years	More than 2 years	Total
Derivative financial assets	5.0	–	–	5.2	10.1
Derivative financial liabilities	0.7	–	–	99.1	99.8

41. Related parties and related party transactions

A party is related to Avolta if the party directly or indirectly controls, is controlled by, or is under common control with Avolta, has an interest in Avolta that gives it significant influence over Avolta, has joint control over Avolta or is an associate or a joint venture of Avolta. In addition, members of the key management personnel of Avolta or close members of the family are also considered related parties as well as post-employment benefit plans for the benefit of employees of Avolta. Transactions with related parties are conducted at arm's length.

The related party transactions and relationships for Avolta are the following:

In millions of CHF	2023	2022
Other income		
Edizione SpA	0.2	–
Purchase of services from		
Pension Fund DUFRY, post-employment benefits	(7.2)	(5.1)
Lease related expenses		
Aeroporti Di Roma SPA	(16.6)	–
Autostrada Bs Vr Vi Pd SpA	(6.6)	–
Aeroporto di Bologna	(2.4)	–
Other expenses		
Aeroporti Di Roma SPA	(1.1)	–
ADR Mobility Srl	(0.1)	–
Aeroporto di Bologna	(0.1)	–
Right of Use at December 31		
Aeroporti Di Roma SPA	6.7	–
Autostrada Bs Vr Vi Pd SpA	18.8	–
SANEF S.A.	2.9	–
SAPN S.A. (Société des autoroutes Paris-Normandie)	0.9	–
Accounts receivables at December 31		
Aeroporti Di Roma SPA	0.4	–
Lease obligations at December 31		
Aeroporti Di Roma SPA	7.3	–
Autostrada Bs Vr Vi Pd SpA	19.4	–
SANEF S.A.	3.6	–
SAPN S.A. (Société des autoroutes Paris-Normandie)	1.2	–
Accounts payables at December 31		
Pension Fund	0.4	0.3
Aeroporti Di Roma SPA	3.5	–
Autostrada Bs Vr Vi Pd SpA	5.4	–
Aeroporto di Bologna	0.8	–
SANEF S.A.	0.2	–
SAPN S.A. (Société des autoroutes Paris-Normandie)	0.1	–
ADR Mobility Srl	0.1	–

The transactions with associates are the following:

In millions of CHF	2023	2022
Sales of goods to		
Nuance Basel LLC (Sochi)	1.3	2.7
Dufry Thomas Julie Korea CO. Ltd	2.3	–
Nuance Group (Chicago) LLC	1.1	0.7
NCM Brookstone Stores Georgia, LLC	0.2	0.2
Puerto Libre Int. SA	1.3	0.8
Lojas Francas de Portugal S.A.	–	15.3
Sales of services to		
Dufry Thomas Julie Korea CO. Ltd	0.1	–
CaresQuick nv	0.1	–
Nuance Basel LLC (Sochi)	0.5	0.5
QA HMSHost LLC	1.1	–
Nuance Group (Chicago) LLC	0.3	0.3
NCM Brookstone Stores Georgia, LLC	–	0.1
Puerto Libre Int. SA	0.1	0.1
Lojas Francas de Portugal S.A.	–	0.5
Purchase of services from		
Nuance Group (Chicago) LLC	–	(0.1)
Accounts receivables at December 31		
Lojas Francas de Portugal S.A.	–	1.6
Nuance Basel LLC (Sochi)	0.3	1.1
Puerto Libre Int. SA	0.1	–
Nuance Group (Chicago) LLC	1.6	2.5
NCM Brookstone Stores Georgia, LLC	0.9	1.0
Dufry Thomas Julie Korea CO. Ltd	7.2	–
QA HMSHost LLC	0.8	–
CaresQuick nv	0.5	–
Accounts payables at December 31		
Lojas Francas de Portugal S.A.	–	1.6
Nuance Group (Chicago) LLC	0.7	1.1
NCM Brookstone Stores Georgia, LLC	0.3	0.6

The company has contractually agreed to a commitment in the amount of CHF 3 million for a period of five years starting 31 October 2023, to Laguna AG, an entity fully controlled by the company's chairman, in relation to transportation and logistics services provided by a third party. The compensation to members of the Board of Directors and the Global Executive Committee for the services provided during the respective years includes all forms of consideration paid, payable or provided by Avolta, including compensation in company shares as follows:

In millions of CHF	2023	2022
Board of directors		
Number of directors	12	9
Current employee benefits	9.6	7.6
Total compensation	**9.6**	**7.6**
Global executive committee		
Number of members	13	8
Current employee benefits	21.4	18.0
Post-employment benefits	2.6	1.8
Share-based payments (income)/expense [1]	19.7	6.2
Total compensation	**43.7**	**26.0**

[1] Expenses accrued during the year for members of the Global Executive Committee.

For further information regarding participations and compensation to members of the Board of Directors or Global Executive Committee, please refer to the remuneration report at the end of the annual report.

42. Events after reporting date

No significant events occurred after 31 December 2023 up to 6 March 2024 that would have a material impact on these financial statements.

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To the General Meeting of
Avolta AG (formerly Dufry AG), Basel

Basel, March 6, 2024

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Avolta AG (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 156 to 251), give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion
We conducted our audit in accordance with Swiss law, the International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' ***International Code of Ethics for Professional Accountants (including International Independence Standards)*** (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill Valuation
Key Audit Matter
The Group's consolidated statement of financial position includes goodwill of CHF 2,978.6 million (2022: 2,272.2 million). As at December 31, 2023, management concluded that the estimated recoverable amount of goodwill of each of the Group's segments exceeded their carrying amounts.

The accounting policies regarding goodwill applied by the Group are explained in the notes to the consolidated financial statements in sections 3.3a and 3.3r. As detailed in Note 4, 10, 18 and 19 to the consolidated financial statements, the level at which goodwill is monitored and tested annually for impairment is the Group's segments.

The Group management focuses on the regional performance of its operations. Key metrics used by management in assessing performance are measured at the operating segment.

The evaluation of goodwill for potential impairment involves a complex analysis driven by significant assumptions. Risks presented in the quantitative assessment include significant assumptions such as discount rates and sales growth values. Given the high level of judgment and complexity of the estimations with regards to these rates, combined with the significance of the recognized amounts to the consolidated financial statements as a whole, we assessed Group management's estimates made in relation to discount rates and sales growth rates to be a key audit matter.

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How the scope of our audit responded to the key audit matter
We obtained an understanding of management's process and control activities over the evaluation of goodwill for potential impairment, including the review of management's judgment in allocating goodwill to the operating segments, the review of significant assumptions used in the impairment test and the review of the impairment models.

We involved valuation specialists to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests.

We evaluated the projected sales growth rates used in the cash flow projections during the forecast period and the terminal growth rate assumptions. In addition, we performed lookback analyses to assess historical sales and expenses against the Group's assumptions.

We independently determined the weighted average cost of capital (WACC) and compared them against management's assumptions, with the support of our valuation specialists.

We evaluated the Group's sensitivity analysis by performing an independent analysis using management's models.

We assessed the adequacy of impairment related disclosures in the consolidated financial statements, including the key assumptions used and the completeness and accuracy of sensitivities disclosed.

Based on the procedures performed above, we obtained sufficient audit evidence to address the valuation risk of goodwill.

Valuation of concession right intangibles and right-of-use assets
Key Audit Matter
The Group's consolidated statement of financial position includes concession right intangibles in the amount of CHF 1,699.3 million (2022: CHF 1,170.4 million) and right-of-use assets with definite useful lives in the amount of CHF 7,237.0 million (2022: CHF 2,567.8 million). As at December 31, 2023, management recorded an impairment charge of CHF 16.0 million for concession right intangibles and right-of-use assets and a reversal of impairment of CHF 44.5 million from concession right intangibles and right-of-use assets (2022: CHF 47.9 million and CHF 66.0 million, respectively).

The accounting policies regarding concession right intangibles and right-of-use assets applied by the Group are explained in the notes to the consolidated financial statements in sections 3.3n, 3.3p and 3.3r. As detailed in Note 4, 10, 17, 18 and 19 to the consolidated financial statements, the Group assesses at each reporting date whether there are indicators of impairment. When such indicators are identified, the carrying value of the respective cash generating unit, to which the respective concession right intangibles and right-of-use assets belong to, are tested for impairment.

The evaluation of concession rights and right-of-use assets for potential impairment involves a complex analysis driven by significant assumptions. Risks presented in the quantitative assessment include significant assumptions such as discount rates and sales growth values. Given the high level of judgment and complexity of the estimations with regards to these rates, combined with the significance of the recognized amounts to the financial statements as a whole, we assessed management's estimates made in relation to discount rates and sales growth rates to be a key audit matter.

How the scope of our audit responded to the key audit matter
We obtained an understanding of management's process and control activities over the evaluation of potential impairment, including the controls in relation to the review of management's judgment in the identification of impairment indicators, the review of key assumptions used in the impairment test and the review of the impairment models.

We independently evaluated whether there are any impairment indicators for concession right intangibles and right-of-use assets. For those cash generating units for which there were impairment indicators identified, we performed procedures to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests, with the support of our valuation specialists.

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We performed analyses over the projected sales growth rates used in the cash flow projections during the forecast period. In addition, we performed lookback analyses to assess historical sales and expenses against the Group's assumptions. In addition, we tested on a sample basis the variable and fixed lease payments against contractual agreements.

We independently determined the weighted average cost of capital (WACC) and compared them against management's assumptions, with the support of our valuation specialists.

We evaluated the Group's sensitivity analysis by performing an independent analysis using management's models.

We assessed the adequacy of impairment related disclosures in the consolidated financial statements, including the key assumptions used and the completeness and accuracy of sensitivities disclosed.

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of valuation of concession right intangibles and right-of-use assets.

Purchase Price Allocation for the business combination of Autogrill S.p.A.
Key Audit Matter
The assets, liabilities and contingent liabilities acquired of the business combination with Autogrill S.p.A. were stated at their fair values, which were determined in the course of the purchase price allocation and fair value determination.

This results in net assets measured at fair value in the amount of CHF 772.9 million as of the date of the acquisition. Management has the discretion to make judgments, estimates and assumptions in allocating the purchase price and determining the fair value. Changes in these assumptions could have a significant effect on the purchase price allocation and fair values.

The judgments and estimates are driven by significant assumptions. Risks presented in the quantitative assessment include significant assumptions such as discount rates and sales growth values. Given the high level of judgment and complexity of the estimations with regards to these assumptions, combined with the significance of the recognized amounts to the consolidated financial statements as a whole, we assessed management's estimates made in relation to discount rates and sales growth rates to be a key audit matter.

How the scope of our audit responded to the key audit matter
We obtained an understanding of management's process and controls over the acquisition accounting, including the due diligence procedures and review of valuation reports.

We obtained the underlying documentation, terms and conditions of the transaction and assessed the accounting treatment of the consideration transferred and the assets and liabilities acquired in accordance with IFRS 3 ,Business Combinations'.

We performed a risk assessment over the assets acquired and liabilities assumed to determine the nature and extent of further procedures and performed opening balance sheet testing for selected acquired assets and liabilities.

Together with our valuation specialists we audited the Group's valuations and assessed the methodology used to determine the assets acquired and liabilities assumed, in particular the methodologies and discount rates as key assumptions, used in the valuation of the acquired business, and a reconciliation of the key inputs used in the fair value measurement.

We tested the assumptions over the projected sales growth rates used in the cash flow projections during the forecast period. In addition, we performed lookback analyses to assess historical sales and expenses against the Group's assumptions.

We assessed the adequacy of related disclosures in note 6.1 and 6.2.

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk related to the purchase price allocation.

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Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the standalone financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Report on Other Legal and Regulatory Requirements
In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte AG

Andreas Bodenmann
Licensed audit expert

Fabian Hell
Licensed audit expert

Statement of profit or loss

for the year ended December 31, 2023

In thousands of CHF	Note	2023	2022
Finance income		23,699	26,571
Other income		10	21
Total income		**23,709**	**26,592**
Personnel expenses	8	(44,533)	(18,149)
General and administrative expenses		(19,548)	(11,361)
Management fee expenses		(7,333)	(7,107)
Reversal of impairment	7	–	44,114
Finance expenses		(968)	(166)
Taxes		(1,970)	(1,139)
Total expenses		**(74,352)**	**6,192**
(Loss)/Profit for the year		**(50,643)**	**32,784**

Statement of financial position

at December 31, 2023

In thousands of CHF	Note	31.12.2023	31.12.2022
Assets			
Cash and cash equivalents		76,910	906
Current receivables third parties		478	64
Current receivables subsidiaries		4,334	2,313
Loans to subsidiaries		691,000	775,000
Current assets		**772,722**	**778,283**
Investments in subsidiaries	3	5,373,761	2,824,339
Non-current assets		**5,373,761**	**2,824,339**
Total assets		**6,146,483**	**3,602,622**
Liabilities and shareholders' equity			
Current interest bearing liabilities		649	965
Current liabilities third parties		2,732	1,118
Current liabilities participants and bodies		–	70
Current liabilities subsidiaries		1,781	1,094
Deferred income and accrued expenses		72,764	21,561
Current liabilities		**77,926**	**24,808**
Total liabilities		**77,926**	**24,808**
Share capital	5.1	763,071	453,985
Legal capital reserves			
Reserve from capital contribution	5.1	6,851,002	4,551,169
Reserve from capital contribution for own shares held at subsidiaries		1,698	1,698
Legal retained earnings			
Other legal reserves		5,927	5,927
Voluntary retained earnings			
Results carried forward	14	(1,413,402)	(1,446,186)
(Loss)/profit for the year	14	(50,643)	32,784
Treasury shares	6	(89,096)	(21,563)
Total shareholders' equity		**6,068,557**	**3,577,814**
Total liabilities and shareholders' equity		**6,146,483**	**3,602,622**

Notes to the financial statements

1. Corporate information

Avolta AG (the “Company”) is a publicly listed company. The shares of the Company are listed on the Swiss Stock Exchange (SIX) in Zurich.

Avolta AG was incorporated in 1865 and is registered with the commercial register in the canton of Basel Stadt, Switzerland. The Company has registered offices in Basel, Brunngässlein 12.

Following the combination with Autogrill in February 2023, the company was renamed from Dufry AG to Avolta AG to unify the combined business representing the company’s broader scope and diversification. The shareholder resolved to change the company name of Dufry AG to Avolta AG and to amend article 1 of the Articles of Incorporation at the Extraordinary General Meeting of November 3, 2023.

2. Accounting policies

2.1 Basis of preparation

We have prepared the statutory financial statements in accordance with the accounting principles as set out in Art. 957 to Art. 963b of the Swiss Code of Obligations (“CO”). Since the Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”), a recognized accounting standard, the Company has, in accordance with the CO, elected to forego presenting the statement of cash flows, the additional disclosures and the management report otherwise required by the CO. The financial statements may be influenced by the creation and release of excess reserves.

All amounts are presented in Swiss francs (“CHF”), unless otherwise indicated.

Where not prescribed by law, the significant accounting and valuation principles applied are described below.

The financial statements are prepared applying on a going concern basis.

2.2 Russia's invasion of Ukraine

On February 24, 2022, the Russian Federation initiated a military attack on the Ukraine.

In Ukraine, the Avolta Group only has operations at the Airport in Odessa, which are suspended due to the conflict since March 2022.

The Russian travel market has a very low significance for Avolta Group, since Avolta's operations in Russia, operated through a local joint venture, only represents 0.8 % of the 2023 Group's net sales (2022: 1.7 %).

However, any further deterioration of the economic situation in Russia or escalation in the hostilities between Russia and Ukraine as well as any restrictions of Russian passengers to national or international travel may adversely affect Avolta's business, including its operations in countries that have traditionally been popular with Russian tourists.

The Group cannot predict the outcome of the conflict but is monitoring the situation very closely.

2.3 Summary of significant accounting policies

Investments in subsidiaries
Investments are held at historical cost. The Company reviews the carrying amount of these investments annually, and if events and circumstances suggest that this amount may not be recoverable, an impairment or impairment reversal is recognized in the statement of profit or loss.

Treasury shares
Treasury shares are recognized at acquisition cost and deducted from shareholders' equity. Gains or losses arising out of the sale of treasury shares are recorded in the statement of profit or loss.

Share-based payments
The Company accrues personnel expenses related to share-based payment plans for the respective period in deferred income and accrued liabilities. Any difference between the share-based awards granted and the corresponding accrual created for the plan will be recognized in the statement of profit or loss, when the shares are assigned to the member of the share-based payment plans.

Current and non-current interest-bearing liabilities
Interest-bearing liabilities are recognized at their nominal value in the statement of financial position.

Exchange rate differences
All assets and liabilities denominated in foreign currencies are translated into CHF using year-end exchange rates, except investments in subsidiaries, which are recognized at historical values. Net unrealized exchange losses are recognized in the statement of profit or loss and net unrealized gains are deferred within accrued expenses. Realized exchange gains or losses arising from business transactions denominated in foreign currencies are recognized in the statement of profit or loss.

3. Direct subsidiaries

In thousands	Share capital and voting rights 31.12.2023	Share capital and voting rights 31.12.2022	Share capital 31.12.2023	Share capital 31.12.2022	Currency
Dufry International AG, Switzerland	100%	100%	1,000	1,000	CHF
Dufry Corporate AG, Switzerland	100%	100%	100	100	CHF
Dufry Holdings & Investments AG, Switzerland	100%	100%	1,000	1,000	CHF

4. Significant shareholders' participation

In percentage (%) of outstanding registered shares	31.12.2023	31.12.2022
Edizione S.p.A.	22.17%	0.00%
Advent International Corporation	8.72%	10.10%
Compagnie Financiere Rupert	4.94%	5.00%
State of Qatar	4.49%	6.91%
Alibaba Group Holding Limited	4.87%	5.40%
BlackRock, Inc.	3.41%	0.00%

5. Share capital

5.1 Ordinary shares

In thousands of CHF	Number of shares	Share capital	Reserve from capital contribution
Balance at January 1, 2022	**90,797,007**	**453,985**	**4,552,310**
Reclass from reserve from capital contribution for own shares held at subsidiaries	–	–	(1,141)
Balance at December 31, 2022	**90,797,007**	**453,985**	**4,551,169**
Increase of share capital	61,817,244	309,086	2,299,833
Balance at December 31, 2023	**152,614,251**	**763,071**	**6,851,002**

5.2 Conditional share capital

In	Shares	CHF
Balance at January 1, 2022	**9,079,700**	**45,398,500**
Increase of conditional share capital	30,663,329	153,316,645
Balance at December 31, 2022	**39,743,029**	**198,715,145**
Decrease of conditional share capital	(30,663,329)	(153,316,645)
Increase of conditional share capital	45,398,503	226,992,515
Conversion of mandatory convertible bonds	(2,092,113)	(10,460,565)
Balance at December 31, 2023	**52,386,090**	**261,930,450**

5.3 Capital Band (formerly authorized capital)

In	Shares	Nominal value in CHF
Balance at January 1, 2022	**–**	**–**
Increase of authorized share capital	45,398,503	226,992,515
Balance at December 31, 2022	**45,398,503**	**226,992,515**
Balance at May 08, 2023	**45,398,503**	**226,992,515**
Issued out of capital range at May 22, 2023	(22,133,293)	(110,666,465)
Issued out of capital range at June 7, 2023	(4,393,587)	(21,967,935)
Issued out of capital range at July 6, 2023	(410,471)	(2,052,355)
Issued out of capital range at July 24, 2023	(2,124,451)	(10,622,255)
Balance at December 31, 2023	**16,336,701**	**81,683,505**

6. Treasury shares

In thousands of	Shares [2]	CHF
Balance at January 1, 2022	**11,281**	**(1,300)**
Purchased shares	600,000	(21,563)
Balance at December 31, 2022	**611,281**	**(22,863)**
Returned shares [1]	804,728	(34,129)
Purchased shares	800,000	(33,404)
Balance at December 31, 2023	**2,216,009**	**(90,396)**

[1] Related to a past business combination.
[2] Direct and indirect.

7. Impairment of investments in subsidiaries

Avolta AG has reviewed the valuation of its investments in Dufry International AG and Dufry Holdings & Investments AG. Based on the assessment performed, the Company did not recognize a need for impairment (2022 reversal of impairment: CHF 44.1 million).

8. Personnel expenses

The personnel expenses correspond to the remuneration of selected members of the senior management.

Avolta AG employed less than 10 employees in 2023 and 2022.

9. Guarantee commitment regarding Swiss value added tax (VAT)

The Company belongs to the Swiss value added tax (VAT) group of Dufry International AG, and thus carries joint liability to the Swiss federal tax administration for VAT. Members of the VAT group as of December 31, 2023, are:

AVOLTA Participations AG	DUFRY Corporate AG
DUFRY International AG	DUFRY Holdings & Investments AG
DUFRY Samnaun AG	AVOLTA AG
DUFRY Russia Holding AG	DUFRY Altay AG
DUFRY Trading AG	The Nuance Group AG
DUFRY Basel Mulhouse AG	

10. Contingent liabilities

The Company jointly and severally with Dufry International AG and Dufry Financial Services B. V. guaranteed the following credit facilities:

In millions of	Maturity	Coupon rate	Currency	Nominal amount in currency	Drawn amount in CHF
Main bank credit facilities					
Committed revolving credit facility	20.12.2027		EUR	2,750.0	357.8
Subtotal					**357.8**
Senior notes					
Senior notes	15.04.2028	3.38%	EUR	725.0	673.4
Senior notes	15.04.2026	3.63%	CHF	300.0	300.0
Senior notes	15.10.2024	2.50%	EUR	800.0	743.0
Senior notes	15.02.2027	2.00%	EUR	750.0	696.6
Convertible notes	30.03.2026	0.75%	CHF	500.0	500.0
Subtotal					**2,913.0**
Guarantee facility					
Uncommitted guarantee facility	n/a		EUR	49.0	45.5
Subtotal					**45.5**
At December 31, 2023					**3,316.3**

In millions of	Maturity	Coupon rate	Currency	Nominal amount in currency	Drawn amount in CHF
Main bank credit facilities					
Committed revolving credit facility	20.12.2027		EUR	2,085.0	409.5
Subtotal					**409.5**
Senior notes					
Senior notes	15.04.2028	3.38%	EUR	725.0	717.5
Senior notes	15.04.2026	3.63%	CHF	300.0	300.0
Senior notes	15.10.2024	2.50%	EUR	800.0	791.7
Senior notes	15.02.2027	2.00%	EUR	750.0	742.2
Convertible notes	30.03.2026	0.75%	CHF	500.0	500.0
Mandatory convertible notes	18.11.2023	4.10%	CHF	69.5	–
Subtotal					**3,051.3**
Guarantee facility					
Uncommitted guarantee facility	n/a		EUR	49.0	48.5
Subtotal					**48.5**
At December 31, 2022					**3,509.3**

There were no assets pledged as of December 31, 2023 and 2022.

11. Participations of the members of the Board of Directors and the Global Executive Committee in Avolta AG

The following members of the Board of Directors or of the Global Executive Committee of Avolta AG (including related parties) held directly or indirectly shares of the Company at December 31, 2023 and December 31, 2022 (members not listed do not hold any shares or options):

	31.12.2023			31.12.2022		
In thousands of	Shares	Outstanding unvested PSU[1]	Participation	Shares	Outstanding unvested PSU[1]	Participation
Members of board of directors						
J.C. Torres Carretero, Chairman	637.1	–	0.42%	611.8	–	0.67%
H. Jo Min, Lead Independent Director	0.7	–	0.00%	0.7	–	0.00%
L. Tyler-Cagni, Director	3.6	–	0.00%	3.6	–	0.00%
Total Board of Directors	**641.4**	**–**	**0.42%**	**616.1**		**0.68%**
Members of global executive committee						
X. Rossinyol, CEO	81.8	208.5	0.19%	81.2	76.0	0.17%
Y. Gerster, CFO	8.7	70.3	0.05%	8.7	32.4	0.05%
F. Cheung, President & CEO Asia Pacific	–	16.6	0.01%	n/a	n/a	n/a
S. Johnson, President & CEO North America	–	26.4	0.02%	n/a	n/a	n/a
L. Marin, President & CEO Europe, Middle East and Africa	10.8	68.8	0.05%	10.8	32.4	0.05%
E. Urioste, President & CEO Latin America	–	16.0	0.01%	n/a	n/a	n/a
P. Duclos, Group General Counsel	–	74.7	0.05%	–	32.4	0.04%
C. Rossotto, Chief Public Affairs & ESG Officer	–	16.9	0.01%	n/a	n/a	n/a
V. Talwar, Chief Commercial & Digital Officer	–	23.4	0.02%	n/a	n/a	n/a
K. Volery, Chief People & Culture Officer	–	14.4	0.01%	n/a	n/a	n/a
Additional former member of global executive committee						
E. Andrades, CEO Operations	n/a	n/a	n/a	2.0	32.4	0.04%
A. Belardini, Chief Commercial Officer	n/a	n/a	n/a	19.1	32.4	0.06%
S. Branquinho, Chief Diversity & Inclusion Officer	n/a	n/a	n/a	0.5	6.0	0.01%
Total Global Executive Committee	**101.3**	**535.9**	**0.42%**	**122.3**	**244.0**	**0.40%**

[1] Outstanding unvested Performance Share Units (PSU) at target level.

None of the members of the Board of Directors or Global Executive Committee held any options.

12. Events after reporting date

No significant events occurred after 31 December 2023 up to 6 March 2024 that would have a material impact on these financial statements.

13. Material indirect subsidiaries

The table below lists the material subsidiaries of the Avolta Group, including all entities which contribute more than 0.3 % of turnover and/or 0.3 % of total assets.

H = Holding/Finance O = Operating D = Distribution Center

As of December 31, 2023	Location	Country	Type	Ownership in %	Share capital in thousands	Currency
Europe, Middle East and Africa (EMEA)						
ADF Shops CJSC	Yerevan	Armenia	O	100	553,825	AMD
AC Restaurant&Hotel Beheer N.V	Antwerp	Belgium	O	100	3,250	EUR
Autogrill Belgie N.V.	Antwerp	Belgium	O	100	8,756	EUR
Dufry Sofia OOD	Sofia	Bulgaria	O	80	2,500	BGN
WDFG Helsinki Oy	Vantaa	Finland	O	100	3	EUR
Autogrill Coté France S.A.S.	Marseille	France	O	100	31,580	EUR
Autogrill Deutschland GmbH	Munich	Germany	O	100	205	EUR
Le Crobag GmbH & Co KG	Hamburg	Germany	O	100	905	EUR
Hellenic Duty Free Shops S.A.	Athens	Greece	O	100	397,535	EUR
Autogrill Italia S.p.A.	Novara	Italy	O	100	68,688	EUR
Dufrital S.p.A.	Milan	Italy	O	60	466	EUR
Nuova Sidap S.r.l.	Novara	Italy	O	100	200	EUR
World Duty Free SpA	Novara	Italy	H	100	63,720	EUR
Aldeasa Jordan Airports Duty Free Shops Ltd	Amman	Jordan	O	100	500	JOD
WDFG SAU, Kuwait Branch	Kuwait City	Kuwait	O	100	2,383	KWD
Nuance Group (Malta) Ltd	Luqa	Malta	O	52	2,795	EUR
Dufry Maroc Sarl	Casablanca	Morocco	O	80	2,500	MAD
HMSHost Nederland B.V.	Amsterdam	Netherlands	O	100	–	EUR
HorecaExploitatie Schiphol B.V	Amsterdam	Netherlands	O	100	45	EUR
Dufry d.o.o. Belgrade	Belgrade	Serbia	O	100	6,603	EUR
Sociedad de Distribucion Comercial Aeroportuaria de Canarias SL	Telde	Spain	O	60	717	EUR
World Duty Free Group SAU	Madrid	Spain	O	100	19,831	EUR
Nuance Group (Sverige) AB	Stockholm	Sweden	O	100	100	SEK
Autogrill Schweiz AG	Olten	Switzerland	O	100	23,183	CHF
The Nuance Group AG	Zurich	Switzerland	O	100	1,001	CHF
Urart Gumr. Magaza Isletm. ve	Antalya	Turkey	O	100	1,728	TRY
HMSHost UK, Limited	London	United Kingdom	O	100	217	GBP
WDFG Ferries Limited	London	United Kingdom	O	100	50	GBP
WDFG UK Limited	London	United Kingdom	O	100	360	GBP
Dufry Sharjah FZC	Sharjah	Utd.Arab Emir.	O	50	150	AED
Asia Pacific						
Nuance Group (Australia) Pty L	Melbourne	Australia	O	100	210,000	AUD
The Nuance Group (HK) Ltd	Hong Kong	China	O	100	–	HKD
The Nuance Group (Macau) Ltd	Macau	China	O	100	50	MOP
Autogrill VFS F&B Co. Ltd.	Ho Chi Minh City	Vietnam	O	70	104,462,000	VND

As of December 31, 2023	Location	Country	Type	Ownership in %	Share capital in thousands	Currency
North America						
HostInternational of Canada, Ltd	Vancouver	Canada	O	100	1,351	CAD
The Nuance Group (Canada) Inc.	Toronto	Canada	O	100	1,017	CAD
WDFG Vancouver LP	Vancouver	Canada	O	100	–	CAD
Airport Management Services LL	Delaware	USA	H/O	100	–	USD
HG BOS Duty Free JV	Boston	USA	O	80	–	USD
HG Logan Retailers JV	Boston	USA	O	80	–	USD
HMSHost Corporation	Delaware	USA	H	100	–	USD
Host International, Inc.	Delaware	USA	H/O	100	–	USD
HSI Honolulu JV Company	Honolulu	USA	O	90	–	USD
HSI MCA FLL FB, LLC	Delaware	USA	O	76	–	USD
HSI MCA LBL LAX T6-TBIT, LLC	Delaware	USA	O	75	–	USD
Hudson Group (HG) Inc.	Delaware	USA	H	100	–	USD
Hudson Group (HG) Retail, LLC	Delaware	USA	H/O	100	–	USD
Hudson Las Vegas JV Hudson New	Las Vegas	USA	O	73	–	USD
Hudson News O'Hare JV	Chicago	USA	O	70	–	USD
JFK Air Ventures II JV	New York	USA	O	80	–	USD
Seattle Air Ventures	Olympia	USA	O	75	–	USD
Stellar Partner Inc.	Tampa	USA	O	100	26	USD
WDFG North America LLC	Delaware	USA	H/O	100	–	USD
Latin America						
Interbaires SA	Buenos Aires	Argentina	O	100	258,920	ARS
Dufry do Brasil DF Shop Ltda	Rio de Janeiro	Brazil	O	87	830,214	BRL
Dufry Lojas Francas Ltda	Sao Paulo	Brazil	O	87	1,323,310	BRL
Aldeasa Chile, Ltda	Santiago de Chile	Chile	O	100	2,517	USD
Dufry Colombia S.A.S	Bogota	Colombia	O	100	100,100	COP
Inversiones Tunc, SA	Santo Domingo	Dominican Rep.	O	100	200	DOP
Dufry Jamaica Ltd.	St. James	Jamaica	O	100	–	JMD
Dufry Mexico SA de CV	Mexico City	Mexico	O	100	4,250	MXN
Alliance Duty Free, LLC	San Juan	Puerto Rico	O	100	2	USD
Navinten SA	Montevideo	Uruguay	O	51	296,747	UYP
Dufry Cruise Services, Inc.	Miami	USA	O	100	–	USD
Global Distribution Centers						
International Operations & Services (HK) Ltd	Hong Kong	Hong Kong	D	100	109,000	HKD
Dufry International AG	Basel	Switzerland	H	100	1,000	CHF
International Operations & Services (UY) S.A.	Montevideo	Uruguay	D	100	700	UYU
International Operations & Services (USA) LLC	Miami	USA	D	100	19,060	USD
Other companies						
Dufry Financial Services B.V.	Eindhoven	Netherlands	H	100	–	EUR
Dufry One B.V.	Eindhoven	Netherlands	H	100	–	EUR

Proposed appropriation of retained earnings and capital distribution

In thousands of CHF	2023	2022
Proposed appropriation of retained earnings		
Result carried forward	(1,413,402)	(1,446,186)
Profit /(Loss) for the year	(50,643)	32,784
Retained earnings at December 31	**(1,464,045)**	**(1,413,402)**
Proposed distribution out of retained earnings		
Balance at beginning of the year	4,551,169	4,552,310
Dividends	(106,830)	–
Reclass from reserve from capital contribution for own shares held at subsidiaries	–	(1,141)
Reserve from capital contribution at December 31	**4,444,339**	**4,551,169**

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To the General Meeting of
Avolta AG (formerly Dufry AG), Basel

Basel, March 6, 2024

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Avolta AG (the Company), which comprise the statement of financial position as at December 31, 2023, the statement of profit or loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, presented on pages 256 to 268 comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries
Key Audit Matter
As described in Notes 2.3, 3 and 7 to the financial statements, Avolta AG holds investments in Avolta Group companies with the carrying value of CHF 5,373.8 million (2022: CHF 2,824.3 million), representing 87% (2022: 78%) of the total assets. As at December 31, 2023, management neither recorded an impairment reversal nor an impairment loss (2022: CHF 44.1 million impairment reversal).

In accordance with Article 960 para. 1 CO, each investment held is valued individually and reviewed annually for impairment indicators. Each investment showing impairment indicators is tested for impairment and an impairment would need to be recorded by management if the recoverable amount is lower than the carrying amount.

The impairment assessment is dependent on the assumptions of cash flow projections used in the impairment tests. Key assumptions are projected sales growth rates for the forecast period and the weighted average cost of capital applied.

Given the high level of judgment and complexity of the estimations, combined with the significance of the above amounts to the financial statements as a whole, we assessed management's estimates made in relation to investments in subsidiaries to be a key audit matter.

How the scope of our audit responded to the Key Audit Matter
We obtained an understanding of management's process and controls of the identification of impairment indicators, the review of key assumptions used in the impairment test and the review of the impairment models.

For investments selected, we involved valuation specialists to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests. We evaluated the key inputs and assumptions used in impairment tests of the investments in the Avolta Group companies.

We performed analyses over the projected sales growth rates used in the cash flow projections during the forecast period. We independently determined the weighted average cost of capital (WACC) and compared them against management's assumptions, with the support of our valuation specialists.

Deloitte.

We performed lookback analyses to assess historical revenue and expenses against the Group's assumptions.

We assessed the adequacy of investment related disclosures in note 7 to the financial statements.

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of valuation of investments in subsidiaries.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the standalone financial statements, the renumeration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements
In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of retained earnings and capital distribution complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte AG

Andreas Bodenmann Licensed audit expert	Fabian Hell Licensed audit expert

Avolta's Alternative Performance Measures

Avolta believes that disclosing adjusted results of the Group's performance enhances the financial markets' understanding of the company because the adjusted results enable better comparison across years. These CORE figures exclude exceptional acquisition respective disposal related expenses and income, and also exclude impairments and amortization of acquisition-related intangible assets, which can differ significantly from year to year.

Avolta's profit or loss statement in accordance with IFRS is materially impacted by IFRS 16 lease accounting. CORE figures exclude the accounting impact resulting from IFRS 16 lease accounting standard. This is achieved by reversing IFRS 16 related profit or loss line items (i.e. depreciation of right-of-use assets and lease interest) and adding the relevant concession fee owed based on the corresponding concession agreement. For this same reason, we consider all our concession fees and corresponding payments as CORE to our business, in contrast to IFRS 16, which treats fixed payments as a financing activity. In addition, we believe that the straight-line depreciation of right-of-use assets does not reflect the economic reality of our business and the operational performance of our Group. Avolta uses these adjusted results in addition to IFRS as important factors in internally assessing the Group's performance.

In addition, Avolta, in continuance with Autogrill's previous practice, reclasses net sales and respective cost of sales in relation to fuel sales to other income.

Organic growth

In millions of CHF	2023	2022
Like-for-like	23.2%	77.9%
Net new concessions	1.9%	(1.8%)
Organic growth [1]	**25.1%**	**76.1%**

[1] As reported i.e. not pro-forma.

Organic growth describes the turnover growth of the Company in CHF excluding turnover from acquisition and disinvestments to allow for annual comparison of Avolta Group's operational performance. Turnover, consisting of net sales and advertising income, is converted at constant previous year exchange rates.

Organic growth is further split into Like-for-Like (LFL) growth and Net new concessions. LFL growth considers only shops that were open and comparable under same conditions with last year. Shops that are not comparable are adjusted as scope effects and are being reported as Net new concessions.

CORE profit or loss

In millions of CHF	2023	2022
Net sales (CORE)	12,328.8	6,721.2
Advertising income	205.8	157.2
Turnover (CORE)	**12,534.6**	**6,878.4**
Cost of sales (CORE)	(4,477.0)	(2,684.6)
Gross profit (CORE)	**8,057.6**	**4,193.8**
Concession expenses (CORE)	(3,178.7)	(2,029.9)
Personnel expenses	(2,539.3)	(997.9)
Other expenses (CORE)	(1,417.7)	(620.7)
Other income (CORE)	207.7	60.9
CORE EBITDA	**1,129.6**	**606.2**
Depreciation, amortization and impairment (CORE)	(312.0)	(135.6)
CORE EBIT	**817.6**	**470.7**
Financial result (CORE)	(201.3)	(175.6)
CORE Profit before tax	**616.3**	**295.1**
Income tax (CORE)	(159.5)	(105.5)
CORE Net profit	**456.8**	**189.6**
Attributable to		
Non-controlling interests	148.9	83.9
Equity holders of the parent	307.9	105.7
Earnings per share attributable to equity holders of the parent		
CORE basic earnings/(loss) per share in CHF	2.26	1.14
CORE diluted earnings/(loss) per share in CHF	2.21	1.12

Avolta's CORE profit or loss statement replaces the IFRS related lease expense lines with our concession fees as per the contracts and moves non-shop related leases back to other expenses. Also, we remove the FX impact on our lease obligations and the financing component of IFRS 16. In addition, all depreciation and amortization expenses related to previous acquisitions are removed to enable a better view of the performance of the current year. CORE EBITDA is used by Avolta's lenders to calculate covenants under the bank financing agreements.

Profit or loss reconciliation IFRS/CORE

2023 In millions of CHF	IFRS	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	Fuel sales adjustments (unaudited)[1]	CORE (unaudited)
Net sales (IFRS)/(CORE)	12,583.7	–	–	(254.9)	12,328.8
Advertising income	205.8	–	–	–	205.8
Turnover (IFRS)/(CORE)	**12,789.5**	**–**	**–**	**(254.9)**	**12,534.6**
Cost of sales (IFRS)/(CORE)	(4,716.0)	–	–	239.0	(4,477.0)
Gross profit (IFRS)/(CORE)	**8,073.5**	**–**	**–**	**(15.9)**	**8,057.6**
Leases expenses (IFRS)/Concession expenses (CORE)	(1,875.5)	–	(1,303.2)	–	(3,178.7)
Personnel expenses	(2,539.3)	–	–	–	(2,539.3)
Other expenses (IFRS)/(CORE)[2, 3]	(1,375.7)	18.8	(60.8)	–	(1,417.7)
Other income (IFRS)/(CORE)	191.9	–	(0.1)	15.9	207.7
Operating profit bef D&A/CORE EBITDA	**2,474.9**	**18.8**	**(1,364.1)**	**–**	**1,129.6**
Depreciation & impairment of PP&E	(277.4)	–	(0.1)	–	(277.5)
Amortization & impairment of intangibles (IFRS)/(CORE)[4]	(242.8)	208.3	–	–	(34.5)
Depreciation & impairment right-of-use assets (IFRS)	(1,089.6)	–	1,089.6	–	–
Operating profit/CORE EBIT	**865.1**	**227.1**	**(274.6)**	**–**	**817.6**
Financial result (IFRS)/(CORE)[5, 6]	(567.1)	15.7	350.1	–	(201.3)
Profit before taxes/CORE EBT	**298.0**	**242.8**	**75.5**	**–**	**616.3**
Income tax (IFRS)/(CORE)[7]	(81.6)	(53.3)	(24.6)	–	(159.5)
Net profit/CORE Net profit	**216.4**	**189.5**	**50.9**	**–**	**456.8**
Attributable to					
Non-controlling interests	129.1	10.9	8.9	–	148.9
Equity holders of the parent	87.3	178.6	42.0	–	307.9
Earnings per share attributable to equity holders of the parent					
Basic Earnings/CORE Basic Earnings per share in CHF	0.64				2.26
Diluted Earnings/CORE Diluted Earnings per share in CHF	0.63				2.21

1 CHF 254.9 million net sales (CORE) and CHF 239.0 million cost of sales (CORE) differ from the IFRS amounts because they do not include fuel sales and fuel cost of sales. The net amount is classified as other income (CORE) in accordance with management's protocol for the analysis of Group figures.

2 Other expenses (CORE) exclude CHF 18.8 million financial related transaction cost directly linked to the closing of the combination with Autogrill.

3 CHF 58.3 million non-shop leases included in other expenses (CORE).

4 CHF 208.3 million amortization of acquisition related concession rights.

5 Financial result (CORE) exclude CHF 15.7 million in connection with a Bridge financing, directly linked to the closing of the combination with Autogrill.

6 CHF 350.1 million lease interest expenses and IFRS 16 related foreign exchange effect.

7 CHF 53.3 million deferred taxes on acquisition related concession rights and CHF 24.6 million deferred taxes related to IFRS 16.

2022 In millions of CHF	IFRS	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	CORE (unaudited)
Net sales (IFRS) / (CORE)	6,721.2	–	–	6,721.2
Advertising income	157.2	–	–	157.2
Turnover (IFRS) / (CORE)	**6,878.4**	**–**	**–**	**6,878.4**
Cost of sales (IFRS) / (CORE)	(2,684.6)	–	–	(2,684.6)
Gross profit (IFRS) / (CORE)	**4,193.8**	**–**	**–**	**4,193.8**
Leases expenses (IFRS) / Concession expenses (CORE)	(1,081.9)	–	(948.0)	(2,029.9)
Personnel expenses	(997.9)	–	–	(997.9)
Other expenses (IFRS) / (CORE)[1]	(578.7)	–	(42.0)	(620.7)
Other income (IFRS) / (CORE)	61.8	–	(0.9)	60.9
Operating profit bef D&A / CORE EBITDA	**1,597.1**	**–**	**(990.9)**	**606.2**
Depreciation & impairment of PP&E	(113.9)	–	–	(113.9)
Amortization & impairment of intangibles (IFRS) / (CORE)[2]	(195.6)	173.9	–	(21.7)
Depreciation & impairment right-of-use assets (IFRS)	(785.2)	–	785.2	–
Operating profit / CORE EBIT	**502.4**	**173.9**	**(205.7)**	**470.7**
Financial result (IFRS) / (CORE)[3]	(305.6)	–	130.0	(175.6)
Profit before taxes / CORE EBT	**196.8**	**173.9**	**(75.7)**	**295.1**
Income tax (IFRS) / (CORE)[4]	(76.2)	(37.1)	7.8	(105.5)
Net profit / CORE Net profit	**120.6**	**136.8**	**(67.9)**	**189.6**
Attributable to				
Non-controlling interests	62.4	22.0	(0.5)	83.9
Equity holders of the parent	58.2	114.8	(67.3)	105.7
Earnings per share attributable to equity holders of the parent				
Basic Earnings / CORE Basic Earnings per share in CHF	0.63			1.14
Diluted Earnings / CORE Diluted Earnings per share in CHF	0.62			1.12

1 CHF 42.0 million non-shop leases included in other expenses (CORE).
2 CHF 173.9 million amortization and impairment of acquisition related concession rights.
3 CHF 130.0 million lease interest expenses and IFRS 16 related foreign exchange effect.
4 CHF 37.1 million deferred taxes on acquisition related concession rights and CHF 7.8 million deferred taxes related to IFRS 16.

CORE cash flow

In millions of CHF	2023	2022
CORE EBITDA	**1,129.6**	**606.2**
Other non-cash items and changes in lease obligation	80.7	79.6
Changes in net working capital	(44.0)	(4.6)
Capital expenditures	(432.7)	(110.1)
Cash flow related to minorities [1]	(102.6)	(65.0)
Dividends from associates	1.9	2.7
Income taxes paid	(129.2)	(76.1)
Cash flow before financing	**503.7**	**432.7**
Interest, net	(160.3)	(134.1)
Other financing items	(20.4)	6.6
Equity free cash flow	**323.0**	**305.2**
Acquisition & financing activities, net [2]	(268.4)	(20.3)
Transaction costs	(34.5)	–
Foreign exchange adjustments and other	94.5	(16.1)
Decrease / (Increase) in financial net debt	**114.6**	**268.8**
– at the beginning of the period	2,810.7	3,079.5
– at the end of the period	2,696.1	2,810.7

[1] Includes CHF (133.9) million dividends paid to non-controlling interests and CHF 31.4 million contribution from non-controlling interests.

[2] Acquisition & financing activities, net consist mainly of the acquisition of net debt from Autogrill, the cash portion of the MTO consideration and purchases of treasury shares.

Cash flow before financing is calculated from CORE EBITDA, corrected by changes in net working capital and concession related non-cash items (such as prepayments). In addition, capital expenditure (Capex), cash flows to minorities and income taxes are deducted. Cash flow before financing provides an effective measure of Avolta's cash flow generation from operations and investing activities.

Equity free cash flow measures the relevant cash generation of the Company and provides the basis for further capital allocation decisions. It therefore can be considered the single-most important KPI from a shareholder perspective, reflecting the amount of cash available for creating value to investors.

Cash flow reconciliation from operating activities (IFRS) to EFCF

In millions of CHF	2023	2022
Net cash flow from operating activities	**2,359.4**	**1,511.6**
Reconciliation elements related to investing activities		
Purchase of property, plant and equipment	(404.4)	(97.4)
Purchase of intangible assets	(36.6)	(15.9)
Proceeds from lease income	22.5	4.0
(Proceeds from)/Repayment of loans receivable granted	(36.1)	4.1
Proceeds from sale of property, plant and equipment	9.1	3.2
Proceeds from sale of financial assets	(0.8)	2.6
Interest received	61.9	30.8
Reconciliation elements related to financing activities		
Lease payments	(1,361.7)	(907.8)
Interest paid	(222.3)	(164.9)
Contribution from non-controlling interests	31.4	3.3
Dividends paid to non-controlling interests	(133.9)	(68.3)
Adjusted for acquisition related transaction costs		
Transaction costs	34.5	–
Equity free cash flow	**323.0**	**305.2**

Financial net debt

In millions of CHF	31.12.2023	31.12.2022
Borrowings (current and non-current)	3,340.0	3,575.0
Financial derivatives liability - Borrowings	80.0	99.8
Less financial derivatives assets - Borrowings	(9.3)	(9.4)
Less cash and cash equivalents	(714.6)	(854.7)
Financial net debt	**2,696.1**	**2,810.7**

Avolta's financial net debt is not considering IFRS 16 related lease obligations.

Trade net working capital

In millions of CHF	31.12.2023	31.12.2022
Inventories	1,062.0	928.4
Trade and credit card receivables	41.3	62.3
Less trade payables	(873.7)	(486.4)
Trade net working capital	**229.6**	**504.3**

Working capital management related to all trade-related items, which is one of the main focus areas. For better transparency, Avolta provides details on its trade-related core net working capital including inventories, trade and credit card receivables and trade payables.

Capital expenditure (Capex)

In millions of CHF	2023	2022
Purchase of property, plant and equipment	(404.4)	(97.4)
Purchase of intangible assets	(36.6)	(15.9)
Proceeds from sale of property, plant and equipment	8.3	3.2
Capex	**(432.7)**	**(110.1)**

Capex includes purchase of property, plant, equipment, intangible assets, other investing activities and proceeds from sale of property, plant, equipment on cash basis. Any purchase or proceeds related to financial assets are not included within the definition as not considered core to Avolta's business operations and as those activities might differ over time.

The financial reports are available under:
www.avoltaworld.com/en/download-center
Page section "All categories" – select Financial Reports

For the Investor Relations and Corporate Communications contacts as well as a summary of anticipated key dates in 2024 please refer to pages 334/335 of this Annual Report.

Avolta

Corporate Governance

Corporate Governance

Introduction

This Report is prepared in accordance with the Corporate Governance Directive (DCG) of SIX Exchange Regulation. All information within this Corporate Governance Report and within the Remuneration Report (see page 311) refers to the Company Organization, Internal Regulations and Articles of Incorporation that were in effect as of December 31, 2023 (if not specifically mentioned otherwise).

In fiscal year 2023, Avolta AG (formerly named Dufry AG) and Autogrill S.p.A. successfully completed their combination into the new, integrated global travel experience player Avolta. On November 3, 2023, the Extraordinary General Meeting of Shareholders of Avolta AG approved the change of the corporate name Dufry AG into Avolta AG.

The Articles of Incorporation are available on the Company website, www.avoltaworld.com, section Investors – Corporate Governance – Articles of Incorporation: www.avoltaworld.com/en/investors/corporate-governance

1. Group structure and shareholders

1.1 Group structure

For an overview of the management organizational chart and operational Group structure as at December 31, 2023, please refer to page 21 of this Annual Report.

Listed company as of December 31, 2023

Company

Avolta AG, Brunngässlein 12, 4052 Basel, Switzerland
(hereinafter “Avolta AG” or the “Company”)

Listing

Registered shares: SIX Swiss Exchange

Market capitalization based on shares issued

CHF 5,048,479,423 as of December 31, 2023

Percentage of shares held by Avolta AG

1.45% of Avolta AG share capital as of December 31, 2023

Security numbers

Registered shares:
ISIN-Code CH0023405456, Swiss Security-No. 2340545,
Ticker Symbol AVOL

Non-listed consolidated entities as of December 31, 2023

For a table of the operational non-listed consolidated entities please refer to page 266 in the section Financial Statements of this Annual Report*.

* Including the company names, locations, percentage of shares held, share capital. The list of consolidated entities does not include all subsidiaries of the Company, but the most material subsidiaries of Avolta Group, including all entities which contribute more than 0.3% of turnover and/or 0.3% of total assets.

1.2 Significant shareholders

Pursuant to the information provided to the Company by its shareholders in compliance with the Financial Market Infrastructure Act during 2023, the following shareholders disclosed significant positions as of December 31, 2023[1].

Further details regarding these shareholders and shareholder groups as well as additional information regarding the individual disclosure notices in 2023 are available on the website of SIX Exchange Regulation at: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

Shareholder	Through shares	Long position through financial instruments[2]	Short positions[3]	Total of long positions
Edizione S.p.A.[4]	22.17 %	–	–	22.17 %
Advent International Corporation[5]	8.72 %	–	–	8.72 %
Compagnie Financière Rupert[6]	4.94 %	–	–	4.94 %
Alibaba Group Holding Limited[7]	3.42 %	1.45 %	–	4.87 %
State of Qatar[8]	4.49 %	–	–	4.49%
BlackRock, Inc.[9]	3.41 %	0.52 %	- 0.02 %	3.93 %

1 The percentage of voting rights has to be read in context with the relevant and applicable stock exchange and disclosure rules. The actual shareholdings may differ from the figures indicated in the table, as the Company must only be notified by its shareholders if one of the thresholds defined in Article 120 of the Financial Market Infrastructure Act is crossed.

2 Financial instruments such as convertible bonds, conversion and share purchase rights, granted (written) share sale rights and other derivative holdings.

3 Financial instruments that provide for or permit cash settlement (i.e. contracts for difference).

4 Shares directly held by Schema Beta S.p.A., Treviso / Italy. The beneficial holder of the shares is Edizione S.p.A., Treviso / Italy.

5 Shares directly held by the legal entity Al Louvre (Luxembourg) S.à.r.l., Luxembourg / Grand Duchy of Luxembourg. The beneficial holder of the shares is Advent International Corporation, Boston, MA / USA.

6 Shares directly held by Richemont Luxury Group Ltd, St Helier / Jersey. The beneficial holder of the shares is Compagnie Financière Rupert, Geneva / Switzerland.

7 Shares and financial instruments directly held by the legal entity Taobao China Holding Limited, Hong Kong S.A.R. / China. The beneficial holder of the shares (and mandatory convertible bonds, which were converted on November 20, 2023) is Alibaba Group Holding Limited, Grand Cayman, Cayman Islands.

8 Shares directly held by Qatar Holding LLC, Doha / Qatar. The beneficial holder of the shares is the Qatar Investment Authority, Doha / Qatar, which was established and is controlled by the State of Qatar.

9 BlackRock, Inc., New York, NY / USA. Of the total share position of 3.41 %, 0.44 % relate to securities lending and similar transactions and 0.52 % to delegated voting rights.

In addition, the Company disclosed a purchase position and a sale position (disclosure notice dated February 11, 2023) as further described here: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

Understandings among shareholders
The Company is not aware of shareholder agreements or understandings to be published pursuant to Art. 120 et seq. FMIA.

1.3 Cross-shareholdings

Avolta AG has not entered into cross-shareholdings with other companies in terms of capital shareholdings or voting rights in excess of 5 %.

2. Capital structure

2.1 Share capital

As of December 31, 2023, the Company's capital structure is as follows:

Ordinary share capital issued

CHF 763,071,255 (nominal value) divided in 152,614,251 fully paid registered shares with a nominal value of CHF 5 each*.

* Including 2,092,113 shares with a nominal value of CHF 5 each (corresponding to a total nominal amount of CHF 10,460,565), which were issued out of the conditional capital on November 20, 2023 due to the conversion of mandatory convertible bonds.

Conditional capital

CHF 34,937,935 (nominal value) divided in 6,987,587 to be fully paid registered shares with a nominal value of CHF 5 each*; plus

CHF 226,992,515 (nominal value) divided in 45,398,503 to be fully paid registered shares with a nominal value of CHF 5 each.

* Taking into account the 2,092,113 shares with a nominal value of CHF 5 each (corresponding to a total nominal amount of CHF 10,460,565), which were issued out of the conditional capital on November 20, 2023, due to the conversion of mandatory convertible bonds.

Capital Range

Capital available for capital increases CHF 81,683,505 (nominal value) divided in 16,336,701 to be fully paid registered shares with a nominal value of CHF 5 each. Upper limit of capital band CHF 844,754,760 (nominal value), lower limit CHF 617,762,245 (nominal value)*.

* Upper and lower limit reflect Articles of Incorporation as of January 10, 2024, taking into account the 2,092,113 shares with a nominal value of CHF 5 each (corresponding to a total nominal amount of CHF 10,460,565), which were issued out of the conditional capital on November 20, 2023, due to the conversion of mandatory convertible bonds, and the resulting change in the upper and lower limit of the capital range.

For the website link regarding the Articles of Incorporation referred to in the following chapters please see page 309 of this Corporate Governance Report.

2.2 Details on conditional capital and capital range

Conditional capital

Article 3bis of the Articles of Incorporation reads as follows:

1. The share capital may be increased in an amount not to exceed CHF 34,937,935 by the issuance of up to 6,987,587 fully paid registered shares with a nominal value of CHF 5 each through the exercise of conversion and / or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by the Company or one of its group companies.
2. The preferential subscription rights of the shareholders shall be excluded in connection with the issuance of convertible debentures, debentures with option rights or other financing instruments. The then current owners of conversion and / or option rights shall be entitled to subscribe for the new shares.
3. The acquisition of shares through the exercise of conversion and / or option rights and each subsequent transfer of the shares shall be subject to the restrictions set forth in Article 5 of these Articles of Incorporation.
4. The Board of Directors may limit or withdraw the right of the shareholders to subscribe in priority to convertible debentures, debentures with option rights or similar financing instruments when they are issued, if:
   a) An issue by firm underwriting by one or several banks with subsequent offering to the public without preferential subscription rights seems to be the most appropriate form of issue at the time, particularly in terms of the conditions or the time plan of the issue; or
   b) The issuance occurs in domestic or international capital markets or through a private placement; or
   c) The instruments are issued in connection with the financing or refinancing of the acquisition of an enterprise or parts of an enterprise or with participations or new investments of the Company or one of its group companies.
5. If advance subscription rights are denied by the Board of Directors, the following shall apply:
   a) Conversion rights may be exercised only for up to 15 years; and option rights only for up to 7 years from the date of the respective issuance.
   b) The respective financing instruments must be issued at the relevant market conditions.

The remaining conditional capital of CHF 34,937,935 under Article 3bis represents 4.58 % of the issued ordinary share capital of the Company as of December 31, 2023.

Article 3^{quater} of the Articles of Incorporation reads as follows:

1. Subject to Article 3^{quinquies} of these Articles of Incorporation, the share capital may be increased in an amount not to exceed CHF 226,992,515 by the issuance of up to 45,398,503 fully paid registered shares with a nominal value of CHF 5 each through the exercise of conversion and / or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by the Company or one of its group companies in connection with the refinancing of cash payments to be made within the framework of the transactions set forth under Article 3ter para. 4 lit. a of these Articles of Incorporation.
2. The preferential subscription rights of the shareholders shall be excluded in connection with the issuance of convertible debentures, debentures with option rights or other financing instruments. The then current

owners of conversion and / or option rights shall be entitled to subscribe for the new shares.
3. The acquisition of shares through the exercise of conversion and / or option rights and each subsequent transfer of the shares shall be subject to the restrictions set forth in Article 5 of these Articles of Incorporation.
4. The Board of Directors may limit or withdraw the right of the shareholders to subscribe in priority to convertible debentures, debentures with option rights or similar financing instruments in the cases mentioned in Article 3^{ter} para. 4 lit. b of these Articles of Incorporation.
5. If advance subscription rights are denied by the Board of Directors, the following shall apply:
   a) Conversion rights may be exercised only for up to 15 years; and option rights only for up to 7 years from the date of the respective issuance.
   b) The respective financing instruments must be issued at the relevant market conditions.
6. The declaration of acquisition of the shares based on this Article 3^{quater} shall refer to this Article 3^{quater} and be made in a form that allows proof by text. A waiver of the right to acquire shares based on this Article 3^{quater} may also occur informally or by lapse of time; this also applies to the waiver of the exercise and forfeiture of this right.

The conditional capital of CHF 226,992,515 under Article 3^{quater} represents 29.75 % of the issued ordinary share capital of the Company as of December 31, 2023. For potential maximum capital increases see the limitations under Article $3^{quinquies}$ mentioned below.

Capital range

Article 3^{ter} of the Articles of Incorporation reads as follows:

1. Subject to Article $3^{quinquies}$ of these Articles of Incorporation, the Company has a capital range ranging from CHF 617,762,245 (lower limit) to CHF 844,754,760 (upper limit). The Board of Directors shall be authorized within the capital range to increase the share capital in an amount not to exceed CHF 81,683,505 through the issuance of up to 16,336,701 fully paid registered shares with a nominal value of CHF 5 per share by not later than August 31, 2024. Increases in partial amounts shall be permitted.
2. The subscription and acquisition of the new shares, as well as each subsequent transfer of the shares, shall be subject to the restrictions of Article 5 of these Articles of Incorporation.
3. The Board of Directors shall determine the issue price, the type of contribution (including cash, contribution in kind and set-off), the date of issue of new shares, the conditions for the exercise of the preferential subscription rights, and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a banking institution, a syndicate or another third party and a subsequent offer of these shares to the current shareholders. The Board of Directors may permit preferential subscription rights that have not been exercised to expire or it may place these rights and / or shares as to which preferential subscription rights have been granted but not exercised, at market conditions or use them for other purposes in the interest of the Company.
4. The Board of Directors is further authorized to restrict or deny the preferential subscription rights of shareholders in whole or in part or allocate such rights to third parties in connection with the issuance of registered shares:
   a) To the remaining shareholders of Autogrill S.p.A. within the framework of the mandatory tender offer by the Company for all remaining outstanding shares of Autogrill S.p.A. following the consummation of the combination agreement by and among the Company, Schema Beta S.p.A., and Edizione S.p.A. dated as of July 11, 2022 (the "Combination Agreement") and the acquisition of 193,730,675 shares of Autogrill S.p.A. from Schema Beta S.p.A., a wholly-owned subsidiary of Edizione S.p.A., by the Company contemplated thereunder, one or several voluntary tender offers by the Company for all remaining outstanding shares of Autogrill S.p.A. and / or any subsequent re-opening of the tender period and / or proceeding for the fulfillment of the obligation to purchase the remaining outstanding shares of Autogrill S.p.A. and / or proceeding for the exercise of the right to purchase the remaining outstanding shares of Autogrill S.p.A. in accordance with applicable law; and / or
   b) In connection with the refinancing of cash payments to be made within the framework of the transactions set forth under paragraph a) above.

The capital available for capital increases of CHF 81,683,505 under Article 3^{ter} (capital range) represents 10.70 % of the issued ordinary share capital of the Company as of December 31, 2023. For potential maximum capital increases see the limitations under Article $3^{quinquies}$ mentioned below.

Potential maximum capital increases through Articles 3^{quater} and 3^{ter} of the Articles of Incorporation

Article $3^{quinquies}$ of the Articles of Incorporation reads as follows:

Capital increases pursuant to Article 3^{ter} and 3^{quater} of these Articles of Incorporation may, in the aggregate, increase the share capital of the Company in an amount not to exceed CHF 226,992,515 through the issuance of up to 45,398,503 fully paid registered shares with a nominal value of CHF 5 each.

By way of background: The potential capital increases under Articles 3^{quater}, 3^{ter}, and the limitations under $3^{\text{quinquies}}$ were introduced in the Company's Articles of Incorporation to allow for the direct issuance of registered shares or shares through conversion and / or option rights in conjunction with the mandatory tender offer for the shares of Autogrill S.p.A. in connection with the Dufry-Autogrill combination, and a potential refinancing of the cash alternative payable under the offer.

2.3 Changes in capital of Avolta AG

Ordinary share capital issued	
December 31, 2020	CHF 401,318,410
December 31, 2021	CHF 453,985,035
December 31, 2022	CHF 453,985,035
December 31, 2023	CHF 763,071,255

Conditional capital	
December 31, 2020	CHF 63,500,000
December 31, 2021	CHF 45,398,500
December 31, 2022	CHF 198,715,145
December 31, 2023	CHF 261,930,450

Available capital from capital range (for capital increases)	
December 31, 2020	Not applicable
December 31, 2021	Not applicable
December 31, 2022	Not applicable
December 31, 2023	CHF 81,683,505

Authorized capital	
December 31, 2021	None
December 31, 2021	None
December 31, 2022	CHF 226,992,515
December 31, 2023	Replaced by capital band

Changes in capital in 2023

Avolta AG (formerly named Dufry AG) and Autogrill S.p.A. ("Autogrill") combined their businesses in 2023. As part of the Dufry-Autogrill combination, Schema Beta S.p.A. ("Schema Beta"), a wholly owned subsidiary of Edizione S.p.A. ("Edizione"), transferred its stake of 50.3 % of the issued share capital of Autogrill to Avolta on February 3, 2023. As consideration, Avolta issued to Schema Beta mandatory convertible notes which converted into 30,663,329 newly issued Avolta shares on February 6, 2023. As a result, the ordinary share capital of the Company increased by CHF 153,316,645 from CHF 453,985,035 to CHF 607,301,680 (121,460,336 shares) and the existing conditional capital under Article 3^{quater} of the Articles of Incorporation (dated August 31, 2022) declined to zero. The change in the ordinary share capital and the conditional capital was registered in the commercial register on February 6, 2023.

The Company held its Annual General Meeting of Shareholders on May 8, 2023. The AGM resolved to replace the previously existing authorized capital by a capital range, which ranges from CHF 607,301,680 (lower limit) to CHF 834,294,195 (upper limit) and allowed for capital increases in the amount of CHF 226,992,515 (45,398,503 registered shares) until August 31, 2024. It further resolved to create additional conditional capital in an amount of CHF 226,992,515 (45,398,503 registered shares) and to introduce the new Articles 3^{quater} and $3^{\text{quinquies}}$ into the Articles of Incorporation (for the wordings of these Articles please see section 2.2 "Details on conditional capital and capital range" above).

On April 11, 2023, the Company published the offer and exemption documents in connection with the mandatory tender offer for the remaining Autogrill shares, offering 0.158 new Avolta shares for each Autogrill share. In compliance with Italian takeover law, the Company also offered a cash alternative equivalent to EUR 6.33 per Autogrill share in the mandatory tender offer. In conjunction with the mandatory tender offer, the Company issued a total of 29,061,802 new Avolta shares out of the capital range during the period of May 24 until July 24, 2023. As a result, the ordinary share capital of the Company increased in that timespan from CHF 607,301,680 to CHF 752,610,690 (150,522,138 shares) and the capital available for capital increases within the capital range declined to CHF 81,683,505 (16,336,701 shares). The various changes in the ordinary share capital and the capital range were registered in the commercial register on May 24, June 7, July 6 and July 24, 2023, respectively.

On November 20, 2023, Avolta issued 2,092,113 new shares out of the existing conditional capital under Article 3^{bis} of the Articles of Incorporation in conjunction with the mandatory conversion of Mandatory Convertible Notes of CHF 69.5 million at a conversion price of CHF 33.22 per share. The ordinary share capital of the Company increased from CHF 752,610,690 to CHF 763,071,255 (152,614,251 shares) and the conditional capital under Article 3^{bis} declined to CHF 34,937,935 (6,987,857 shares). The corresponding change in the ordinary share capital and the conditional capital was registered in the Articles of Incorporation and the commercial register on January 10, 2024.

Changes in capital in 2022

The Company held an Extraordinary General Meeting of Shareholders ("EGM") on August 31, 2022. The EGM resolved to create additional conditional capital in the amount of CHF 153,316,645 and to introduce a new Article 3^{quater} to the Articles of Incorporation. The EGM further resolved to create authorized capital in the amount of CHF 226,992,515 and to amend Article 3^{ter} of the Articles of Incorporation. The change in the conditional capital and the authorized capital was registered in the commercial register on September 5, 2022.

By way of background: These capital changes occurred as part of the combination of Dufry with Autogrill, announced on July 11, 2022. For comments on the capital changes in conjunction with the Dufry / Autogrill combination, please see section "Changes in capital in 2023" above.

Changes in capital in 2021
On March 24, 2021, the Company announced the successful completion of an offering of CHF 500 million new convertible bonds with a coupon of 0.75% and a conversion price of CHF 87.00, due 2026. At the same time, the Company also announced the launch of a voluntary incentive offer to the holders of the existing CHF 350 million 1.0% convertible bonds due 2023, by which the Company offered such holders an incentive payment for the exercise of their conversion rights within the acceptance period.

On April 6, 2021, the Company successfully completed this voluntary incentive offer regarding the CHF 350 million 1.0% convertible bonds due 2023. The offer was accepted by holders of convertible bonds with an aggregate principal amount of CHF 347.6 million (99.3%), who received 10,533,325 fully paid registered shares of the Company (conversion was effected at a conversion price of CHF 33.00). The remaining 0.7% of bonds were, upon exercise of the issuer's clean-up call, redeemed at par in cash. The ordinary share capital of the Company increased through this bond conversion to CHF 453,985,035 (90,797,007 shares) and the conditional capital was reduced to CHF 10,833,375 (2,166,675 shares). The change in the ordinary share capital and conditional capital was registered in the commercial register on April 14, 2021.

At the Annual General Meeting of Shareholders on May 18, 2021, shareholders approved the Board of Directors' proposal to increase the remaining conditional capital from CHF 10,833,375 (2,166,675 shares) to CHF 45,398,500 (9,079,700 shares) to allow physical settlement of the new CHF 500 million 0.75% convertible bonds due 2026. The change of the conditional capital was registered in the commercial register on May 19, 2021.

2.4 Shares

As of December 31, 2023, the share capital of Avolta AG is divided into 152,614,251 fully paid in registered shares with a nominal value of CHF 5 each.

The Company has only one category of shares. The shares are issued in registered form. All shares are entitled to dividends if declared. Each share entitles its holder to one vote (see also the voting rights limitation of 25.1% mentioned below). The Company maintains a share register showing the name and address of the shareholders or usufructuaries. Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company.

Article 10 of the Articles of Incorporation stipulate the following voting rights limitation under para. 1 and 2:
1. Subject to paragraph 2 of Article 10, each share recorded as share with voting rights in the share register confers one vote on its registered holder.
2. Until June 30, 2029, no shareholder may exercise, directly or indirectly, voting rights with respect to own or represented shares in excess of 25.1% of the share capital registered in the commercial register. Legal entities and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management or are otherwise linked as well as individuals or legal entities and partnerships who act in concert or otherwise act in a coordinated manner shall be treated as one single person.

Paragraphs 3 to 6 of Article 10 refer to the Independent Voting Rights Representative, the qualifying date for entitlement to vote at the Meeting of Shareholders and Nominee representation at the Meeting of Shareholders. For the entire wording of Article 10 please see the Articles of Incorporation which are available on the Company website www.avoltaworld.com/en/investors/corporate-governance – Articles of Incorporation.

Exceptions regarding the voting rights limitation granted in the year under review
The Company has not granted any exception during the year under review.

2.5 Participation certificates and profit sharing certificates

The Company has not issued any non-voting equity securities, such as participation certificates ("Partizipationsscheine") or profit sharing certificates ("Genussscheine").

2.6 Limitation on transferability and nominee registration of registered shares

- The Company maintains a share register showing the name and address of the shareholders or usufructuaries. Any change of contact information must be reported to the share registrar. Notifications by the Company shall be deemed to have been validly made if sent to the shareholder's or authorized delivery agent's last registered contact information in the share register.
- Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company.
- Acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the shares in their own name and for their own account, that there is no agreement on the return of the relevant shares and that they bear the economic risk associated with the shares.
- The Board of Directors may register nominees with the right to vote in the share register to the extent of up to 0.2% of the registered share capital as set forth in the commercial register. Registered shares held by a nominee that exceed this limit may be registered in the share register with the right to vote if the nominee discloses the names, addresses and number of shares of the persons for whose account it holds 0.2% or more of the registered share capital as set forth in the commercial register. Nominees within the meaning of this provision are persons who do not make the declarations above and with whom the Board of Directors has entered into a corresponding agreement. Nominees are only entitled to represent registered shares held by them at a General Meeting of Shareholders provided that they are registered in the share register and they hold a valid written proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the General Meeting of Shareholders. Shares held by a nominee for which it is not able to produce such a proxy count as not represented at the General Meeting of Shareholders.
- Corporate bodies and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management or otherwise linked as well as individuals or corporate bodies and partnerships who act in concert to circumvent the regulations concerning the nominees (esp. as syndicates), shall be treated as one single nominee within the meaning of the above mentioned regulation.
- The Board of Directors may cancel the registration, with retroactive effect if appropriate, if the registration was effected based on false information or in case of breach of the agreement between the nominee and the Board of Directors.
- After consulting the party involved, the Company may delete entries in the share register if such entries occurred in consequence of false statements by the purchaser. The purchaser must be informed immediately of the deletion.
- In particular cases, the Board of Directors may allow exemptions from the above mentioned regulations concerning nominees.
- The limitations for registration in the share register described above also apply for shares acquired or subscribed by the exercise of subscription, option or conversion rights.

Exceptions granted in the year under review
The Company has not granted any exception with regards to limitation of transferability and nominee registrations during the year under review.

Required quorums for a change of the limitations of transferability
According to the Articles of Incorporation, a change of the limitations on the transfer of registered shares or the removal of such limitations requires a resolution of the General Meeting of Shareholders passed by at least two thirds of the votes represented and the majority of the nominal value of shares represented.

2.7 Convertible bonds and options

Convertible bonds

As of December 31, 2023, the Company had the following convertible bond outstanding:

Guaranteed Senior Convertible Bond

Issuer	Dufry One B.V., Eindhoven / NL
Listing	SIX Swiss Exchange
Size of issue	CHF 500,000,000
Outstanding amount as of Dec 31, 2023	CHF 500,000,000
Principal amount	CHF 200,000 per bond
Interest rate	0.75% per annum, payable semi-annually (March 30 and September 30)
Maturity	March 30, 2026
Convertible into	Registered shares of Avolta AG (5,747,126 shares)
Conversion price	CHF 87.00 (subject to adjustments)
Conversion period	May 25, 2021 up to and including March 12, 2026
Source of shares	Conditional capital and / or issued and outstanding shares
ISIN-No.	CH1105195684
Swiss Security-No.	1105195684
Ticker symbol	DUF21
Potential dilution	The underlying 5,747,126 registered shares to be potentially issued as a result of the conversion of the senior convertible bonds represent 3.77% of the issued and listed registered shares as of December 31, 2023.

Options

As of December 31, 2023, the Company had no outstanding warrants or options to acquire shares issued by or on behalf of the Company. Avolta has certain share-based payments, the essentials of which are disclosed in the "Remuneration Report" on page 311 ff.

3. Board of Directors

3.1 Members of the Board of Directors

As of December 31, 2023, the Board of Directors comprised twelve Board members compared with nine members as of December 31, 2022.

The members of the Board of Directors are elected individually and for a term of office extending until completion of the next Annual General Meeting of Shareholders. The Chairman of the Board of Directors and the members of the Remuneration Committee are directly elected by the General Meeting of Shareholders.

The following table sets forth the name, position with Avolta, nationality and year of first election as a member of the Board of Directors for each respective member, followed by their Curricula Vitae with a short description of each member's business experience, education and activities.

A comprehensive list of all mandates that are comparable to board of directors or executive committee mandates at entities that have an economic purpose, other than within the Avolta Group, is depicted in the Remuneration Report on pages 330 / 331 of this Annual Report in accordance with Art. 734e CO.

Board of Directors as of December 31, 2023

Name	Position with Avolta	Nationality	Date of first Election
Juan Carlos Torres Carretero	Executive Chairman	Spanish	2003
Alessandro Benetton	Honorary Chairman and Independent Director	Italian	2022
Sami Kahale	Vice-Chairman and Independent Director	Italian	2023
Enrico Laghi	Vice-Chairman and Independent Director	Italian	2022
Heekyung Jo Min	Lead Independent Director	American	2016
Xavier Bouton	Independent Director	French	2022
Mary J. Steele Guilfoile	Independent Director	American	2020
Luis Maroto Camino	Independent Director	Spanish	2019
Joaquín Moya-Angeler Cabrera	Independent Director	Spanish	2021
Ranjan Sen	Independent Director	German	2020
Lynda Tyler-Cagni	Independent Director	British and Italian	2018
Eugenia M. Ulasewicz	Independent Director	American	2021

3.2 Education, professional background, other activities and functions

Juan Carlos Torres Carretero
Executive Chairman,
born 1949, Spanish

Education
MS in physics from Universidad Complutense de Madrid and MS in Management from MIT's Sloan School of Management.

Professional Background
Many years of private equity and senior management operating experience. 1988 Joined Advent International, a private equity firm, in Boston as a partner. 1991 – 1995 Partner at Advent International in Madrid. 1995 – 2016 Managing Partner in charge of Advent International Corporation's investment activities in Latin America.

Current Board Mandates
Listed companies:
Avolta AG

Not listed companies or organizations:
None

Alessandro Benetton
Honorary Chairman,
Independent Director,
Non-Executive, born 1964,
Italian

Education
BBA from Boston University, MBA from Harvard Business School.

Professional Background
Alessandro Benetton has been Chairman, CEO and founder of 21 Invest S.p.A. since 1992. He served as member of the Board of Directors of Autogrill S.p.A. (1997 – 2023), as President of the Cortina 2021 Foundation to organize the Alpine Ski World Championships (2017 – 2021), as Chairman of the Benetton Group (2012 – 2013), as Board member of Robert Bosch International Holdings AG (2002 – 2018) and as Chairman of the Benetton Formula 1 Racing Team (1988 – 1998). Since 2022, Chairman of Edizione S.p.A. and Vice Chairman of Mundys S.p.A. (formerly Atlantia S.p.A.) (since 2023).

Current Board Mandates
Listed companies:
Avolta AG

Not listed companies or organizations:
Edizione S.p.A., 21 Invest S.p.A., 21 Invest SGR S.p.A., 21 Invest France SAS, Mundys S.p.A. (formerly Atlantia S.p.A.), Fremantle Italy (Advisory Committee), University of Naples Parthenope, Fondazione Imago Mundi

Sami Kahale
Vice-Chairman,
Independent Director,
Non-Executive,
born 1961, Italian

Education
BASc Degree in Electrical and Electronics Engineering from the University of Notre Dame (Indiana), MBA from Babson College (Massachusetts).

Professional Background
Sami Kahale held various Senior Leadership positions at Procter & Gamble from 1998 to 2017, including Vice President Health & Beauty Care, Central Eastern Europe/Middle East, Africa (2003 - 2007), Vice President Italy (2007 - 2014), Vice President Southern Europe region (2014 - 2017). General Manager and CEO of Esselunga S.p.A. (2018 - 2021). Chairman of the Board of Directors of IRCA S.p.A. since 2022 and Vice-Chairman of the Board of Directors of Marymount International School since 2013. Since 2023, Operating Partner at Advent International.

Current Board Mandates
Listed companies:
Avolta AG

Not listed companies or organizations:
IRCA S.p.A., Bolton Group, Bauli Group (Innovation Advisory Board), Marymount International School

Enrico Laghi
Vice-Chairman,
Independent Director,
Non-Executive,
born 1969, Italian

Education
Degree in Business Administration from the La Sapienza University of Rome, Professor of Accounting & Finance at the La Sapienza University of Rome.

Professional Background
Enrico Laghi has been serving as member of the Board of Directors and the Board of Statutory Auditors of a number of listed Italian entities including Acea S.p.A. (2013 – 2019), Pirelli & C. S.p.A. (2006 – 2014), Gruppo Editoriale L'Espresso S.p.A. (2012 – 2013), Unicredit S.p.A. (2013 – 2017) and Beni Stabili (2010 – 2018). Commissioner of Alitalia. Chairman of Edizione S.p.A. (2020 – 2022). Since 2022, Chief Executive Officer of Edizione S.p.A.

Current Board Mandates
Listed companies:
Avolta AG

Not listed companies or organizations:
Edizione S.p.A., Mundys S.p.A. (formerly Atlantia S.p.A.), Abertis Infraestructuras SA, Studio Laghi Srl, Edizione Property S.p.A.

Heekyung Jo Min
Lead Independent Director,
Non-Executive,
born 1958, American

Education
Ph.D in Business Administration from Seoul Business School (aSSIST), MBA from Columbia University Graduate School of Business in New York, and a BA from Seoul National University.

Professional Background
2004 – 2005 Executive Vice President at Prudential Investments and Securities Co. in Korea. 2006 Country Advisor, Global Resolutions in Korea. 2007 – 2010 Director General of the Investment Promotion Bureau at the Incheon Free Economic Zone (IFEZ) in Korea. 2011 – 2013 Chief HR Officer of CJ Corporation in Korea. Since 2013, Executive Vice President and Head of Corporate Social Responsibility of CJ CheilJedang. Ms. Min speaks regularly on the subject of sustainability and ESG (Environment, Social, Governance).

Current Board Mandates
Listed companies:
Avolta AG

Not listed companies or organizations:
Asia New Zealand Foundation (Honorary Advisor) and CJ Welfare Foundation

Xavier Bouton
Independent Director,
Non-Executive,
born 1950, French

Education
Diploma in economics and finance from l'Institut d'Etudes Politiques de Bordeaux and Doctorate in Economics and Business Administration from the University of Bordeaux.

Professional Background
1978 – 1984 Director of C.N.I.L. (Commission Nationale de l'Informatique et des Libertés). 1985 – 1994 General Secretary of Reader's Digest Foundation. 1990 – 2005 Board member of Laboratoires Chemineau. 1999 – 2021 Board member of ADL Partners. 2005 – 2017 Board member of Dufry AG. Since 1999 Chairman of the Supervisory Board of F.S.D.V. (Fayenceries de Sarreguemines Digoin & Vitry la François), and since 2021 Chairman of the Board of Directors of Edeis.

Current Board Mandates
Listed companies:
Avolta AG, F.S.D.V. (Fayenceries de Sarreguemines Digoin & Vitry la François)

Not listed companies or organizations:
Edeis

Mary J. Steele Guilfoile
Independent Director,
Non-Executive,
born 1954, American

Education
Bachelor of Science from Boston College Carroll School of Management, MBA from Columbia Business School, Licensed, Certified Public Accountant.

Professional Background
1996 – 2000 Partner, CFO and COO of The Beacon Group, LLC, a private equity, strategic advisory and wealth management partnership. 2000 – 2002 Several management positions such as Executive Vice President and Corporate Treasurer at JPMorgan Chase & Co. and Chief Administrative Officer of its investment bank. Served previously on the Board of Directors of Viasys Healthcare Inc. (2001 – 2005), Valley National Bancorp (2003 –2018), Boston College (1991 – 2011) and Hudson Ltd. (2018 – 2020). Serves as a member of the Boards of Directors of C.H. Robinson Worldwide, Inc. (since 2012), The Interpublic Group of Companies, Inc. (since 2007) and Pitney Bowes, Inc. (since 2018). Since 2002 serves as Chairwoman of MG Advisors, Inc. and has been a Partner of The Beacon Group, LP since 1998.

Current Board Mandates
Listed companies:
Avolta AG, C.H. Robinson Worldwide, Inc., The Interpublic Group of Companies, Inc. and Pitney Bowes, Inc.

Not listed companies or organizations:
MG Advisors, Inc., Boston College (Trustee Associate), The Beacon Group, LP

Luis Maroto Camino
Independent Director,
Non-Executive,
born 1964, Spanish

Education
Bachelor's degree in Law from the Universidad Complutense Madrid, MBA from the Instituto de Estudios Superiores de la Empresa, Madrid (IESE), further qualifications from Stanford, Harvard Business School, INSEAD and IMD.

Professional Background
2000 Joined Amadeus IT Group, a leading player in the travel and tourism industry, where he served as Deputy CEO, CFO and Director Marketing Finance. Prior to joining Amadeus, he held several managerial positions at the Bertelsmann Group. Since 2011, CEO and President of Amadeus IT Group.

Current Board Mandates
Listed companies:
Avolta AG and Amadeus IT Group

Not listed companies or organizations:
None

Joaquín Moya-Angeler Cabrera

Independent Director,
Non-Executive,
born 1949, Spanish

Education
Master's degree in Mathematics from the University of Madrid, Diploma in Economics and Forecasting from the London School of Economics and Political Science and an MS in Management from MIT's Sloan School of Management.

Professional Background
J. Moya-Angeler has focused his career on the technology and real estate industries, including having founded a number of companies. He has been the Chairman of the Board of Directors of various companies: IBM Spain (1990 – 1994), Leche Pascual (1994 – 1997), Meta4 (1997 – 2002), TIASA (1996 – 1998), and Hildebrando (2003 – 2014). Served previously on the Board of Directors of Dufry AG (2005 – 2018), Hudson Ltd. (2018 – 2021) and as Chairman of the Board of Directors of La Quinta Real Estate (1994 – 2023). To date Chairman of the Board of Directors of Corporación Empresarial Pascual (since 1994), Chairman of the Board of Directors of Avalon Private Equity (since 1999). Serves on the advisory boards of private equity firms Palamon Capital Partners and MCH Private Equity.

Current Board Mandates
Listed companies:
Avolta AG

Not listed companies or organizations:
Corporación Empresarial Pascual, Avalon Private Equity, Palamon Capital Partners (Board of Advisors), MCH Private Equity (Board of Advisors)

Ranjan Sen

Independent Director,
Non-Executive,
born 1969, German

Education
Degree in Business Administration from Richmond University in London.

Professional Background
Many years of private equity and banking experience. 2003 Joined Advent International as Director. Since 2016 Managing Partner at Advent International. Member of the European and Asian Investment Advisory Committee and Head of the German office in Frankfurt of Advent International.

Current Board Mandates
Listed companies:
Avolta AG and InPost Poland

Not listed companies or organizations:
Hermes Germany GmbH

Lynda Tyler-Cagni

Independent Director,
Non-Executive,
born 1956, British and Italian

Education
B.A. (Hons) in Languages, Economics & Politics from the University of Kingston, London.

Professional Background
Lynda Tyler-Cagni held various global executive positions with Fast Retailing, Uniqlo and Zegna. She is the founder and CEO at Only the Best, an agency advising and representing talent primarily in fashion, luxury and retail. She also served as a Director of Atlantia S.p.A., an Italian listed global infrastructure operator from 2016 until 2018. Ms. Tyler-Cagni previously served on the Board of World Duty Free Group as a non-executive and independent member and chair of the HR & Remuneration Committee (from 2013 until the acquisition of World Duty Free Group by Dufry AG in 2015).

Current Board Mandates
Listed companies:
Avolta AG

Not listed companies or organizations:
EDHEC Paris (Business Management Advisory Board)

Eugenia M. Ulasewicz

Independent Director,
Non-Executive,
born 1953, American

Education
Bachelor's degree from the University of Massachusetts, Amherst, Doctor of Law, College of Mount Saint Vincent, NY.

Professional Background
Eugenia Ulasewicz had a successful career serving in many roles as a global retail industry executive, most recently as President, Burberry Americas until 2013. She serves on the Board of Directors of Signet Jewelers (since 2014), is Chair of the Corporate Citizenship & Sustainability Committee and a member of the Compensation Committee, Vince Holding Corp (since 2014), is Chair of the Compensation Committee and a member of Audit Committee, and ASOS Plc (2020 - 2023) where she was Chair of the ESG Committee and a member of Audit and Remuneration Committees. She served on the Board of Directors of Hudson, Ltd (2018 - 2020) and Bunzl plc (2011 - 2020).

Current Board Mandates
Listed companies:
Avolta AG, Signet Jewelers Ltd. and Vince Holding Corporation

Not listed companies or organizations:
None

Changes in the Board of Directors in fiscal year 2023
Alessandro Benetton and Enrico Laghi were elected at the Extraordinary General Meeting of Shareholders on August 31, 2022. Their election became effective after the completion of the transfer of the 50.3 % stake in Autogrill from Edizione to the Company on February 3, 2023. Sami Kahale was newly elected to the Board of Directors at the Annual General Meeting of Shareholders on May 8, 2023.

Diversity and independence
As of December 31, 2023, the Board of Directors has 67 % male and 33 % female members, including the Lead Independent Director.

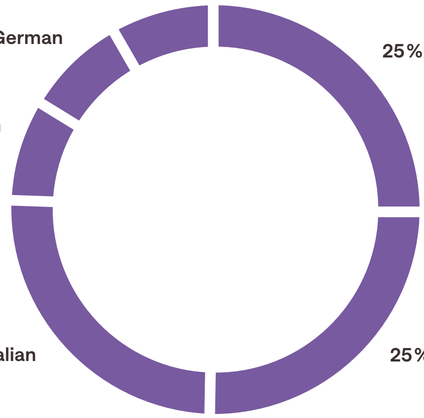
Due to his intense involvement with the Company's management, the Chairman of the Board of Directors, Mr. Juan Carlos Torres Carretero, is considered an Executive Chairman. In his executive role, a substantial amount of his time is devoted to the Company's operations where he works very closely with the CEO to pursue value-enhancing initiatives including strategically important relationships, joint ventures or acquisitions, and relationships with key current or future shareholders, and initiatives strengthening the Company's partnerships with governments and key landlords. He also supports re-financing activities and capital markets transactions of the Company.

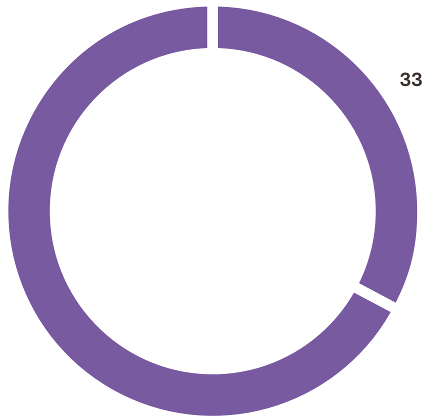
The other members of the Board of Directors (92 % of the Board as of December 31, 2023) are non-executive members and are also considered independent.

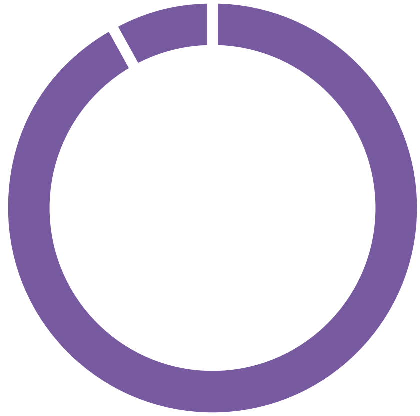
Over the past years, the Board of Directors has been consistently renewed. As of December 31, 2023, nine out of the twelve Board members have a tenure of 5 years or less.

None of the members of the Board of Directors (members as of December 31, 2023) have ever been in a managerial position at Avolta AG or any of its subsidiaries. For information on related parties and related party transactions please refer to Note 41 on page 249 of the Consolidated Financial Statements and to the information provided in the Remuneration Report on page 311 ff. of this Annual Report. None of the members of the Board of Directors have significant business connections with the Company or any of its subsidiaries.

Diversity of the Board of Directors as of December 31, 2023







Board of Directors and Board Committees as of December 31, 2023

Board of Directors

Executive Chairman:
Juan Carlos Torres Carretero

Honorary Chairman:
Alessandro Benetton

Vice-Chairmen:
Sami Kahale
Enrico Laghi

Lead Independent Director:
Heekyung Jo Min

Members:
Xavier Bouton
Joaquín Moya-Angeler Cabrera
Eugenia M. Ulasewicz
Mary J. Steele Guilfoile
Ranjan Sen
Luis Maroto Camino
Lynda Tyler-Cagni

Audit Committee

Mary J. Steele Guilfoile, Chairwoman
Luis Maroto Camino
Heekyung Jo Min
Sami Kahale

Remuneration Committee

Luis Maroto Camino, Chairman
Enrico Laghi
Joaquín Moya-Angeler Cabrera
Eugenia M. Ulasewicz

Nomination Committee

Heekyung Jo Min, Chairwoman
Enrico Laghi
Mary J. Steele Guilfoile
Joaquín Moya-Angeler Cabrera

ESG Committee

Heekyung Jo Min, Chairwoman
Sami Kahale
Lynda Tyler-Cagni
Eugenia M. Ulasewicz

Strategy and Integration Committee

Juan Carlos Torres Carretero, Chairman
Sami Kahale
Enrico Laghi
Joaquín Moya-Angeler Cabrera

Overview individual attendance Board and Committee meetings

Member of the Board of Directors	Board Meetings	Audit Committee	Remuneration Committee	Nomination and ESG Committee (until March 31, 2023)	Nomination Committee (as of April 1, 2023)	ESG Committee (as of April 1, 2023)	Strategy and Integration Committee
Juan Carlos Torres Carretero	10/10	–	–	–	–	–	1/1
Alessandro Benetton [1]	8/9	–	–	–	–	–	0/1
Sami Kahale [2]	4/4	3/3	–	–	–	1/1	1/1
Enrico Laghi [3]	9/9	2/2	4/4	3/3	2/2	–	1/1
Heekyung Jo Min	10/10	4/5	–	4/4	2/2	1/1	–
Xavier Bouton	10/10	–	–	–	–	–	–
Mary J. Steele Guilfoile [4]	10/10	4/5	–	–	2/2	–	–
Luis Maroto Camino	10/10	5/5	5/5	–	–	–	–
Joaquín Moya-Angeler Cabrera	9/10	–	5/5	4/4	2/2	–	1/1
Ranjan Sen	10/10	–	–	–	–	–	–
Lynda Tyler-Cagni [5]	10/10	–	–	1/1	–	1/1	–
Eugenia M. Ulasewicz	10/10	–	5/5	4/4	–	1/1	–
Number of meetings in fiscal year 2023	**10**	**5**	**5**	**4**	**2**	**1**	**1**
Average attendance ratio [6]	**98%**	**90%**	**100%**	**100%**	**100%**	**100%**	**80%**

[1] Member of the Board of Directors since February 3, 2023. Member of Strategy and Integration Committee until AGM on May 8, 2023.
[2] Member of the Board of Directors since May 8, 2023. Member of Audit Committee, ESG Committee and Strategy and Integration Committee since May 9, 2023.
[3] Member of the Board of Directors since February 3, 2023. Member of Audit Committee and ESG Committee until AGM on May 8, 2023. Member of Nomination Committee (and former Nomination and ESG Committee) and Strategy and Integration Committee since February 6, 2023.
[4] Member of Nomination Committee since April 1, 2023.
[5] Member of Nomination and ESG Committee until February 6, 2023.
[6] The average attendance ratio regarding the Committees refers directly to the members of the respective Committee. Additional participants who participate as guests in Committee meetings are not included in the percentage calculations. For the newly elected Board members, their attendance ratio is calculated as of the date of their election at the General Meeting of Shareholders or the appointment to the Committees by the Board of Directors, as the case may be.

3.3 Rules in the Articles of Incorporation regarding the number of permitted mandates outside the Company

For the website link regarding the Articles of Incorporation referred to in the following chapters please see page 309 of this Corporate Governance Report.

In accordance with Article 24 para. 2 of the Articles of Incorporation, no member of the Board of Directors may hold more than four additional mandates in listed companies and ten additional mandates in non-listed companies. The following mandates are not subject to the limitations under para. 2 of this Article:

a) Mandates in companies which are controlled by the Company or which control the Company;
b) Mandates held at the request of the Company or any company controlled by it. No member of the Board of Directors may hold more than ten such mandates; and
c) Mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Board of Directors may hold more than ten such mandates.

Mandates shall mean any membership on the Board of Directors, Executive Board or Advisory Board (in each case within the meaning of the Swiss Code of Obligations) or a comparable body under foreign law in another undertaking with an economic purpose. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed one mandate.

3.4 Election and terms of office

In accordance with Article 13 of the Articles of Incorporation:
- The Board of Directors shall consist of at least three and at most twelve members.
- Members of the Board of Directors and the Chairman of the Board of Directors shall be elected for a term of office extending until completion of the next Annual General Meeting of Shareholders.
- The members of the Board of Directors and the Chairman of the Board of Directors may be re-elected without limitation.
- If the office of the Chairman of the Board of Directors is vacant, the Board of Directors shall appoint a Chairman from among its members for a term of office extending until completion of the next Annual General Meeting of Shareholders.
- Except for the election of the Chairman of the Board of Directors and the members of the Remuneration Committee by the General Meeting of Shareholders, the Board of Directors determines its own organization. The Board of Directors may elect up to two Vice-Chairman and an Honorary Chairman from amongst its members. It shall appoint a Secretary who does not need to be a member of the Board of Directors.

All twelve members of the Board of Directors, who are active as of December 31, 2023, were elected or re-elected in individual elections at the Annual General Meeting of Shareholders held on May 8, 2023. The Annual General Meeting of Shareholders re-elected Juan Carlos Torres Carretero as Chairman of the Board of Directors. Ms. Eugenia M. Ulasewicz, Mr. Enrico Laghi, Mr. Luis Maroto Camino and Mr. Joaquín Moya-Angeler Cabrera were re-elected in individual elections as members of the Remuneration Committee at this Annual General Meeting of Shareholders.

3.5 Internal organizational structure

In accordance with the Organizational Board Regulations, dated December 11, 2023, the Board of Directors shall be comprised of at least four females, (ii) the majority of the members of the Board of Directors shall be independent within the meaning of the applicable proxy voting guidelines adopted by Institutional Shareholder Services ("ISS") from time to time (the "ISS Guidelines") and (iii) the composition of the Board of Directors and its Comittees shall comply with applicable laws and any applicable requirements of the SIX Swiss Exchange, the ISS Guidelines and the Swiss Code of Best Practice for Corporate Governance (the "Swiss Code of Best Practice") as amended from time to time.

Except for the election of the Chairman of the Board of Directors and the members of the Remuneration Committee (which are to be elected by the General Meeting of Shareholders), the Board of Directors determines its own organization. In accordance with the Organizational Board Regulations, the Board of Directors elects from its members each year at the first meeting after the Annual General Meeting of Shareholders the Honorary Chairman, the Vice-Chairmen, the Lead Independent Director, the members of the Audit Committee, the Nomination Committee, the ESG Committee and the Strategy and Integration Committee. The Board will further appoint a Secretary who does not need to be a member of the Board of Directors.

The Honorary Chairman shall be involved, in coordination with the Chairman, in the organization, carrying out and oversight of the activities concerning shareholder engagement, with particular regard to major shareholders of the Company. One Vice-Chairman or both Vice-Chairmen, together with the CEO, shall focus on the Autogrill S.p.A. and Dufry AG integration matters and advise the Board on the status and progress of integration matters.

As of December 31, 2023, Avolta AG has five committees: the Audit Committee, the Remuneration Committee, the Nomination Committee, the ESG Committee and the Strategy and Integration Committee. All five Committees are assisting the Board of Directors in fulfilling its duties and have also decision authority to the extent described below.

Audit Committee
Members as of December 31, 2023: Mary J. Steele Guilfoile (Chairwoman of the Audit Committee), Luis Maroto Camino, Heekyung Jo Min, Sami Kahale.

The current members of the Audit Committee are all independent and non-executive members of the Board of Directors. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The Audit Committee assists the Board of Directors in fulfilling its duties of supervision of management. It performs the following duties and responsibilities:
- Review and assessment of the performance and independence of the Auditors;
- Review and assessment of the audit plan and the audit results and monitoring of the implementation of the findings by management;

- Review the Auditors' reports and discuss their contents with the Auditors and the management;
- Review the effectiveness of the internal audit function, its professional qualifications, resources, independence and its cooperation with external audit;
- Approval of the annual internal audit concept and the annual internal audit report, including response of the management thereto;
- Assessment of the risk management and of the proposed measures to reduce risks;
- Assessment of the compliance levels and risk management;
- Make a proposal to the Board of Directors with respect to the annual and interim statutory and consolidated financial statements.

The Audit Committee regularly reports to the Board of Directors on its decisions, assessments, findings and proposes appropriate actions. The Audit Committee generally meets at the same dates the Board of Directors meetings take place (usually 4–5 times per year), although the Chairperson may call meetings as often as business requires.

In fiscal year 2023, the Audit Committee held 5 meetings (Q1: 1 meeting, Q2: 1 meeting, Q3: 1 meeting, and Q4: 2 meetings) with management to review the business, better understand laws, regulations and policies impacting the Group and its business and support the management in meeting the requirement and expectations of stakeholders.

The meetings usually last 2 to 3 hours. The auditors attended all meetings via video conference. The Chairman of the Board of Directors usually participates as a guest in the Audit Committee meetings. Members of the Global Executive Committee attended the meetings of the Audit Committee as follows: CEO 5 meetings and the CFO (who acts as Secretary of the Audit Committee) 5 meetings.

Remuneration Committee
Members as of December 31, 2023: Luis Maroto Camino (Chairman of the Remuneration Committee), Enrico Laghi, Joaquín Moya-Angeler Cabrera, Eugenia M. Ulasewicz.

The current members of the Remuneration Committee are all independent and non-executive members of the Board of Directors. The members shall be appointed by the General Meeting of Shareholders until the next Annual General Meeting of Shareholders and be re-eligible.

The Remuneration Committee assists the Board of Directors in fulfilling its remuneration related matters. It performs the following duties and responsibilities:

- Review and assess the remuneration system of the Company and the Group (including the management incentive plans) and make proposals in connection thereto to the Board of Directors;
- Make recommendations regarding the proposals of the Board of Directors for the maximum aggregate amount of compensation of the Board of Directors and the Global Executive Committee to be submitted to the Annual General Meeting of Shareholders for approval;
- Make proposals in relation to the remuneration package of the CEO and the members of the Board of Directors;
- Make proposals on the grant of options or other securities under any management incentive plan of the Company;
- Review and recommend to the Board of Directors the remuneration report.

Furthermore, the Remuneration Committee reviews, and proposes for approval by the Board of Directors, the remuneration for the members of the Global Executive Committee other than the CEO, upon proposal by the CEO. The CEO's remuneration is determined by the Remuneration Committee and submitted to the full Board of Directors for approval.

The Remuneration Committee meets as often as business requires (usually 4 meetings per year). The meetings usually last 1 to 2 hours.

The Remuneration Committee held 5 meetings in the fiscal year 2023 (Q1: 3 meetings, Q4: 2 meetings). The Chairman of the Board of Directors and the Independent Lead Director usually participates as guests in the Remuneration Committee meetings. Members of the Global Executive Committee attended these meetings as follows: CEO 5 meetings, Chief People & Culture Officer 2 meetings.

Nomination Committee
Members as of December 31, 2023: Heekyung Jo Min (Chairwoman of the Nomination Committee), Mary J. Steele Guilfoile, Enrico Laghi, Joaquín Moya-Angeler Cabrera.

In April 2023, the formerly combined Nomination and ESG Committee was split into two Committees to allow more time for additional work by these committees. The current members of the Nomination Committee are all independent and non-executive members of the Board of Directors. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The Nomination Committee assists the Board of Directors in fulfilling its nomination related matters. It performs the following duties and responsibilities:
- Assuring the long-term planning of appropriate appointments to the positions of the CEO and the Board of Directors;
- Recommend to the Board of Directors the candidates for election as Board members;
- Review the curriculum vitae, credentials and experience of the candidates proposed by the Board of Directors to fill vacancies on the Board of Directors or for the position of the CEO;
- Review the composition, membership qualifications and size of the Board of Directors and its Committees to ensure appropriate expertise, diversity and independence of the Board of Directors and its Committees;
- Present to the Board a proposal of succession plan for the position of the CEO at least once a year;
- Present to the Board a proposal of succession plan for the position of the Chairman of the Board;
- Review the adequacy of the selection system and criteria used for the appointment of the members of the Global Executive Committee.

The Nomination Committee meets as often as business requires (usually 2 – 4 meetings per year). The meetings usually last 2 to 3 hours.

The Nomination Committee held 2 meetings since being a stand-alone committee starting April 1, 2023 (Q2: 1 meeting, Q3: 1 meeting). The Chairman of the Board of Directors usually participates as a guest in the Nomination Committee meetings. Members of the Global Executive Committee attended these meetings as follows: CEO 2 meetings. The formerly combined Nomination and ESG Committee held 4 meetings in Q1 2023. The Chairman of the Board of Directors participated as a guest in the combined Nomination and ESG Committee meetings. Members of the Global Executive Committee attended these meetings as follows: CEO 4 meetings, Chief People & Culture Officer 1 meeting, Group General Counsel 1 meeting.

ESG Committee

Members as of December 31, 2023: Heekyung Jo Min (Chairwoman of the ESG Committee), Sami Kahale, Lynda Tyler-Cagni, Eugenia M. Ulasewicz.

The current members of the ESG Committee are all independent and non-executive members of the Board of Directors. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The ESG Committee assists the Board of Directors in fulfilling its ESG strategy related matters. It performs the following duties and responsibilities:
- Review on a regular basis and oversee the Group's global strategy and reputation regarding ESG matters and make recommendations to the Board of Directors on measures to ensure the long-term governance and sustainability of the Group;
- Monitor and assess current and emerging trends in ESG matters that may affect the business, operations, performance or reputation of the Group;
- Monitor the Group's performance regarding ESG matters based on metrics, systems and procedures, as deemed necessary and appropriate;
- Review the ESG report intended for publication and make a proposal to the Board of Directors with respect to the approval of such report;
- Oversee the Group's communication and engagement on ESG matters with employees, shareholders, investors, customers, the media and the general public;
- Monitor and assess the developments in corporate governance-related laws, regulations, standards and best practices, and analyze the external perception of the corporate governance of the Company and the Group;
- Advise and make recommendations to the Board of Directors regarding corporate governance-related matters; and
- Annually conduct and supervise the self-assessment of the Board of Directors and its Committees, and the assessment of the CEO and the other members of the Global Executive Committee.

The ESG Committee meets as often as business requires (usually 2 - 4 meetings per year). The meetings usually last about 2 hours.

The ESG Committee held 1 meeting since being a stand-alone committee starting April 1, 2023. The Chairman of the Board of Directors usually participates as a guest in the ESG Committee meetings. The CEO and the Chief Public Affairs & ESG Officer attended the meeting. The formerly combined Nomination and ESG Committee held 4 meetings in Q1 2023. The Chairman of the Board of Directors participated as a guest in the combined Nomination and ESG Committee meetings. Members of the Global Executive Committee attended these meetings as follows: CEO 4 meetings, Chief People & Culture Officer 1 meeting, Group General Counsel 1 meeting.

Strategy and Integration Committee
Members as of December 31, 2023: Juan Carlos Torres Carretero (Chairman of the Strategy and Integration Committee), Sami Kahale, Enrico Laghi, Joaquín Moya-Angeler Cabrera.

The current members of the Strategy and Integration Committee are all independent and non-executive members of the Board of Directors, except for the Executive Chairman. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The Strategy and Integration Committee has the power and duty to propose and advise the Board, on strategic guidelines and any change to the scope of the Group's business, other strategic matters and the Group's business plan, among others. For a full list of the committee's duties and responsibilities, see Art. 8 of the Company's Board Regulations (available under www.avoltaworld.com/en/download-center). The Chairman shall periodically report to the Board of Directors on the proposals, assessments and findings of the Strategy and Integration Committee, and propose appropriate actions.

The Strategy and Integration Committee meets as often as business requires. The meetings are usually to last about 1 to 2 hours.

The Strategy and Integration Committee held 1 meeting in Q4 of fiscal year 2023; the CEO attended the meeting.

Work method of the Board of Directors
As a rule, the Board of Directors meets about six to seven times a year (usually at least once per quarter). Additional meetings or conference calls are held as and when necessary. The Board of Directors held 10 meetings during fiscal year 2023. The Board of Directors held 7 of these meetings as physical meetings and 3 as video conference meetings. The meetings of the Board of Directors lasted about 4 hours. The Executive Chairman determines the agenda and items to be discussed at the Board meetings. All members of the Board of Directors can request to add further items on the agenda.

The CEO, the CFO, and the Group General Counsel, also acting as Secretary to the Board, usually attend the meetings of the Board of Directors. Other members of the Global Executive Committee may attend meetings of the Board of Directors as and when required. Members of the Global Executive Committee attended these meetings of the Board of Directors in 2023 as follows: CEO 10 meetings, CFO 10 meetings, Group General Counsel 10 meetings, President & CEO EMEA 1 meeting.

The Board of Directors also engages specific advisors to address specific matters when required. External financial and brand advisors attended pertinent portions of 1 meeting of the Board of Directors in 2023.

3.6 Definition of areas of responsibility

The Board of Directors is the ultimate corporate body of Avolta AG. It further represents the Company towards third parties and shall manage all matters which by law, the Articles of Incorporation or the Board regulations have not been delegated to another body of the Company.

In accordance with the Board regulations, the Board of Directors has delegated the operational management of the Company to the CEO who is responsible for overall management of the Avolta Group. The following responsibilities remain with the Board of Directors:

- Ultimate direction of the business of the Company and the power to give the necessary directives;
- Determination of the organization of the Company;
- Administration of the accounting system, financial control and financial planning;
- Appointment and removal of the members of the committees installed by itself as well as the persons entrusted with the management and representation of the Company, as well as the determination of their signatory power;
- Ultimate supervision of the persons entrusted with the management of the Company, in particular with respect to their compliance with the law, the Articles of Incorporation, regulations and directives;
- Preparation of the Company's annual report, which includes the management report, the annual financial statements and the consolidated financial statements, the remuneration report, and any other reports that the Board of Directors may be required by law to prepare;
- Organize the General Meetings of Shareholders and implement the resolutions adopted by the General Meeting of Shareholders;
- Submission of an application for debt-restructuring moratorium and notification of the judge if liabilities exceed assets;
- Passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid in shares;
- Passing of resolutions on the change of the share capital to the extent that such power is vested in the Board, the ascertainment of capital changes, the preparation of the report on the capital increase and

the corresponding amendment of the Articles of Incorporation;
- Non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Swiss Merger Act;
- To approve any non-operational or non-recurring transaction not included in the annual budget and exceeding the amount of CHF 10,000,000;
- To issue convertible debentures, debentures with option rights or other financial market instruments;
- To approve the annual investment and operating budgets of the Company and the Avolta Group;
- To approve the executive regulations promulgated in accordance with the Board Regulations; and
- To propose an independent voting rights representative for election to the General Meeting of Shareholders, and to appoint an independent voting rights representative in the event of a vacancy.

Except for the Chairman of the Board of Directors, who has single signature authority, the members of the Board have joint signature authority, if any.

3.7 Information and control instruments vis-à-vis the senior management

The Board of Directors ensures that it receives sufficient information from the management to perform its supervisory duty and to make the decisions that are reserved to the Board through several channels as shown below.

Management Information System (MIS)
Avolta Group has an internal management information system that consists of financial statements, performance indicators and risk management. Information to management is provided on a regular basis according to the cycles of the business: sales on a daily and weekly basis; income statement, cash management and key performance indicators (KPI) including customer, margins and investment information, balance sheet, cash flow and other financial statements on a monthly basis. Management information is prepared on a consolidated basis as well as on a regional basis. Financial statements and key performance indicators are submitted to the entire Board of Directors on a quarterly basis. These quarterly updates also include non-financial information such as, but not exclusively, general business updates, progress on the implementation of the company's ESG strategy as well as status updates from the Global Internal Audit & Investigations Department.

Board meetings and CEO reports
During Board meetings, each member of the Board may request information from the other members of the Board, as well as from the members of the management present on all affairs of the Company and the Group. Outside of Board meetings, each member of the Board may request from the CEO information concerning the course of business of the Company and the Group and, with the authorization of the Executive Chairman, about specific matters.

The CEO reports at each meeting of the Board of Directors on the course of business of the Company and the Group in a manner agreed upon from time to time between the Board and the CEO. Apart from the meetings, the CEO reports immediately any extraordinary event and any change within the Company and within the Avolta Group to the Executive Chairman.

Reports from Global Internal Audit & Investigations Department
The Global Internal Audit department provides independent risk-based and objective assurance reviews and performs loss prevention analysis to group companies through different activity streams. Key risks are identified and corresponding processes and controls included in the annual risk auditing plan. The department prepares a detailed review and auditing plan on a yearly basis with quarterly reassessments and submits it to the Audit Committee.

Internal Audit
Internal audit is an independent function that provides objective assurance and consulting activity, aiming to improve the organization's operations. The selection of Internal Audit reviews to be executed during the year is based on a specific methodology throughout the Avolta Group and includes the consideration of internal and external factors. Regular follow-up is conducted to ensure that risk mitigation and control improvement measures are implemented on a timely basis.

Global Investigations
The Global Investigations activity was created to prevent losses and misappropriations within the Group. The day-to-day work is designed to leverage profitability using advanced data mining, machine learning and anti-fraud techniques. Currently, validations are performed monthly or bi-monthly for all Group companies and results are proven to provide valuable information for loss prevention purposes. Additionally, Avolta is continuously evolving and implementing techniques to establish validations that can enhance the coverage and / or create a higher assurance level over the key operating risks.

All results of the Global Internal Audit & Investigations activities' are communicated to key management in charge and to the Group's senior management, including the members of the Global Executive Committee and the Audit Committee on a regular basis.

2023 Focus points of Global Internal Audit & Investigations

In fiscal year 2023, Global Internal Audit (IA) conducted 74 reviews (32 former Dufry, 42 former Autogrill), with a global, country and location-based scope examining activities, risk exposure and processes. Internal Audit focused its efforts on assuring key retail and F&B risks around productivity, inventory and cash management. It further targeted IT and cyber security, and continuously evaluated the implementation of new processes and executed country or location reviews as part of the normal assurance activities.

The Global Investigations team executed monthly validations for assurance over the cash deposits and point-of-sale (POS) transactions globally, with coverage of over 92 % of net retail sales (former Dufry entities).

During 2023, Global Internal Audit & Investigations started to integrate the respective function of former Autogrill and to form one team globally. As of 2024, IA will conduct combined audits around key risks with global, regional, country and location-based scope, fully combining Travel Retail and F&B.

Financial and environmental risk management

Detailed information on the financial risk management is provided in Notes 36 to 40 in the consolidated financial statements of this Annual Report. Information on the overall Group Risk Management, which includes climate-related risks and opportunities for the organisation is provided in the TCFD (Task Force on Climate-Related Financial Disclosures) Report and the ESG Report Annex, which are both separate section at the end of this Annual Report and on the sustainability website:
www.avoltaworld.com/en/our-impact

Meetings and attendance

For attendance of the members of the Global Executive Committee at meetings of the Board of Directors or meetings of the Board Committees please refer to section "3.5 Internal organizational structure" above, which also includes the detailed description of the Audit Committee's organization and working methods.

4. Global Executive Committee

4.1 Members of the Global Executive Committee

As of December 31, 2023, the Global Executive Committee comprised ten executives (seven members as of December 31, 2022). The Global Executive Committee under the control of the CEO conducts the operational management of the Company pursuant to the Company's Board Regulations. The CEO reports to the Board of Directors on a regular basis.

The following table sets forth the name, position, nationality and year of appointment of the respective members, followed by their Curricula Vitae with a short description of each member's business experience, education and activities. All agreements entered into with the members of the Global Executive Committee are entered for an indefinite period of time.

Global Executive Committee as of December 31, 2023

Name	Position	Nationality	GEC Member since Year
Xavier Rossinyol	Chief Executive Officer (CEO)	Spanish	2022
Yves Gerster	Chief Financial Officer (CFO)	Swiss	2019
Freda Cheung	President & CEO Asia Pacific (APAC)	Canadian	2023
Steve Johnson	President & CEO North America (NA)	American	2023
Luis Marin	President & CEO Europe, Middle East and Africa (EMEA)	Spanish	2014
Enrique Urioste	President & CEO Latin America (LATAM)	Uruguayan / American	2023
Pascal C. Duclos	Group General Counsel	Swiss	2005
Camillo Rossotto	Chief Public Affairs & ESG Officer	Italian	2023
Vijay Talwar	Chief Commercial & Digital Officer	American	2023
Katrin Volery	Chief People & Culture Officer	Swiss	2023

4.2 Education, professional background, other activities and vested interests

Xavier Rossinyol
Chief Executive Officer,
born 1970, Spanish

Education
Bachelor's degree in Business Administration at ESADE (Spain), MBA at ESADE and at the University of British Columbia (Canada and Hong Kong), Master's degree in Business Law from Universidad Pompeu Fabra (Spain).

Professional Background
1995 – 2003 Various positions at Areas (member of the French group Elior) with responsibility for finance, controlling, strategic planning. 2004 – 2012 Chief Financial Officer at Avolta AG (then named Dufry AG). 2012 – 2015 Chief Operating Officer Region EMEA & Asia at Avolta. 2015 – 2021 Chief Executive Officer at gategroup. Since June 2022 Chief Executive Officer at Avolta AG.

Yves Gerster
Chief Financial Officer,
born 1978, Swiss

Education
Degree in Business Administration & Finance, University of Basel.

Professional Background
1999 – 2003 Assistant Group Treasurer at Danzas Management AG. 2003 – 2006 Assistant Group Treasurer at Bucher Industries AG. November 2006 – 2019 Global Head Group Treasury at Dufry International AG. Since April 2019 Chief Financial Officer at Avolta AG.

Freda Cheung
President & CEO Asia Pacific,
born 1970, Canadian

Education
CA, Chartered Professional Accountants of Canada (CPA Canada), BComm (Hons), Accounting from the University of British Columbia.

Professional Background
Prior to 2006 Various positions in Accounting and Finance. 2006 – 2010 Vice President Corporate Services World Duty Free (WDF). 2010 – 2017 CEO Canada World Duty Free (WDF). 2017 – 2019 Senior Vice President Commercial USA / Canada at Dufry. 2020 – 2023 Executive Vice President & Country General Manager US / Canada at Dufry. Since February 2023 President & CEO Asia Pacific at Avolta AG.

Steve Johnson
President & CEO North America,
born 1963, American

Education
Bachelor of Science degree in Marketing from the University of Texas at Arlington.

Professional Background
1996 – 1998 Group Marketing Director Westfield. 1998 – 2000 Head of Airport Management & Development Westfield. 2000 – 2014 Executive Vice President Business Development HMSHost. 2014 – 2023 President HMSHost. Since February 2023 President & CEO North America at Avolta AG.

Luis Marin
President & CEO Europe, Middle East and Africa, born 1971, Spanish

Education
Degree in Economic Sciences and Business Administration from Universidad de Barcelona.

Professional Background
1995 – 1998 Auditor at Coopers & Lybrand. 1998 – 2001 Financial Controller at Derbi Motocicletas – Nacional Motor S.A. 2001 – 2004 Head of Finance and Administration of Spanish subsidiaries of Areas (member of the French group Elior). Joined Avolta (then named Dufry) in 2004, as Business Controlling Director; and 2012 – 2023 also responsible for mergers and acquisitions. 2014 Appointed Chief Corporate Officer. 2018 – 2023 Global Chief Corporate Officer at Avolta. Since February 2023 President & CEO Europe, Middle East and Africa at Avolta AG.

Enrique Urioste
President & CEO Latin America, born 1962, Uruguayan and American

Education
Law Degree from University of Montevideo, Post Graduate Diploma International Law ISS Holland, Business Executive Program IEM from Business School of the University of Montevideo.

Professional Background
1999 – 2002 CEO IOSC. 2002 – 2007 President & CEO Interbaires Duty Free Shop. 2007 – 2011 President Airport Division Duty Free Americas. 2011 – 2020 CEO Neutral Duty Free Shops. 2020 – 2023 General Manager South America Cluster at Avolta AG (then named Dufry AG). Since March 2023 President & CEO Latin America at Avolta AG.

Pascal C. Duclos
Group General Counsel, born 1967, Swiss

Education
Licence en droit from Geneva University School of Law, L.L.M. from Duke University School of Law. Licensed to practice law in Switzerland and admitted to the New York Bar.

Professional Background
1991 – 1997 Senior attorney at law at Geneva law firm Davidoff & Partners. Also academic assistant at the University of Geneva School of Law (1994 – 1996). 1999 – 2001 Attorney at law at New York law firm Kreindler & Kreindler. 2001 – 2002 Financial planner at UBS AG in New York. 2003 – 2004 Senior foreign attorney at law at the Buenos Aires law firm Beretta Kahale Godoy. Since 2005 Group General Counsel and Secretary to the Board of Directors at Avolta AG.

Camillo Rossotto
Chief Public Affairs & ESG Officer, born 1962, Italian

Education
MBA from L. Stern School of Business in New York, Degree in Political Science from the University of Turin.

Professional Background
Prior to 2011 different roles and functions within several companies including Fiat and Barilla. 2011 – 2012 Chief Financial Officer CNH, part of Fiat. 2012 – 2016 Chief Financial Officer Rai TV. 2016 – 2018 Chief Financial Officer Lavazza. 2018 – 2023 Chief Financial Officer & Chief Sustainability Officer Autogrill. Since February 2023 Chief Public Affairs & ESG Officer at Avolta AG.

Current Board Mandates
Listed companies:
Compagnia dei Caraibi

Vijay Talwar
Chief Commercial & Digital Officer, born 1971, American

Education
MBA Marketing & Strategy from the University of Chicago Booth School of Business, M. Acc., Accounting Degree from Miami University, Ohio.

Professional Background
2010 – 2014 CEO/CFO Blue Nile. 2016 – 2019 President Digital Footlocker. 2019 – 2022 CEO EMEA Footlocker. 2022 CEO WISH. February 2023 Chief Digital & Customer Officer, since October 2023 Chief Commercial & Digital Officer at Avolta AG.

Current Board Mandates
Listed companies:
Dunelm Group PLC

Katrin Volery
Chief People & Culture Officer, born 1968, Swiss

Education
Diploma from the HSO Business School Switzerland in Berne, Diploma from WKS Business Management School Switzerland in Berne, Certificate in Strategic Leadership by IMD Lausanne Switzerland.

Professional Background
2000 – 2015 Various positions and mid-/long-term Human Resources Leader assignments. 2015 – 2016 Chief Human Resources Officer at Tamedia (TX Group). 2016 – 2017 Head Human Resources at Syngenta. 2018 – 2020 Head Human Resources EurAsia and Global Paper Solenis. 2020 – 2022 Chief Human Resources Officer at Meraxis (REHAU Group). 2022 – 2023 Chief People Officer at Avolta AG (then named Dufry AG). Since February 2023 Chief People & Culture Officer at Avolta AG.

Changes in the Global Executive Committee in fiscal year 2023

In the first quarter 2023, the Company reorganized its Global Executive Committee to reflect the new organization for the combined Dufry-Autogrill businesses. The following six new members joined the Global Executive Committee: Katrin Volery (effective January 1), Freda Cheung, Steve Johnson, Camillo Rossotto (effective February 7), Vijay Talwar and Enrique Urioste (effective March 1 and 2, respectively).

The former members Eugenio Andrades, Andrea Belardini and Sarah Branquinho left the Global Executive Committee as of February 6, 2023. Details of their Curricula Vitae are available in the Annual Report 2022 on pages 267/268 of the Corporate Governance section. The Annual Report 2022 can be downloaded from the Download Center of the Company website at: www.avoltaworld.com/en/download-center page section "All categories – select Financial Reports".

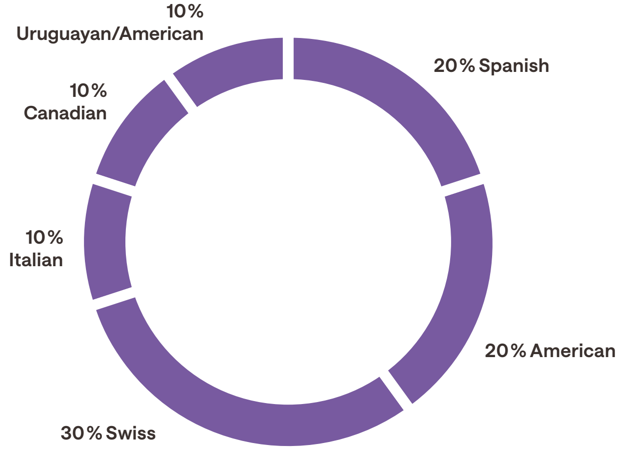
Diversity

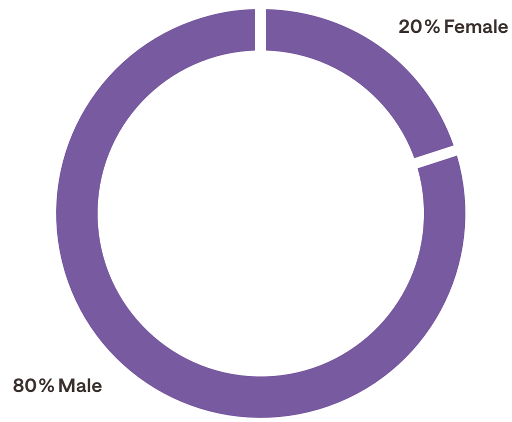
As of December 31, 2023, the Global Executive Committee has 80% male and 20% female members (December 31, 2022, 86% male, 14% female members).

Other activities and vested interests

As of December 31, 2023, with the exception of Camillo Rossotto (board appointment in Compagnia dei Caraibi) and Vijay Talwar (board appointment in Dunelm Group PLC), none of the members of the Global Executive Committee of Avolta AG has had other activities in governing and supervisory bodies of, or advisory functions to, important Swiss or foreign organizations, institutions or foundations under private and public law outside Avolta Group, or held any public or political office. For a comprehensive list of mandates outside of Avolta Group at entities that have an economic purpose please refer to the table in the Remuneration Report on page 330/331 of this Annual Report.

Diversity of the global Executive Committee as of December 31, 2023





4.3 Rules in the Articles of Incorporation regarding the number of permitted mandates outside the Company

In accordance with Article 25 para. 1 of the Articles of Incorporation, no member of the Global Executive Committee may hold more than two additional mandates in listed companies and four additional mandates in non-listed companies. The following mandates are not subject to the limitations under para. 1 of this Article:

a) Mandates in companies which are controlled by the Company or which control the Company;
b) Mandates held at the request of the Company or any company controlled by it. No member of the Global Executive Committee may hold more than ten such mandates; and

c) Mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Global Executive Committee may hold more than ten such mandates.

Mandates shall mean any membership on the Board of Directors, Executive Board or Advisory Board (in each case within the meaning of the Swiss Code of Obligations) or a comparable body under foreign law in another undertaking with an economic purpose. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed one mandate. For the website link regarding the Articles of Incorporation please see page 309 of this Corporate Governance Report.

4.4 Management contracts

Avolta AG does not have management contracts with companies or natural persons not belonging to the Group.

5. Compensation, shareholdings and loans

5.1 Content and method of determining the compensation and shareholding programs

Detailed information of compensation, shareholdings and loans to active and former members of the Board of Directors and of the Global Executive Committee in fiscal year 2023 is included in the Remuneration Report on pages 311 to 333 of this Annual Report.

5.2 Disclosure of rules in the Articles of Incorporation regarding compensation of the Board of Directors and of the Executive Management

For rules in the Articles of Incorporation regarding the approval of compensation by the General Meeting of Shareholders, the supplementary amount for changes in the executive management as well as the general compensation principles please refer to Articles 20 – 22 of the Articles of Incorporation. The Articles of Incorporation do not contain any rules regarding loans, credit facilities or post-employment benefits for the members of the Board of Directors and executive management. The rules regarding agreements with members of the Board of Directors and of the executive management in terms of duration and termination are stipulated in Article 23.

Avolta's Articles of Incorporation are available on the Company website www.avoltaworld.com/en/investors/corporate-governance – Articles of Incorporation.

6. Shareholders' participation rights

For the website link regarding the Articles of Incorporation referred to in the following chapters please see the link above.

6.1 Voting rights and representation

Each share recorded as a share with voting rights in the share register confers one vote on its registered holder. Each shareholder duly registered in the share register on the record date may be represented at the General Meeting of Shareholders by the independent voting rights representative or any person who is authorized to do so by a written proxy. A proxy does not need to be a shareholder. Shareholders entered in the share register as shareholders with voting rights on a specific qualifying date (record date) designated by the Board of Directors shall be entitled to vote at the General Meeting of Shareholders and to exercise their votes at the General Meeting of Shareholders. See section 6.5 below.

Nominees are only entitled to represent registered shares held by them at a General Meeting of Shareholders if they are registered in the share register in accordance with Article 5 para. 4 of the Articles of Incorporation and if they hold a valid written proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the General Meeting of Shareholders. Shares held by a nominee for which it is not able to produce such a proxy count as not being represented at the General Meeting of Shareholders.

Article 10 of the Articles of Incorporation includes the following voting rights limit: Until June 30, 2029, no shareholder may exercise, directly or indirectly, voting rights with respect to own or represented shares in excess of 25.1% of the share capital registered in the commercial register. For more details on this Article, please refer to section 2.4 above.

Exceptions regarding the voting rights limitation granted in the year under review
The Company has not granted any exception during the year under review.

Required quorums for a change of the voting rights limitation
According to the Articles of Incorporation, restrictions on the exercise of the right to vote and the removal of such restrictions requires a resolution of the General Meeting of Shareholders passed by at least two thirds of the votes represented and the majority of the nominal value of the shares represented.

6.2 The independent voting rights representative

In accordance with Article 10 para. 4 of the Articles of Incorporation, the independent voting rights representative shall be elected by the General Meeting of Shareholders for a term of office extending until completion of the next Annual General Meeting of Shareholders. Re-election is possible. If the Company does not have an independent voting rights representative, the Board of Directors shall appoint the independent voting rights representative for the next General Meeting of Shareholders.

The Company may also make arrangements for electronic voting (Article 11 para. 5). Resolutions passed by electronic voting shall have the same effect as votes by ballot.

The Annual General Meeting of Shareholders held on May 8, 2023, re-elected Altenburger Ltd legal + tax, Kuesnacht-Zurich, as the independent voting rights representative until the completion of the Annual General Meeting of Shareholders in 2024. Altenburger Ltd legal + tax is independent from the Company and has no further mandates for Avolta AG.

For the upcoming Annual General Meeting of Shareholders, the Company will once more enable its shareholders to send their voting instructions electronically to the independent voting rights representative Altenburger Ltd legal + tax through the platform:
www.avolta.netvote.ch

The corresponding instructions regarding registration and voting procedures on this electronic platform will be sent to the shareholders together with the invitation to the General Meeting of Shareholders.

6.3 Rules in the Articles of Incorporation regarding electronic participation at the General Meeting of Shareholders

Article 8a para. 2 of the Articles of Incorporation contains rules that the Board of Directors can determine that the Meeting of Shareholders be held simultaneously at different locations, provided that the statements of the participants are transmitted directly to all venues, and / or that shareholders, who are not present at the General Meetings venue(s) may exercise their rights by electronic means. Para. 3 of Article 8a states that the Board of Directors may also provide that the Meeting of Shareholders can be held by electronic means only without a venue.

6.4 Quorums

The General Meeting of Shareholders shall be duly constituted irrespective of the number of shareholders present or of shares represented. Unless the law or Articles of Incorporation provide for a qualified majority, a majority of the votes represented at a General Meeting of Shareholders is required for the adoption of resolutions or for elections, with abstentions, blank and invalid votes having the effect of “no” votes. The Chairman of the Meeting shall have a casting vote.

A resolution of the General Meeting of Shareholders passed by at least two thirds of the votes represented and the majority of the nominal value of shares represented shall be required for:
1. A modification of the purpose of the Company;
2. The creation of shares with increased voting powers;
3. Restrictions on the transfer of registered shares and the removal of such restrictions;
4. Restrictions on the exercise of the right to vote and the removal of such restrictions;
5. The introduction of a conditional capital or the introduction of a capital range;
6. An increase in share capital through the conversion of capital surplus, through a contribution in kind or by off-setting a claim, or a grant of special benefits upon a capital increase;
7. The restriction or denial of pre-emptive rights;
8. A change of the place of incorporation of the Company;
9. The dismissal of a member of the Board of Directors;
10. An increase in the maximum number of members of the Board of Directors;

11. A modification of the eligibility requirements of the members of the Board of Directors (Article 24 para. 1 of the Articles of Incorporation);
12. The dissolution of the Company;
13. The combination of shares;
14. The change of the currency of the share capital;
15. The delisting of the Company's equity securities;
16. Other matters where statutory law provides for a corresponding quorum.

6.5 Convocation of the General Meeting of Shareholders

The General Meeting of Shareholders shall be called by the Board of Directors or, if necessary, by the Auditors. In accordance with Article 7 para. 3 of the Articles of Incorporation, one or more shareholders with voting rights representing in the aggregate not less than 5% of the share capital or votes can request, in writing, that a General Meeting of Shareholders be convened. Such request must be submitted to the Board of Directors, specifying the items and proposals to appear on the agenda.

In accordance with Article 8 para. 2 of the Articles of Incorporation, the General Meeting of Shareholders shall be convened, at the election of the Board of Directors, by notice in the Swiss Official Gazette of Commerce (SOGC) or by notification in any other form that can be evidenced by text not less than 20 days before the date fixed for the Meeting.

6.6 Agenda

In accordance with Article 8 para. 4 of the Articles of Incorporation, the notice of a General Meeting of Shareholders shall state the date, starting time, mode and venue of the Meeting, the agenda and the proposals of the Board of Directors and, if any, the proposals of the shareholders, with a brief statement of the rationale of each proposal, and the independent Voting Rights Representative's name and address.

In accordance with Article 8 para. 5 of the Articles of Incorporation, one or more shareholders with voting rights whose combined holdings represent an aggregate of at least 0.5% of the share capital or the votes may request that an item be included in the agenda of a General Meeting of Shareholders or that a proposal relating to an agenda item be included in the notice convening the General Meeting of Shareholders. Such a request must be made in writing to the Board of Directors at the latest 60 days before the Meeting and shall specify the agenda items and the proposals made.

6.7 Registration into the share register

The record date for the inscription of registered shareholders into the share register in view of their participation in the General Meeting of Shareholders is defined by the Board of Directors and stated in the respective invitation to the General Meeting of Shareholders. It is usually around 2 weeks before the Meeting. Shareholders who dispose of their registered shares before the General Meeting of Shareholders are no longer entitled to vote with such disposed shares.

7. Change of control and defense measures

Avolta's Articles of Incorporation are available on the Company website www.avoltaworld.com/en/investors/corporate-governance – Articles of Incorporation.

7.1 Duty to make an offer

An investor who acquires more than 33⅓% of all voting rights (directly, indirectly or in concert with third parties) whether they are exercisable or not, is required to submit a takeover offer for all shares outstanding (Article 135 Financial Market Infrastructure Act, FMIA). The Articles of Incorporation of the Company contain neither an opting-out nor an opting-up provision (Article 125 para. 4 FMIA).

7.2 Clauses on change of control

In case of change of control, the unvested PSU awards will vest immediately as disclosed in the Remuneration Report.

According to Article 23 of the Articles of Incorporation, employment and other agreements with the members of the Global Executive Committee may be concluded for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Agreements for an indefinite term may have a notice period of maximum twelve months. The current contracts with the members of the Global Executive Committee contain termination periods of twelve months or less.

8. Auditors

8.1 Auditors, duration of mandate and term of office of the lead auditor

Pursuant to Article 19 para. 1 of the Articles of Incorporation, the Statutory Auditors shall be elected each year and may be re-elected. Deloitte AG have been the Statutory Auditors since 2021. Andreas Bodenmann has been the Lead Auditor since 2021.

8.2 Auditing fee

The auditing fees for 2023 for the audit of the consolidated and statutory financial statements of Avolta AG and its subsidiaries are CHF 8.22 million (2022: CHF 4.35 million).

8.3 Additional fees

During 2023, Deloitte AG billed additional fees for the half-year review, audit-related services and tax compliance services in the amount of CHF 0.35 million, CHF 4.20 million and CHF 0.12 million, respectively (2022: CHF 0.20 million, CHF 0.62 million and CHF 0.09 million, respectively).

8.4 Supervisory and control instruments pertaining to the audit

The Audit Committee as a committee of the Board of Directors reviews and evaluates the performance and independence of the Statutory Auditors at least once each year. Based on its review, the Audit Committee recommends to the Board of Directors which external Auditor should be proposed for election at the General Meeting of Shareholders. The decision regarding this agenda item is then taken by the Board of Directors.

When evaluating the performance and independence of the Statutory Auditors, the Audit Committee puts special emphasis on the following criteria: Global network of the audit firm, professional competence of the lead audit team, understanding of Avolta's specific business risks, personal independence of the lead auditor and independence of the audit firm as a company, coordination of the Statutory Auditors with the Audit Committee and the Senior Management / Finance Department of Avolta Group, practical recommendations with respect to the application of IFRS regulations.

Within the yearly approved budget, there is also an amount permissible for non-audit services that the Statutory Auditors may perform. Within the scope of the approved and budgeted amount, the Chief Financial Officer can delegate non-audit related mandates to the Auditors.

The Audit Committee agrees the scope of and discusses the results of the external audit with the Statutory Auditors. The Statutory Auditors prepare a comprehensive report addressed to the Board of Directors once per year, informing them in detail on the results of their audit. The Statutory Auditors also review the interim consolidated financial statements before they are released.

Representatives of the Statutory Auditors are regularly invited to meetings of the Audit Committee, namely to attend during those agenda points that deal with accounting, financial reporting or auditing matters.

In addition, the Audit Committee reviews regularly the internal audit plan. Internal Audit reports are communicated to management in charge and the Company's senior management on an on-going basis and 4 briefings were done to the Audit Committee in 2023.

During the fiscal year 2023, the Audit Committee held 5 meetings. The Statutory Auditors were present at all of those meetings. The Board of Directors has determined the rotation interval for the Lead Auditor to be seven years, as defined by the Swiss Code of Obligation. The last rotation of the Lead Auditor was in conjunction with the change to Deloitte AG as new Statutory Auditors and occurred in 2021.

9. Information policy

Avolta is committed to an open and transparent communication with its shareholders, financial analysts, potential investors, the media, customers, suppliers and other interested parties.

Avolta publishes its financial reports on a half-year basis (Half-Year Report, Annual Report) in English. The Company further releases quarterly trading updates for Q1 and Q3. All financial reports and media releases containing financial information are available on the Company website www.avoltaworld.com.

In addition, Avolta organizes presentations and conference calls with the financial community and media to further discuss details of the reported earnings (such presentations or calls are held on the same day of the earnings publication) or on any other matters of importance. The

Company undertakes roadshows for institutional investors and participates at broker conferences and seminars on a regular basis.

Details and information on the business activities, Company structure, financial reports, media releases and investor relations are available on the Company's website: www.avoltaworld.com

The official means of publication of the Company is the Swiss Official Gazette of Commerce:
www.shab.ch

Web-links regarding the SIX Exchange Regulation push- / pull-regulations concerning ad-hoc publicity issues are:
www.avoltaworld.com/en/media/press-releases-ad-hoc-announcements

www.avoltaworld.com/en/media/press-release-registration-form

The current Articles of Incorporation are available on Avolta's website under:
www.avoltaworld.com/en/investors/corporate-governance – Articles of Incorporation

The financial reports are available in the download center under:
www.avoltaworld.com/en/download-center
page section "All categories – select Financial Reports"

For the Investor Relations and Corporate Communications contacts, the Corporate Headquarter address and a summary of anticipated key dates in 2024 please refer to pages 334 / 335 of this Annual Report.

10. Ordinary black-out periods

During the period of 4 weeks prior to the public announcement of its annual financial statements and 15 calendar days prior to the public announcement of its half-year financial statements and Q1 and Q3 trading updates, and until and including the day of publication, the members of the Board of Directors and the Global Executive Committee, members of the management bodies of an Avolta Group company as well as employees who have access to financial information of Avolta or to other inside information, as specified in Avolta's internal guidelines, are prohibited to trade in Avolta equity or debt securities (or any financial instruments derived therefrom) issued by any Avolta group company.

In fiscal year 2023, no exemptions were granted.

11. New Avolta Group

On July 11, 2022, the Company (formerly named Dufry AG) announced that it will join forces with Autogrill, global leader in travel food & beverage (F&B) to redefine travel experience. As part of the transaction, Edizione S.p.A., through its wholly owned subsidiary Schema Beta S.p.A., transferred its 50.3 % stake in Autogrill to the Company at an implied exchange ratio of 0.158 new Avolta shares for each Autogrill share on February 3, 2023. The exchange ratio corresponded to the 3-month VWAP of Autogrill and Avolta shares prior to April 14, 2022, equal to EUR 6.33 per share for Autogrill and EUR 39.71 (CHF 40.96) per share for Avolta. Furthermore, in April 2023, the Company launched a mandatory tender offer for the remaining Autogrill shares, offering Autogrill shareholders to receive Avolta shares at the same exchange ratio as Edizione. Alternatively, the Company also offered a cash alternative equivalent to EUR 6.33 per Autogrill share, in compliance with Italian takeover law. Autogrill was delisted on July 24, 2023, following the conclusion of the mandatory tender offer.

The Company and Edizione have entered into a long-term relationship agreement, which underlines the commitment of Edizione as long-term strategic anchor shareholder supporting the enhanced strategy of the combined entity. Edizione is entitled to designate three members of the Board of Directors. Edizione also entered into a lock-up for a period of two years after closing of the transaction (i.e. until February 2025).

On November 3, 2023, the Extraordinary General Meeting of Shareholders of the Company approved the change of the corporate name from Dufry AG to Avolta AG. Avolta Group is operating in 73 countries and over 1,000 locations, with 5,100 points of sale across three segments – duty-free, travel convenience & essentials, food & beverage – and a wide range of channels – from airports and motorways, through to cruises, railways and more. For more information on Avolta's Vision & Strategy and our regions/business please refer to pages 28 to 96 of this Annual Report.

Avolta

Remuneration Report

Dear Shareholders

On behalf of the Board of Directors and the Remuneration Committee, I am pleased to share with you our Remuneration Report for fiscal year 2023. In this period, we successfully executed the Dufry-Autogrill combination with the share transfer of Edizione's 50.3% stake in Autogrill to Dufry in February, followed by the mandatory tender offer for the remaining shares of Autogrill, a final squeeze-out procedure and then the delisting of Autogrill on July 24, 2023. On October 2, 2023, we announced our new company name Avolta, which was approved by the Extraordinary General Meeting of Shareholders on November 3, 2023.

At Avolta, we take the lead in creating a travel experience revolution across the travel retail and food & beverage businesses worldwide and we will continue to be a global employer of choice, as the two legacy companies Dufry and Autogrill had been before. Avolta's compensation system fosters the successful achievement of our strategic and financial targets, as well as sustainable growth and long-term value creation for our shareholders.

2023 is also a testimony to the huge potential of Avolta's combined teams and businesses, and a year with strong financial performance, reflected by a substantial CORE Organic Growth of 21.6% and further improvement to all major KPIs. Our CORE Turnover reached CHF 12,534.6 million compared to CHF 10,804.8 million pro-forma in 2022. CORE EBITDA amounted to CHF 1,129.6 million, an increase of 20.0% compared to pro-forma 2022, and at a margin of 9.0%. Equity Free Cash Flow came to CHF 323.0 million, a 28.6% conversion of CORE EBITDA and well above expectations at the beginning of the year. I also want to underline the achievements made within our ESG engagement, where we have already fully updated our ESG strategy to the new combined entity and launched several important ESG initiatives. For further information on our performance, please refer to the detailed letters of our CEO and CFO.

Three new members joined our Board of Directors in 2023: Alessandro Benetton as Honorary Chairman and Enrico Laghi and Sami Kahale as Vice-Chairmen. The previously combined Nomination and ESG Committee was split into two committees given the importance of ESG matters that are an integral part of our strategy. Furthermore, in conjunction with the Dufry-Autogrill combination, the Board of Directors decided to introduce a new Strategy and Integration Committee. For details on Committee memberships, please refer to page 292 in the Corporate Governance section of this Annual Report.

Our Global Executive Committee was expanded with six new members having joined in the first quarter of 2023. We warmly welcomed Freda Cheung (President & CEO Asia Pacific), Steve Johnson (President & CEO North America), Enrique Urioste (President & CEO Latin America), Camillo Rossotto (Chief Public Affairs & ESG Officer), Vijay Talwar (Chief Commercial & Digital Officer) and Katrin Volery (Chief People & Culture Officer) to our executive committee. At the same time, Eugenio Andrades, Andrea Belardini and Sarah Branquinho left the Global Executive Committee during 2023. We express our sincere thanks for their tremendous work and commitment over the years.

The Remuneration Committee performed its regular activities throughout the reporting year, such as the annual review of the remuneration framework for the Board of Directors and the Global Executive Committee, the performance objectives setting and assessment for the short-term and long-term incentive plans, review of the individual members' remuneration, preparation of the Remuneration Report, and recommending to the Board of Directors the General Meeting voting proposals on remuneration.

In the context of the annual compensation review, and considering the fact that the size and complexity of the Group substantially increased, the Board of Directors decided to put an even greater emphasis on performance-based compensation in full alignment with shareholder interests.

For fiscal year 2023, the following changes were implemented:

- The Global Executive Committee was expanded with new positions and additional responsibilities to reflect the enlarged Group, the implementation of Avolta's long-term strategy "Destination 2027" and to drive the Travel Retail Revolution;
- The performance bonus opportunity for the Executive Chairman was raised to 150 % of his fixed remuneration (with payout cap set at 133⅓ % of target) to reflect the increased size and complexity of the combined Avolta Group. In his executive role, a substantial amount of his time is devoted to the Company's operations where the Chairman works very closely with the CEO to pursue value-enhancing initiatives including strategically important relationships, joint ventures or acquisitions, and relationships with key current or future shareholders, and initiatives strengthening the Company's partnerships with governments and key landlords. He also supports re-financing activities and capital markets transactions of the Company;
- The performance objectives for the annual bonus of the Executive Chairman and the members of the Global Executive Committee in 2023 were based on our focus areas of growth, profitability and cash generation. They consist of CORE Turnover, CORE EBITDA (new KPI) and Equity Free Cash Flow, with a weighting of 33⅓ % each;
- The Performance Share Units (PSU) plan was continued to foster the long-term pay-for-performance alignment and strong commitment of the executives. The number of PSU granted was adjusted in 2023 to reflect the increased responsibilities of each member of the Global Executive Committee and is aligned with shareholder interests since it is focused on long-term performance. The PSUs are subject to three performance conditions (in line with the PSU plan 2022): Cumulative CORE EPS (50 %), Relative TSR (25 %), and ESG target (25 %). The ESG target consists of two different components (People and Environment) that are both related to material areas from a business and stakeholder perspective, each with a weighting of 50 % of the overall ESG target. All targets of the PSU plan are disclosed prospectively. The objectives continue to reflect the mid- and long-term priorities of Avolta Group and take into account feedback received from shareholders in the past. The three-year performance period of the PSU remained unchanged compared to earlier PSU plans;
- Two members of the Global Executive Committee received a base salary increase in 2023 in line with the increase and / or change of their functions and responsibilities.

At the AGM in May 2023, shareholders were invited to express their opinion on our remuneration programs and principles in a consultative vote on the Remuneration Report 2022, which was approved by a majority of 85.08 % of the votes represented. Furthermore, the shareholders approved the proposed maximum aggregate remuneration for the Board of Directors for the period from AGM 2023 to AGM 2024 with 97.24 %, the increased maximum aggregate amount of remuneration for the Global Executive Committee for the fiscal year 2023 with 96.37 %, and the maximum aggregate amount of remuneration for the Global Executive Committee for fiscal year 2024 with 96.38 % of the votes represented.

Our compensation structure supports our long-term financial and non-financial values and is well aligned with our shareholders' interests. On behalf of the Board of Directors and the Remuneration Committee, I would like to thank you for your continued contributions and your confidence in Avolta. We trust that you will find this report informative.

Yours sincerely,

Luis Maroto Camino
Chairman of the
Remuneration Committee

Remuneration at a glance

Summary of remuneration system for the Board of Directors in 2023

In order to ensure their independence in performing their supervisory function, non-executive members of the Board of Directors receive a fixed remuneration in cash only.

Board fees (gross)	(TCHF)
Chairman of the Board	2,010.5
Board member	250.0

Additional fees (gross)	(TCHF)
Lead Independent Director	100.0
Chair Audit Committee	100.0
Chair Remuneration Committee	75.0
Chair Nomination Committee	75.0
Chair ESG Committee	75.0
Chair Strategy and Integration Committee*	0.0
Committee member	50.0

* The Strategy and Integration Committee is chaired by the Chairman of the Board of Directors, who does not receive separate compensation for this role.

The Executive Chairman of the Board of Directors may receive an annual bonus based on performance criteria (target bonus at 150% of fixed fee, with maximum cap at 133⅓% of the target).

Remuneration for fiscal year 2023 Board of Directors

The remuneration awarded to the Board of Directors for fiscal year 2023 is within the limits approved at the 2022 Annual / Extraordinary General Meetings of Shareholders and the 2023 Annual General Meeting of Shareholders, respectively.

Remuneration period	Approved by GM (TCHF)	Total compensation* (TCHF)
AGM 2022 – AGM 2023	8,850.0	7,597.5
AGM 2023 – AGM 2024	11,000.0	9,915.1

* Reconciled between reported Board compensation for fiscal years 2022 and 2023 and corresponding compensation from one AGM to the next.

The reconciliation for the time period January 1 to the AGM 2024 (on May 15) assumes no changes in the composition of the Board of Directors and Committees compared to year-end 2023.

Summary of remuneration system for the Global Executive Committee in 2023

The remuneration of the Global Executive Committee emphasizes pay-for-performance and consists of fixed and variable elements. The base salary and other benefits form the fixed remuneration.

Variable remuneration drives and rewards best-in-class performance based on ambitious and stretched targets. It is based on short-term and long-term objectives and includes absolute as well as relative performance targets. The variable remuneration consists of an annual cash bonus and a grant of performance share units (PSU).

Base salary	Pay for the position
Benefits	Cover retirement, death and disability risks, allowances in kind
Annual cash bonus	Drive and reward annual performance
PSU plan	Drive and reward long-term performance, align with shareholders' interests, 3-years performance period

Remuneration for fiscal year 2023 Global Executive Committee

The remuneration awarded to the Global Executive Committee for fiscal year 2023 is within the limits approved at the 2023 Annual General Meeting of Shareholders.

Remuneration period	Approved by AGM (TCHF)	Total compensation (TCHF)
Fiscal year 2023	49,500.0	40,049.8

The total remuneration amount reflects compensation to 13 GEC members active during fiscal year 2023, excluding one former GEC member.

Annual bonus for fiscal year 2023

The total combined achievement percentage for the three targets CORE Turnover, CORE EBITDA and Equity Free Cash Flow was 122.6%. The maximum payout corresponds to 133⅓% for the CEO and between 100% and 130% for the other members of the Global Executive Committee.

PSU grant and vesting in fiscal year 2023

The grant value of the PSU awarded in 2023 amounts to 40% of the total compensation for FY 2023.

No PSU were awarded in FY 2020, and therefore no PSU vested in FY 2023.

Remuneration policy and principles

In order to ensure the company's sustainable success, it is critical to attract, develop and retain the right talents. Avolta's remuneration programs are designed to support this fundamental objective and are based on the following principles:

– Pay-for-performance;

– Shareholder interests;

– Competitiveness;

– Transparency.

Remuneration governance

– Authority for decisions related to remuneration are governed by the Articles of Incorporation and the Board Regulations of Avolta AG.

– The maximum aggregate amounts of remuneration of the Board of Directors and of the Global Executive Committee are subject to binding votes at the AGM.

– In addition, the Remuneration Report for the preceding period is subject to a consultative vote at the AGM.

– The Board of Directors is supported by the Remuneration Committee in preparing all remuneration-related decisions regarding the Board of Directors and the Global Executive Committee.

Introduction

In 2023, Dufry AG changed its corporate name to Avolta AG to reflect the Dufry and Autogrill combination that became effective during the reporting year. At the Extraordinary General Meeting of Shareholders held on November 3, 2023, the shareholders approved the change in the Company's name to Avolta AG from formerly Dufry AG. Unifying the travel retail and food & beverage (F&B) businesses under the single name Avolta was one of the many steps in an already effective integration. The new corporate name Avolta reinforces our long-term vision for the Group and is also part of the "Destination 2027" strategy. For more details on our operations and our business strategy please refer to section Vision & Strategy of this Annual Report.

Avolta's long-term success depends on our continued ability to attract, motivate and retain outstanding individuals at all levels of the Company, who will ensure that we can successfully execute our new strategy as well as further expand our market position as a global leading travel experience player. We want to remain solidly financed with a healthy balance sheet, strong profitability and sustainable cash flows. We will also continue to be a reliable employer, and offer a working environment where our employees feel well respected and valued. In order to achieve these goals, we continue to provide appropriate and competitive remuneration to our employees and to support their development and focus on their career progression.

Our executive compensation system is strongly aligned with the strategy of being a high-performing organization, taking into account the short-term and long-term objectives of our business. Compensation is reviewed on an annual basis, focusing on internal and external requirements, increased complexities of the business and company structure, as well as responsibilities of the individual members of the Global Executive Committee. Avolta operates a short-term annual bonus structure with financial performance targets, and a long-term incentive plan, which includes a mix of absolute and relative as well as financial and non-financial performance targets over a three-year period. All performance targets for the short-term as well as the long-term incentives are pre-defined.

The current Remuneration Report describes our remuneration principles and programs, as well as the governance framework related to the remuneration of the Board of Directors and the Global Executive Committee. The report also provides information on the remuneration paid to the members of the Board of Directors and the Global Executive Committee for fiscal year 2023. The report is prepared in accordance with Articles 734 et seqq. of the Swiss Code of Obligations, item 5 of the Annex to the Corporate Governance Directive (DCG) of SIX Exchange Regulation governing disclosure of remuneration systems and remuneration paid to members of the Board of Directors and the Global Executive Committee, and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

The Remuneration Report will be submitted to the Annual General Meeting of Shareholders on May 15, 2024 for a consultative vote.

Remuneration Governance

Articles of Incorporation and shareholders

Avolta's Articles of Incorporation contain specific provisions on remuneration. The Articles of Incorporation, and any amendments thereof, are subject to approval by the General Meeting of Shareholders. The remuneration provisions include rules concerning the election, the constitution and the powers of the Remuneration Committee (Art. 17 and 18); the approval of remuneration by the General Meeting of Shareholders (Art. 20); the supplementary amount in case of changes on the Global Executive Committee (Art. 21); the general remuneration principles (Art. 22); the agreements with members of the Board of Directors and the Global Executive Committee (Art. 23) as well as the maximum number of mandates outside the company that a member of the Board of Directors or the Global Executive Committee may hold (Art. 24 and 25). The Articles of Incorporation are available on the Company website under:
www.avoltaworld.com/en/investors/corporate-governance

Pursuant to Avolta's Articles of Incorporation, the General Meeting of Shareholders has to approve the proposal of the Board of Directors in relation to the maximum aggregate amounts of remuneration for the Board of Directors for the period until the next Annual General Meeting of Shareholders and the Global Executive Committee for the following fiscal year. The votes on these maximum aggregate amounts of remuneration have a binding effect. Thereafter, the decision authority on the individual remuneration of the members of the Board of Directors and the Global Executive Committee (within the limits approved by the General Meeting of Shareholders) is with the Board of Directors. In addition, the Remuneration Report is submitted to the Annual General Meeting of Shareholders for an advisory vote on a yearly basis, so that shareholders can express their opinion on the remuneration policy and programs.

Remuneration Committee

Member of the Board of Directors	Board member since	In the Remuneration Committee since
Luis Maroto Camino	2019	2021
Enrico Laghi [1]	2023	2023
Joaquín Moya-Angeler Cabrera	2021	2021
Eugenia M. Ulasewicz	2021	2021

[1] Enrico Laghi was elected as member of the Board of Directors and of the Remuneration Committee at the Extraordinary General Meeting on August 31, 2022. His election was subject to, and became effective upon, the completion of the share transfer of the Autogrill shares indirectly held by Edizione S.p.A. to Dufry, which occurred on February 3, 2023.

Board of Directors and Remuneration Committee

Based on Avolta's Articles of Incorporation and applicable law, the Board of Directors has the overall responsibility for defining the remuneration policy of the Group, as well as the general terms and conditions of employment for members of the Global Executive Committee. It approves the individual remuneration of the members of the Board of Directors and the Global Executive Committee (within the limits approved by the General Meeting of Shareholders). The Remuneration Committee supports the Board of Directors in fulfilling all remuneration related duties.

As of December 31, 2023, the Remuneration Committee consisted of four independent and non-executive members of the Board of Directors. The Annual General Meeting individually re-elected Ms. Eugenia M. Ulasewicz, Mr. Enrico Laghi, Mr. Luis Maroto Camino and Mr. Joaquín Moya-Angeler Cabrera as members of the Remuneration Committee for a term of office until completion of the next AGM in 2024. Luis Maroto Camino was appointed as Chairman of the Remuneration Committee.

The Remuneration Committee has the following powers and duties:

- Review and assess the remuneration system of the Company and the Group (including the management incentive plans) and make proposals in connection thereto to the Board of Directors;
- Make recommendations regarding the proposals of the Board of Directors for the maximum aggregate amount of compensation of the Board of Directors and the Global Executive Committee to be submitted to the General Meeting of Shareholders for approval;
- Make proposals in relation to the remuneration package of the CEO and the members of the Board of Directors;
- Make proposals on the grant of options or other securities under any management incentive plan of the Company;
- Review and recommend to the Board of Directors the Remuneration Report;
- Review and propose for approval to the Board of Directors the remuneration for the members of the Global Executive Committee other than the CEO upon proposal by the CEO. The CEO's remuneration is determined by the Remuneration Committee and submitted to the full Board of Directors for approval.

The Remuneration Committee discusses the annual compensation of the members of the Board of Directors (board fees, committee fees, target bonus for the Chairman) in separate meetings. The Chairman of the Board of Directors and the CEO usually participate in these meetings without any voting rights and they leave the room when their own compensation is being discussed. The Remuneration Committee submits its proposals to the full Board of Directors annually and the Board of Directors decides collectively on the remuneration of its members with all Board members being present during the discussion.

The Remuneration Committee meets as often as business requires but at least four times annually. The Chairman of the Remuneration Committee reports to the Board of Directors after each meeting on the activities of the committee. The minutes of the committee meetings are being made available to all members of the Board of Directors.

In the reporting year, the Remuneration Committee held 5 meetings. The duration of the meetings ranged from 1 to 2 hours. The attendance ratio was 100% in fiscal year 2023.

The Remuneration Committee may decide to consult external advisors. In fiscal year 2023, Homburger AG,

Decision authorities

Levels of authority	CEO	Remuneration Committee	Board of Directors	AGM
Remuneration policy and principles		Proposes	Approves	
Maximum aggregate remuneration amount for the Board of Directors		Proposes	Reviews and proposes	Approves (binding vote)
Remuneration of the Board Chairman		Proposes	Approves*	
Individual remuneration of the Board members		Proposes	Approves*	
Maximum aggregate remuneration amount for the Global Executive Committee		Proposes	Reviews and proposes	Approves (binding vote)
Remuneration of the CEO		Proposes	Approves*	
Individual remuneration of the other members of the Global Executive Committee	Proposes to Remuneration Committtee	Proposes	Approves*	
Remuneration Report		Proposes	Approves	Consultative vote

* Within the overall limits approved by the General Meeting of Shareholders.

PricewaterhouseCoopers AG (PwC) and Obermatt AG were consulted for specific remuneration matters. Other divisions of PwC provided services as Tax and HR advisors for other internal projects. Homburger provided further services as legal advisors. Obermatt did not have any other mandate for Avolta.

For further details regarding the responsibilities of the Remuneration Committee and the meetings held in fiscal year 2023 please refer to section 3.5 Internal Organizational Structure of the Corporate Governance Report.

Method for determining remuneration and benchmarking

Avolta reviews the remuneration of the Global Executive Committee members annually to ensure that it remains competitive to attract and retain talent in the evolving context in which the company operates, including by applying peer group benchmarking. The last review in regards to the remuneration of the Global Executive Committee members was conducted in fiscal year 2023, using third party remuneration survey data (including Mercer Executive Compensation data) and publicly disclosed information from other listed companies. The peer group for compensation benchmarking includes SMI and SMIM companies, as those represent the peers with which the Company competes when it comes to attracting and maintaining key talent for its global business. The selection of peer group companies takes into consideration other factors such as geographic spread of the business, demographic size of employee base and complexity of the industry. The list of companies in 2023 included ABB, Adecco, Barry Callebaut, Clariant, Ems-Chemie, Geberit, Georg Fischer, Holcim, Lindt, Lonza, Nestlé, Novartis, Richemont, Roche, Sika, Sonova, Straumann, Swatch Group and Swisscom. The peers remained the same as in previous years, as the selected comparison criteria are still valid for the fiscal year 2023.

Remuneration of the Board of Directors

Remuneration principles

The remuneration of the members of the Board of Directors is designed to attract and retain highly qualified individuals to serve on the Board of Directors. The Board of Directors determines the amount of remuneration of its members, taking into account their responsibilities, experience and the time they invest in their activity as members of the Board of Directors.

Remuneration system

Non-executive board members

To safeguard their independence in exercising their supervisory duties, the non-executive members of the Board of Directors receive a fixed cash remuneration only and do not participate in Avolta's employee benefits plans. Remuneration of the non-executive members of the Board of Directors is not tied to particular performance targets.

The remuneration of the non-executive members of the Board of Directors consists of an annual Board fee of TCHF 250.0. The functions of Honorary Chairman or Vice-Chairman of the Board of Directors do not receive a separate remuneration for this role. The function of the Lead Independent Director is remunerated with an additional amount of TCHF 100.0 p.a. The Chair of the Audit Committee is remunerated with TCHF 100.0 p.a. In fiscal year 2023, the former Nomination and ESG Committee was split given the importance of ESG matters that are an integral part of our strategy. The Chairs of the Nomination Committee, the ESG Committee and the Remuneration Committee are each remunerated with TCHF 75.0 p.a. The newly formed Strategy and Integration Committee is chaired by the Chairman of the Board of Directors, without separate remuneration for his role on this Committee. Committee members receive an additional remuneration of TCHF 50 p.a. (on all the Committees).

The remuneration of the members of the Board of Directors is paid quarterly and may be subject to regular social security contributions, depending on the citizenship and residence country of each Board member.

Executive Chairman

The Chairman of the Board of Directors, who is intensely involved with the Company's management, is considered an executive Chairman.

As in previous years, the Executive Chairman receives a fixed remuneration of TCHF 2,010.5 and is eligible for a performance bonus. The performance bonus at target was raised in fiscal year 2023 to 150 % of the fixed remuneration and the payout cap set at 133⅓% of target (2022: 130 % of the fixed remuneration) to reflect the increased size and complexity of the combined Avolta Group. In his executive role, a substantial amount of his time is devoted to the Company's operations where he works very closely with the CEO to pursue value-enhancing initiatives including strategically important relationships, joint ventures or acquisitions, and relationships with key current or future shareholders, and initiatives strengthening the Company's partnerships with governments and key landlords. He also supports re-financing activities and capital markets transactions of the Company.

The bonus in 2023 was based on the same three metrics as the annual bonus for the members of the Global Executive Committee: CORE Turnover, CORE EBITDA and Equity Free Cash Flow with a 33⅓% weight per metric (2022: bonus based on Turnover and Equity Free Cash

Remuneration structure of the Board of Directors

Position / Responsibility	Annual Fee in 2023 in TCHF	Annual Fee in 2022 in TCHF
Chairman of the Board of Directors	2,010.5	2,010.5
Honorary Chairman / Vice-Chairman	no additional fee	n/a
Lead Independent Director [1]	100.0	100.0
Member of the Board of Directors	250.0	250.0
Chair of the Audit Committee [1]	100.0	100.0
Chair of the Remuneration Committee [1]	75.0	75.0
Chair of the Nomination and ESG Committee [1, 2]	n/a	100.0
Chair of the Nomination Committee [1, 2]	75.0	n/a
Chair of the ESG Committee [1, 2]	75.0	n/a
Chair of the Strategy and Integration Committee [3]	no additional fee	n/a
Member of Committee [1]	50.0	50.0

Fees mentioned in the table are gross amounts.

[1] The fees mentioned for the position of Lead Independent Director, Chair or Membership of a Committee are in addition to the annual board fee as member of the Board of Directors.

[2] In 2023, the functions of the previous Nomination and ESG Committee were spit into two separate committees.

[3] The Chair of the Strategy and Integration Committee is not separately compensated, as this role is held by the Chairman of the Board of Directors.

Flow with a 50% weight per metric). No payout occurs if the performance is not at least 75% of the combined set target. The Chairman's bonus can be paid either in cash or in an equivalent number of shares allocated to him, or as a mix of the two. The Board of Directors decided that the bonus for the Executive Chairman for fiscal year 2023 will be paid in cash (2022: in cash). The fixed remuneration is paid quarterly, and the bonus is paid out during the second quarter of the following year.

Remuneration of the Board of Directors for fiscal year 2023

The table on page 320 and further text on other remuneration, loans and credit facilities (marked "audited") are audited according to Article 728a para. 1 no. 4 of the Swiss Code of Obligations.

Summary of remuneration in fiscal years 2023 and 2022

The annual base fee of the members of the Board of Directors remained unchanged compared with the previous year. The Executive Chairman of the Board of Directors received a fixed fee of TCHF 2,010.5 (2022: TCHF 2,010.5) and a performance bonus of TCHF 3,698.5 (2022: TCHF 2,613.6) in cash. The fixed Board fee for the Executive Chairman's position was last increased in 2017 and has remained unchanged ever since. The performance bonus opportunity was increased as explained above and the bonus granted amounted to 184% of the annual fixed fee (2022: 130%). For information of Avolta's performance in fiscal year 2023, which was relevant for the performance bonus of the Executive Chairman as well as the annual bonus of the Global Executive Committee (identical metrics of CORE Turnover, CORE EBITDA and Equity Free Cash Flow), please refer to the letter of the CFO with details on the financial performance on page 150.

During fiscal year 2023 Avolta's Board of Directors was enlarged to 12 members as at December 31, 2023 compared with 9 members as at December 31, 2022 in connection with increased scope and complexity of the combined group following the Dufry / Autogrill business combination and increased expertise required on the Board of Directors. The remuneration of the members of the Board of Directors for both fiscal years 2023 and 2022 is shown in the remuneration table on page 320 and reflects the period from January 1 until December 31.

The increase in remuneration by 26% compared with the previous year is mainly due to a higher number of Board and Committee members, the performance bonus for the Executive Chairman, and the establishment of two additional Board Committees (new Strategy and Integration Committee and the former Nomination and ESG Committee being split into two separate Committees).

Other remuneration, loans or credit facilities (audited)

For fiscal years 2023 and 2022, no other remuneration (other than mentioned in the table on page 320) was paid directly or indirectly to current or former members of the Board of Directors or to their related parties. No member of the Board of Directors or their related parties were granted a loan or a credit facility during the reporting years. There was no loan or credit facility outstanding at the end of the reporting years to any member of the Board of Directors or their related parties.

Reconciliation between the reported Board remuneration for fiscal year 2023 and the remuneration amount approved by the AGM for the period from AGM 2023 until AGM 2024

The AGM 2023 approved a maximum aggregate amount of remuneration of the Board of Directors of CHF 11.0 million for the term of office from the AGM 2023 to the AGM 2024 (CHF 8.85 million from AGM 2022 to AGM 2023). The AGM 2023 approved the proposal of the Board of Directors with 97.24% of the votes represented. The table on page 320 shows the reconciliation between the reported Board remuneration for fiscal year 2023 and the amount approved by the shareholders at the AGM 2023.

Remuneration of the Board of Directors (audited)

Name, Function in thousands of CHF	2023 Remuneration	2023 Social security contributions [8]	2023 total	2022 Remuneration	2022 Social security contributions [8]	2022 total
Juan Carlos Torres Carretero, Chairman [1]	5,709.0	–	5,709.0	4,624.1	–	4,624.1
Alessandro Benetton, Honorary Chairman [2]	238.3	18.6	256.9	n/a	n/a	n/a
Sami Kahale, Vice-Chairman [3]	258.7	19.6	278.3	n/a	n/a	n/a
Enrico Laghi, Vice-Chairman [2]	378.8	28.7	407.5	n/a	n/a	n/a
Heekyung Jo Min, Lead Independent Director [4]	537.5	–	537.5	492.7	–	492.7
Xavier Bouton, Director [5]	250.0	16.8	266.8	155.9	7.7	163.6
Mary J. Steele Guilfoile, Director	387.5	–	387.5	331.2	–	331.2
Luis Maroto Camino, Director	375.0	–	375.0	375.0	–	375.0
Joaquín Moya-Angeler Cabrera, Director	400.0	27.5	427.5	368.7	18.6	387.3
Ranjan Sen, Director	250.0	–	250.0	250.0	–	250.0
Lynda Tyler-Cagni, Director	292.4	41.0	333.4	300.0	44.5	344.5
Eugenia M. Ulasewicz, Director	350.0	–	350.0	337.5	–	337.5
Subtotal for active members at Dec 31, 2023	**9,427.2**	**152.2**	**9,579.4**	**7,235.1**	**70.8**	**7,305.9**
Jorge Born, Director [6]	n/a	n/a	n/a	150.5	9.1	159.6
Julián Díaz González, Director, former CEO [6,7]	n/a	n/a	n/a	–	–	–
Steven Tadler, Director [6]	n/a	n/a	n/a	125.4	–	125.4
Total	**9,427.2**	**152.2**	**9,579.4**	**7,511.0**	**79.9**	**7,590.9**

Amounts mentioned in the table are gross amounts.

1 The remuneration for Mr. Torres Carretero includes a Board fee of CHF 2.01 million and a cash bonus of CHF 3.70 million (2022: CHF 2.01 million Board fee and CHF 2.61 million bonus).

2 Mr. Benetton and Mr. Laghi were elected as Directors at the EGM on August 31, 2022. Their election was subject to and became effective upon the completion of the share transfer of the Autogrill shares indirectly held by Edizione S.p.A. to Dufry, which occurred on February 3, 2023. They did not receive any compensation during the prior fiscal year 2022.

3 Director since AGM on May 8, 2023.

4 The remuneration for Ms. Heekyung Jo Min includes the fees for her responsibilities as Lead Independent Director, Chairwoman of the Nomination Committee, Chairwoman of the ESG Committee (respectively in 2022 Chairwoman of the combined Nomination and ESG Committee) and membership of the Audit Committee.

5 Director since AGM on May 17, 2022.

6 Director until AGM on May 17, 2022.

7 Mr. Díaz González (former CEO of the Company) did not receive any additional compensation as Board member.

8 Amount includes mandatory employer social security contributions.

Reconciliation between reported Board remuneration and amount approved by shareholders at AGM 2023

in thousands of CHF	Board compensation for fiscal Year 2023 as reported	Less Board compensation to be accrued for the period January 1, 2023 to the AGM on May 8, 2023	Plus Board compensation to be accrued for the period January 1, 2024 to the AGM on May 15, 2024	Total Board compensation for the period from AGM 2023 to AGM 2024	Total maximum amount as approved by shareholders at the AGM 2023 for period of AGM 2023 to AGM 2024	Compensation ratio
Total Board of Directors	**9,579.4**	**(1,944.0)**	**2,279.7**	**9,915.1**	**11,000.0**	**90.1%**

Remuneration of the Global Executive Committee

Remuneration principles

Avolta strives to provide internationally competitive remuneration to the members of the Global Executive Committee that reflects the experience and the area of responsibility of each individual member. Moreover, the remuneration system intends to support the execution of the business strategy, drive performance and strengthen the alignment with the shareholder interests. The remuneration system is built around the following principles:

Pay-for-performance

A significant portion of the remuneration depends on the achievement of short-term and long-term performance targets.

Shareholder alignment

A significant portion of remuneration is paid in form of equity, thus strengthening the alignment between the interests of the executives with those of the shareholders.

Competitiveness

Remuneration levels are competitive with the talent market of Avolta.

Transparency

The remuneration system and remuneration decisions are explained in a transparent way to internal and external stakeholders.

Remuneration system

The remuneration of the members of the Global Executive Committee includes the following elements:
- Fixed base salary in cash;
- Other benefits, post-employment benefits;
- Performance-related bonus in cash;
- Long-term share-based incentive.

Base salary
The annual base salary is the fixed remuneration reflecting the scope and key areas of responsibility of the position, the skills required to perform the role and the experience and competencies of each individual. The base salary is reviewed on an annual basis. Generally, salary increases for members of the Global Executive Committee are in line with increases for the broader workforce. In case of promotion, typically a more substantial salary increase may be granted. Nevertheless, a newly promoted Global Executive Committee member would get a base salary at the lower end of the expected range with a view to potential increases alongside his / her growing experience. Also, higher salary increases may be granted in the case of an increase in responsibilities.

Other benefits and post-employment benefits
Whenever applicable, members of the Global Executive Committee participate in the benefit plans available to all employees in their country of employment. Benefits consist mainly of retirement, insurance, and healthcare plans designed to provide a reasonable level of protection for the employees and their dependents in respect to the risk of retirement, disability, death, and illness. The members of the Global Executive Committee with a Swiss employment contract participate in Avolta's pension plans offered to all employees in Switzerland. These consist of the basic pension fund, in which base salaries up to an amount of TCHF 308.7 per annum are insured, as well as a supplementary plan in which base salaries in excess of this limit are insured up to the maximum amount permitted by law. Avolta's pension funds exceed the legal requirements of the Swiss Federal Law on occupational Retirement, Survivors, and Disability Pension Plans (BVG) and are in line with prevalent market practice. Members of the Global Executive Committee under foreign employment contracts are insured commensurately with market conditions and with their position. Each plan varies in line with the local competitive and legal environment and at a minimum, in accordance with the legal requirements of the respective country.

Fringe benefits such as insurances, company car, schooling or housing allowances have been granted to certain members of the Global Executive Committee. The monetary values of these benefits are included at their fair value in the remuneration tables.

Annual bonus
The annual bonus is a short-term variable incentive designed to reward the financial performance of the Group over a time horizon of one year.

The annual target bonus (i.e. assuming 100 % achievement of all performance targets) is defined annually for each member of the Global Executive Committee and is expressed as a percentage of the annual base salary. The target bonus in 2023 amounts to 150 % of the annual base salary for the CEO and ranges from 50 % to 109 % of the annual base salary for the other members of the Global Executive Committee.

The actual bonus paid out depends on the achievement of pre-defined Group financial objectives and may range from 0 % to 133⅓ % of the target bonus for the CEO and from 0 % to 130 % of the target bonus for the other members of the Global Executive Committee, with one exception whose maximum payout cap is at 100%.

The Group financial objectives for the annual bonus are determined on an annual basis by the Board of Directors upon recommendation by the Remuneration Committee, and are set in line with the mid-term strategic plan and the annual budget. In line with the "Destination 2027" Strategy of the combined Group and the main objectives of the business to deliver resilient growth, sustainable profitability and cash flows, the Board of Directors selected three KPIs: CORE Turnover, CORE EBITDA and Equity Free Cash Flow, each of them with a 33⅓% weighting.

The actual performance for each KPI is measured as a percentage achievement compared with the pre-defined target. For a performance achievement percentage below 75%, the bonus payout is zero. For a performance achievement of 100%, the bonus payout amounts to 100% of the annual target bonus. In case of outperformance, the bonus payout is capped at 133⅓% of the annual target bonus amount for the CEO and at 130% of the annual target bonus amount for the other members of the Global Executive Committee (except one member with cap set at 100%).

The Remuneration Committee considers the financial targets for the annual bonus to be commercially sensitive and that their disclosure would put the company at a competitive disadvantage. However, a performance assessment and the connection between pay and performance are provided ex-post, as commentary to the remuneration tables.

The annual bonus is usually paid out in cash in the second quarter of the following year.

Share-based incentives (PSU)

The purpose of Avolta Performance Share Unit (PSU) plan is to provide the members of the Global Executive Committee and selected members of the Senior Management team with an incentive to make significant and extraordinary contributions to the long-term performance and growth of the Group, enhancing the value of the shares for the benefit of the shareholders. The share-based incentive is also increasing the ability of Avolta Group to attract and retain persons of exceptional skills.

The value of the PSU grant is defined annually by the Board of Directors and the Remuneration Committee for each member of the Global Executive Committee. The number of PSU allocated to each member of the Global Executive Committee takes into account the base salary as well as the prevailing share price. In fiscal year 2023, the number of PSU granted was adjusted to reflect the increased responsibilities of the members of the Global Executive Committee and is aligned with shareholder interests since it is focused on long-term performance. The PSU at grant value amounted to 306% of the annual base salary for the CEO and ranged from 78% to 205% of the annual base salary for the other members of the Global Executive Committee in 2023.

The PSU granted in fiscal year 2023 are a conditional right to receive future shares of the company, if the vesting conditions are met on the vesting date in June 2026. From an economic point of view, the PSU are stock options with an exercise price of nil. They are expected to have no dilutive effect, as the shares are sourced from treasury shares held by the Company.

The performance targets of the 2023 PSU grant are the following, each measured over a three-year performance period:
- Cumulative CORE EPS with a 50% weighting
- Relative Total Shareholder Return (TSR) with a 25% weighting
- ESG targets with a 25% weighting

The absolute financial performance of Cumulative CORE EPS measures the company's profitability to investors and is expressed as a nominal amount in CHF (for the glossary of financial terms and alternative performance measures please see page 271 of this Annual Report). The Relative TSR is expressed as a percentile ranking in a peer group of 26 selected companies, mainly from the STOXX Europe 600 travel, leisure and retail industries. The complete list of companies chosen is shown in the table on page 325. The measurement of Avolta's relative ranking compared to this group is provided by Obermatt, an independent Swiss financial research firm focused on indexing company performances. The third target measures the company's activities in ESG and the improvements regarding impact of its operations on ESG matters with KPIs for the 2023 Plan including Employee trainings on compliance, diversity and inclusion, responsible operator or related topics, and Purchase volume with suppliers having committed to the Science Based Target initiative (SBTi). ESG-related KPIs are quantifiable and material for Avolta's long-term strategy, and targets are set to award exceptional performance significantly beyond the ordinary course of business. KPIs are based on Avolta's materiality assessment including all stakeholders. Further details for each of the objectives are shown on page 324. For further information on ESG please see also the ESG Report on page 97 ff. of this Annual Report.

The PSU vest on the vesting date based on the achievement of the performance targets. Each PSU may provide

Remuneration components[1]

Component	Instrument	Purpose	Influenced by	Performance objectives in 2023
Base salary	- Base remuneration - Paid in cash on a monthly basis	- Attract and retain best professionals	- Position - Competitive market environment - Experience of the person	
Other benefits, post-employment benefits	- Allowances - Social pension and insurance benefits	- Attract and retain - Protect against risks	- Legal requirements - Market practice	
Annual bonus	- Annual bonus in cash	- Pay-for-performance	- Financial performance of the Group for the fiscal year	- CORE Turnover - CORE EBITDA - Equity Free Cash Flow
Long-term share-based incentives (PSU)	- Performance Share Units (PSU)	- Reward long-term performance - Align with shareholder interests	- Financial performance of the Group - Share price performance relative to peer group - ESG performance of the Group - Measured over a three-year performance period	- Cumulative CORE EPS - Relative TSR - ESG

[1] For a glossary of financial terms and alternative performance measures please see page 271 of this Annual Report.

Overview of the target, minimum and maximum bonus for the Global Executive Committee

	Fiscal year 2023	Fiscal year 2022
Target bonus amount for CEO	150 % of annual base salary	150 % of annual base salary
Target bonus amount for other members of the Global Executive Committee	50 % to 109 % of annual base salary	50 % to 110 % of annual base salary
Minimum achievement level for payout (below which the payout is zero)	75 % of the combined targets performance	75 % of the combined targets performance
Maximum annual bonus for CEO	133 ⅓ % of target bonus amount	133 ⅓ % of target bonus amount
Maximum annual bonus for other members of the Global Executive Committee	Between 100 % and 130 % of target bonus amount	130 % of target bonus amount

Performance objectives for annual bonus

	Fiscal year 2023	Fiscal year 2022
Performance objectives and weighting	CORE Turnover (33 ⅓ %) CORE EBITDA (33 ⅓ %) Equity Free Cash Flow (33 ⅓ %)	Turnover (50 %) Equity Free Cash Flow (50 %)

Overview of PSU grants to the Global Executive Committee[1]

	Fiscal year 2023	Fiscal year 2022
PSU grant to CEO	306 % of annual base salary	197 % of annual base salary
PSU grant to other members of the Global Executive Committee	78 % to 205 % of annual base salary	67 % to 119 % of annual base salary

[1] The PSU grant at fair value in 2023 was adjusted to reflect increased responsibilities of the members of the Global Executive Committee

Overview of the performance objectives of the PSU plan 2023

Performance objectives	Cumulative CORE EPS	Relative TSR	ESG
Rationale	Measures the company's profitability to investors.	Measures the company's ability to provide investors with strong returns compared to industry-related peers.	Measures the company's activities in ESG and the improvements regarding impact of its operations on ESG.
Definition	Cumulative CORE EPS, defined as Avolta's CORE Net Profit, as yearly reported, divided by the weighted average number of shares outstanding in the respective year. The cumulative CORE EPS over a three-year period is expressed as a nominal amount in CHF.	Avolta's relative TSR over the performance period, expressed as a percentile ranking in a peer group of 26 companies (see list on page 325). The TSR is calculated as the performance of the share price plus reinvested dividends. TSR ranking to be calculated annually by Obermatt, an independent Swiss financial research firm.	Split into two different KPIs (50 % weight each): - People: Employee trainings - Environment: Purchase volume with retail suppliers under SBTi
Weighting	50 %	25 %	25 %
Performance period	2023 – 2025	2023 – 2025	2023 – 2025
Target (100 % vesting)	Cumulative CORE EPS of CHF 4.26.	Ranking at 50th percentile of the peer group.	People: Trainings on compliance, diversity and inclusion, responsible operator and related topics completed by 25 % of Avolta's (Dufry and Autogrill) 2023 FTE by year-end 2025. Environment: Retail suppliers covering at least 40 % of the Company's 2023 purchase volume (based on cost of goods sold) have committed to the Science Based Target initiative (SBTi).
Share allocation on vesting	At target 1 share per PSU; at 150 % or more target achievement, a maximum of 2 shares per PSU; at less than 50 % target achievement, zero shares.		

The performance objectives for the PSU granted in previous years are disclosed in the respective Remuneration Reports.*

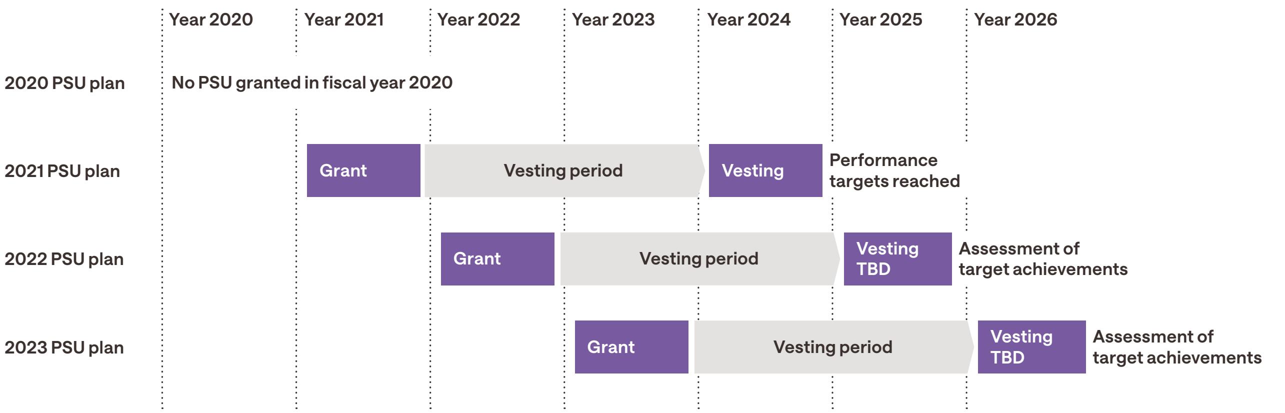
* For the website link to previous financial reports please see page 309 of the Corporate Governance Report.

Relative TSR – List of companies used for calculation[1]

Accor SA	easyJet plc	Kingfisher plc	TUI AG
Air France-KLM SA	Hennes & Mauritz AB	Lagardere SA	WH Smith PLC
Amadeus IT Group, S.A.	Industria de Diseño Textil, S.A.	Marks and Spencer Group plc	Whitbread plc
Avolta AG	InterContinental Hotels Group PLC	Next plc	Wizz Air Holdings Plc
B&M European Value Retail S.A.	Internat. Cons. Airlines Group, S.A.	Ryanair Holdings plc	Zalando SE
Carnival Corporation & plc	JD Sports Fashion plc	Sodexo S.A.	
Deutsche Lufthansa AG	Kering SA	SSP Group plc	

[1] The peer group is approved by the Board of Directors and reflects a list of meaningful and relevant peer companies. The peer group remained unchanged compared to the previous year.

Timing of the PSU plans



between zero share (less than 50 % target achievement) and 2 shares (150 % or more target achievement).

In case of voluntary resignation or termination for cause, unvested PSU forfeit without any compensation. They continue to vest in case of termination by the employer without cause, retirement, disability or death and they are subject to immediate vesting in case of change of control.

Employment contracts
According to Article 23 of the Articles of Incorporation, employment and other agreements with the members of the Global Executive Committee may be concluded for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum duration of one year. Agreements for an indefinite term may have a notice period of maximum twelve months. The current employment contracts with the members of the Global Executive Committee contain termination periods of twelve months or less.

Remuneration of the Global Executive Committee for fiscal year 2023

Summary of remuneration for fiscal years 2023 and 2022

The table on page 326 is audited according to Article 728a para. 1 no. 4 of the Swiss Code of Obligations.

For fiscal year 2023, the remuneration of the Global Executive Committee includes the remuneration of a total of 13 members: five members active January 1 to December 31, three members effective as of February 7 to December 31, two members effective as of March 1 and 2 to December 31, and three members who left the Global Executive Committee in 2023 (their remuneration also includes contractual compensation payments during notice periods). The remuneration for fiscal years 2023

Remuneration of the Global Executive Committee (audited)

Remuneration component in thousands of CHF	2023 GEC[1]	2023 CEO[2]	2022 GEC[1]	2022 CEO[2]
Base salary	9,659.6	1,700.0	7,412.7	1,416.7
Bonus on specific financial targets[3]	11,167.9	3,127.3	10,330.2	2,833.3
Post-employment benefits[4]	2,554.1	769.8	1,759.0	534.9
Other benefits	609.9	–	255.7	–
Share-based compensation grant value (3 years performance period)[5]	16,058.3	5,204.7	8,785.4	2,784.8
Total compensation awarded	**40,049.8**	**10,801.8**	**28,543.0**	**7,569.7**
Total realized compensation	**23,991.5**	**5,597.1**	**19,757.6**	**4,784.9**
Number of performance share units awarded[5]	429,581	132,502	199,059	76,045

Amounts mentioned in the tables are gross amounts.

1 The remuneration of the Global Executive Committee for fiscal year 2023 includes compensation to 13 members: five in office from Jan 1 to Dec 31, three appointed as of Feb 7, two appointed as of March 1 and 2, and three who left the GEC in 2023 (their remuneration includes payments during their contractual notice period). For fiscal year 2022, it included compensation to 8 members: the CEO as of March 1, the former CEO (Jan 1 to Dec 31) and six other members active from Jan 1 to Dec 31.

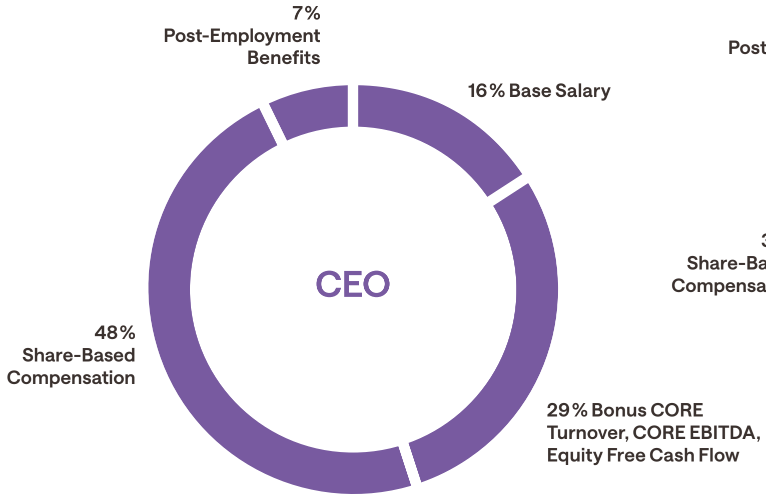
2 The CEO has the highest compensation of the Global Executive Committee.

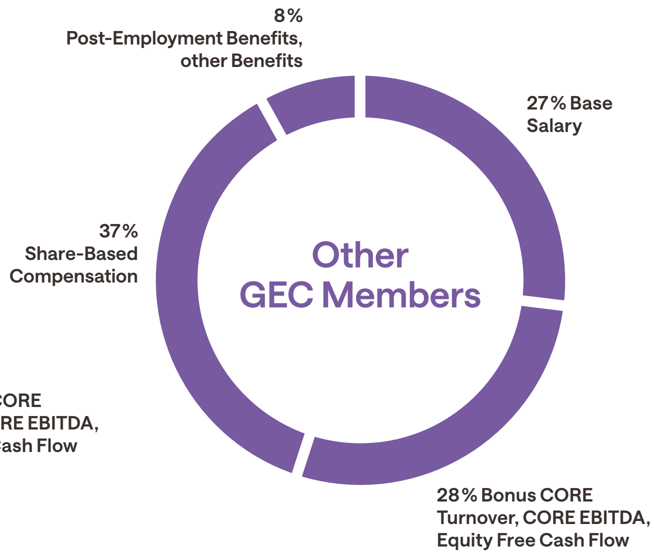
3 For fiscal year 2023, CORE Turnover, CORE EBITDA and Equity Free Cash Flow. For fiscal year 2022, Turnover and Equity Free Cash Flow.

4 Amount includes employer social security contributions and pension contributions.

5 For valuation details of the Avolta (former Dufry) performance share units see Note 26 of the consolidated financial statements. The disclosed value in the table corresponds to the grant value in the respective year (number of PSU granted multiplied by the PSU value at the date of grant. The PSU value assumes 100% target achievement, except for relative TSR as part of the LTI, for which the PSU value was calculated according to the Monte Carlo methodology).

Remuneration structure Global Executive Committee in 2023





and 2022 on page 326 covers the period between January 1 and December 31.

Total remuneration for the members of the Global Executive Committee for 2023 amounts to TCHF 40,049.8 (2022: TCHF 28,543.0). This amount comprises annual base salaries of TCHF 9,659.6 (2022: TCHF 7,412.7), annual bonus of TCHF 11,167.9 (2022: TCHF 10,330.2), post-employment benefits of TCHF 2,554.1 (2022: TCHF 1,759.0), other benefits of TCHF 609.9 (2022: TCHF 255.7) and PSU grants of TCHF 16,058.3 (2022: TCHF 8,785.4).

Explanatory comments to the remuneration table

The changes in the total remuneration awarded to the Global Executive Committee for fiscal year 2023 compared with the previous year are mainly due to the following factors:

– New composition of the Global Executive Committee with six new members (Chief People & Culture Officer, President & CEO Asia Pacific, President & CEO North America, President & CEO Latin America, Chief Public Affairs & ESG Officer, Chief Commercial & Digital Officer); and three members who left the GEC in 2023;
– CEO remuneration is reflected for the entire 12-month period in 2023, compared to 10 months in 2022. The table in 2022 included both CEOs active during fiscal year 2022;
– Given the substantially increased size and complexity of Avolta Group following the Dufry / Autogrill combination, the grants of the variable long-term awards (PSU) were adjusted to reflect the increased responsibilities of the GEC members, while continuing full alignment with shareholder interests through the performance-based compensation;
– Two members of the Global Executive Committee received a base salary increase in 2023 to take into account the increase and / or change of their functions and responsibilities. The annual base salary for the CEO was unchanged. The difference in the table regarding the base salary of the CEO results from the 12-month period in 2023 (vs. 10 months in 2022).

Performance under the annual bonus

For fiscal year 2023, the annual bonus amounts to 122.6 % of target for the CEO and to between 100 % and 122.6 % of target for the other members of the Global Executive Committee. This means that the annual accrued bonus is 184 % of the base salary for the CEO and ranges from 61 % to 134 % of the base salary for the other members of the Global Executive Committee (2022: CEO 200 %; other members 65 % to 143 %).

No PSU grants in 2020; PSU plan 2021 expected to vest

In fiscal year 2020, no PSU were granted, therefore no shares were allocated in fiscal year 2023.

For the PSU plan 2021, it is expected that it will vest in 2024 based on the estimates available at the time of publication of this Annual Report.

Realized compensation in fiscal year 2023

As no PSU were granted in fiscal year 2020 and therefore no shares were allocated in fiscal year 2023, the total realized compensation for the Global Executive Committee in fiscal year 2023 amounts to TCHF 23,991.5, of which TCHF 5,597.1 relate to the CEO.

Potential shares from PSU plans

The total number of shares that can be allocated to all participants of Avolta's PSU plan (members of the Global Executive Committee and members of Senior Management team) would amount to the following: At target (100 %) 1,810,237 shares, representing a total of 1.19 % of the outstanding shares as at December 31, 2023. At maximum (i.e. at 2 shares per vested PSU) 3,620,474 shares, representing a total of 2.37 % of the outstanding shares as at December 31, 2023. Historically, the Company has always sourced its share-based compensation from treasury shares, so that no dilutive effect is expected from the PSU.

Other remuneration, loans or credit facilities (audited)

In fiscal year 2023, in compliance with contractual obligations, the former CEO received compensation of TCHF 2,111.7, including TCHF 159.4 of social security costs. In fiscal year 2022, in compliance with contractual obligations, one former member of the Global Executive Committee received compensation of TCHF 170.8, including TCHF 26.9 of social security costs. No other remuneration was paid directly or indirectly to current or former members of the Global Executive Committee, or to their related parties, in 2023 and 2022, respectively. No member of the Global Executive Committee or their related parties were granted a loan or a credit facility during the reporting years. There was no loan outstanding at the end of the reporting years to any member of the Global Executive Committee or their related parties.

Performance achievements under the annual bonus in fiscal year 2023

Performance objectives	Results	Performance achievement
CORE Turnover (33⅓%)	With a CORE Turnover of CHF 12,534.6 million, the predetermined target was exceeded.	0% – 150%
Core EBITDA (33⅓%)	With CORE EBITDA of CHF 1,129.6 million, the predetermined target was substantially exceeded.	0% – 150%
Equity Free Cash Flow (33⅓%)	With Equity Free Cash Flow of CHF 323.0 million, the predetermined target was substantially exceeded.	0% – 150%

		Payout Percentage		
		threshold	Target	Cap
Payout factor	The combined performance ratio amounts to 122.6% of target. The payout is between 100% and 122.6% of the target bonus amounts for the members of the Global Executive Committee (incl. the CEO).	75%	100%	130%/ 133⅓%

PSU outstanding at December 31, 2023

Plan		Grant	Performance period	Vesting	Number of PSU outstanding
LTI 2023	GEC (incl. CEO)	2023	2023-2025	June 2026	429,581
	Senior Mgt				432,490
LTI 2022	GEC (incl. CEO)	2022	2022-2024	June 2025	199,059
	Senior Mgt				354,300
LTI 2021	GEC (incl. CEO)	2021	2021-2023	June 2024	132,403
	Senior Mgt				262,404

Compensation ratio for remuneration of Global Executive Committee for 2023

in thousands of CHF	GEC compensation for fiscal year 2023 as reported	Total maximum amount for GEC compensation as approved by Shareholders at the AGM 2023 for fiscal year 2023	Compensation ratio
Total Global Executive Committee	**40,049.8**	**49,500.0**	**80.9%**

[1] The total remuneration amount reflects compensation to 13 GEC members active during fiscal year 2023 and excludes 1 former GEC member (see table on page 326 and section other remuneration, loans or credit facilities on page 327).

Reconcilitation between the reported Global Executive Committee remuneration for fiscal year 2023 and the remuneration amount approved by the AGM 2023

The AGM 2023 approved an increased maximum aggregate amount of remuneration for the Global Executive Committee of CHF 49.5 million for the fiscal year 2023. The ratio of the remuneration awarded to the members of the Global Executive Committee in fiscal year 2023 compared to the amount approved by the AGM is shown in the table on page 328.

The same AGM also approved a maximum aggregate amount of remuneration for the Global Executive Committee of CHF 36.0 million for the fiscal year 2024. The remuneration ratio for 2024 will again be disclosed in the Remuneration Report 2024.

Shareholdings of the members of the Board of Directors and the Global Executive Committee on December 31, 2023 and 2022 (audited)

The following members of the Board of Directors and of the Global Executive Committee of Avolta AG (including related parties) directly or indirectly held shares or share options (including PSU) of the Company as at December 31, 2023 and 2022. Members not listed in the tables did not hold any shares or options (including PSU).

The table below is audited according to Article 728a para. 1 no. 4 of the Swiss code of Obligations.

	December 31, 2023			December 31, 2022		
in thousands	Shares	Outstanding unvested PSU [1]	Particip.	Shares	Outstanding unvested PSU [1]	Particip.
Members of Board of Directors						
J. C. Torres Carretero, Chairman	637.1	–	0.42 %	611.8	–	0.67 %
H. Jo Min, Lead Independent Director	0.7	–	0.00 %	0.7	–	0.00 %
L. Tyler-Cagni, Director	3.6	–	0.00 %	3.6	–	0.00 %
Total Board of Directors	**641.4**	**–**	**0.42 %**	**616.1**	**–**	**0.68 %**
Members of Global Executive Committee						
X. Rossinyol, CEO	81.8	208.5	0.19 %	81.2	76.0	0.17 %
Y. Gerster, CFO	8.7	70.3	0.05 %	8.7	32.4	0.05 %
F. Cheung, President & CEO Asia Pacific	–	16.6	0.01 %	n / a	n / a	n / a
S. Johnson, President & CEO North America	–	26.4	0.02 %	n / a	n / a	n / a
L. Marin, President & CEO Europe, Middle East and Africa	10.8	68.8	0.05 %	10.8	32.4	0.05 %
E. Urioste, President & CEO Latin America	–	16.0	0.01 %	n / a	n / a	n / a
P. Duclos, Group General Counsel	–	74.7	0.05 %	–	32.4	0.04 %
C. Rossotto, Chief Public Affairs & ESG Officer	–	16.9	0.01 %	n / a	n / a	n / a
V. Talwar, Chief Commercial & Digital Officer	–	23.4	0.02 %	n / a	n / a	n / a
K. Volery, Chief People & Culture Officer	–	14.4	0.01 %	n / a	n / a	n / a
ADDITIONAL FORMER MEMBER OF GLOBAL EXECUTIVE COMMITTEE						
E. Andrades, CEO Operations	n / a	n / a	n / a	2.0	32.4	0.04 %
A. Belardini, Chief Commercial Officer	n / a	n / a	n / a	19.1	32.4	0.06 %
S. Branquinho, Chief Diversity & Inclusion Officer	n / a	n / a	n / a	0.5	6.0	0.01 %
Total Global Executive Committee	**101.3**	**535.9**	**0.42 %**	**122.3**	**244.0**	**0.40 %**

[1] Outstanding unvested Performance Share Units (PSU) at target level.

None of the members of the Board of Directors or Global Executive Committee held any options.

Mandates outside of the Company (audited)

Article 734e of the Swiss Code of Obligations requires that all mandates or functions held by members of the Board of Directors or the Global Executive Committee in entities within the meaning of Article 626 para. 2 no. 1 of the Swiss Code of Obligations that do not form part of the Avolta Group be disclosed in the Remuneration Report to the extent that such mandates are comparable to board of directors or executive committee mandates and the entity has an economic purpose.

The rules in Avolta's Articles of Incorporation regarding the number of additional mandates outside the Company are published in the Corporate Governance Report: for members of the Board of Directors in section 3.3 on page 293 and for the Global Executive Committee in section 4.3 on page 304, respectively.

The disclosure of mandates and positions in accordance with the SIX Corporate Governance Directive is included in the Corporate Governance Report: for members of the Board of Directors in their Curricula Vitae on pages 288 to 290 and for the Global Executive Committee on pages 301 to 303, respectively.

The following table lists the different members and their mandates outside the Avolta Group as of December 31, 2023.

Name	Listed companies	Not listed companies or organizations
Members of Board of Directors		
Juan Carlos Torres Carretero	None	Laguna Partners AG, Sole Director Acamar S.r.l., Sole Director [1] Witherspoon Investments LLC, Sole Director
Alessandro Benetton	None	Edizione S.p.A., Chairman of the Board of Directors 21 Invest S.p.A., Chairman and CEO [2] 21 Invest SGR S.p.A., Chairman [2] 21 Invest France SAS, Chairman of the Supervisory Board [2] Mundys S.p.A., Vice Chairman Ricerca Finanziaria S.p.A., Chairman and CEO Ricerca S.p.A., Board Member and CEO Saibot Srl Società Uninominale, Director Fremantle Italy, Advisory Committee Member
Sami Kahale	None	Advent International, Operating Partner IRCA S.p.A., Chairman of the Board Bolton Group, Non-Executive Board Director Bauli Group, Chairman, Innovation Advisory Board
Enrico Laghi	None	Edizione S.p.A., Chief Executive Officer Abertis Infraestructuras SA, Board Member Studio Laghi S.r.l., Chairman Mundys S.p.A., Board Member Edizione Property S.p.A., Director Schema Gamma S.r.l., Chairman
Heekyung Jo Min	CJ CheilJedang, Executive Vice President, Corporte Social Responsibility	None
Xavier Bouton	Fayenceries de Sarreguemines Digoin & Vitry la François (F.S.D.V.), Chairman of the Supervisory Board	Edeis, Chairman of the Supervisory Board CIPIM, Chairman of the Supervisory Board SCI de Parcay, Director Groupement Forestier de Saint-Hubert, Manager SCI Chateau de Saint-Hubert and SNC-CFC, Manager SCI du Quai, Manager

Name	Listed companies	Not listed companies or organizations
Members of Board of Directors (continued)		
Mary J. Steele Guilfoile	C.H. Robinson Worldwide, Inc., Member of the Board of Directors The Interpublic Group of Companies, Inc., Member of the Board of Directors Pitney Bowes, Inc., Member of the Board of Directors	MG Advisors, Inc., Chairwoman of the Board The Beacon Group, LP, Partner
Luis Maroto Camino	Amadeus IT Group, CEO and President, Member of the Board of Directors	None
Joaquín Moya-Angeler Cabrera	None	Corporación Empresarial Pascual LC, Chairman of the Board of Directors Palamon Capital Partners, Member of the Advisory Board MCH Private Equity, Member of the Advisory Board Concord Realty LTD, Chairman Inmoan SL, Chairman [3] Avalon Private Equity SCR, Chairman Casa Grande de Salinas SL, Chairman Explotaciones al Alba SL, Chairman [3] Explotaciones San Anton SL, Chairman [3] Quantumacy, Member of the Advisory Board Cybolt, Member of the Board
Ranjan Sen	InPost Poland, Member of the Supervisory Board	Hermes Germany GmbH, Member of the Supervisory Board [4] Hermes Parcelnet Ltd (known under the brand name "Evri"), Board Member [4] Al Mansart GP 1 S.à.r.l. (known under the brand name "Parfums de Marly"), Board Member (Class A Director) Advent International LP, Managing Partner [5] Advent International GmbH, Managing Director [5] Advent Investment Advisory GmbH, Managing Director [5]
Lynda Tyler-Cagni	None	Only the Best, Director and CEO
Eugenia M. Ulasewicz	Signet Jewelers Ltd., Member of the Board of Directors Vince Holding Corporation, Member of the Board of Directors	None

[1] Acamar S.r.L. is a subsidiary of Laguna Partners AG
[2] 21 Invest S.p.A., 21 Invest SGR S.p.A. and 21 Invest France SAS are part of the same group of companies
[3] Inmoan SL, Explotaciones al Alba SL and Explotaciones San Anton SL are part of the same group of companies
[4] Hermes Germany GmbH and Hermes Parcelnet Ltd. are part of the same group of companies
[5] Advent International LP, Advent International GmbH and Advent Investment Advisory GmbH are part of the same group of companies

Name	Listed companies	Not listed companies or organizations
Members of Global Executive Committee		
Xavier Rossinyol	None	Sextant Initiatives AG, Member of the Board of Directors [1]
Yves Gerster	None	None
Freda Cheung	None	None
Steve Johnson	None	None
Luis Marin	None	None
Enrique Urioste	None	None
Pascal Duclos	None	Elite Consultoria Estrategica Ltda., Director Moebius Investments Ltd., Director
Camillo Rossotto	Compagnia dei Caraibi, Member of the Board of Directors	None
Vijay Talwar	Dunelm Group PLC, Member of the Board of Directors	None
Katrin Volery	None	None

[1] Sextant Initiatives AG is a non-active holding entity

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Deloitte.

To the General Meeting of
Avolta AG (formerly Dufry AG), Basel

Basel, March 6, 2024

Report on the Audit of the Remuneration Report according to Art. 734a-734f CO

Opinion
We have audited the Remuneration Report of Avolta AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the sections “Remuneration of the Board of Directors”, ”Other remuneration, loans or credit facilities of the Board of Directors”, “Remuneration of the Global Executive Committee”, ”Other remuneration, loans or credit facilities of the Global Executive Committee”, “Shareholdings of the members of the Board of Directors and the Global Executive Committee on December 31, 2023 and 2022“ and “Mandates outside of the company” on pages 311 to 331 of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying remuneration report (pages 311 to 331) complies with Swiss law and the Company’s articles of incorporation.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibility for the Audit of the Remuneration Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the sections marked “audited” in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Remuneration Report
The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Deloitte.

Auditor's Responsibilities for the Audit of the Remuneration Report
Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Deloitte AG

Andreas Bodenmann Licensed audit expert (Auditor in charge)	Fabian Hell Licensed audit expert

Information for investors and media

Registered shares

Issuer	Avolta AG
Listing	SIX Swiss Exchange
Type of security	Registered shares
Ticker symbol	AVOL
ISIN-No.	CH0023405456
Swiss Security-No.	2340545
Reuters	AVOL.S
Bloomberg	AVOL:SW

Key dates in 2024

March 7, 2024	Results Fiscal Year 2023 Publication of Annual Report
May 15, 2024	Annual General Meeting
May 16, 2024	Trading Statement First Quarter 2024
July 30, 2024	Results First Half Year 2024
October 31, 2024	Trading Statement Third Quarter 2024
March 6, 2025	Results Fiscal Year 2024 Publication of Annual Report

Senior Notes

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	EUR 800 million
Interest rate	2.5 % p.a., paid semi-annually
Maturity	October 15, 2024
ISIN-No.	XS1699848914 (Serie REG S)

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	CHF 300 million
Interest rate	3.625 % p.a., paid semi-annually
Maturity	April 15, 2026
ISIN-No.	XS2333565815 (Serie REG S)

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	EUR 750 million
Interest rate	2.0 % p.a., paid semi-annually
Maturity	February 15, 2027
ISIN-No.	XS2079388828 (Serie REG S)

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	EUR 725 million
Interest rate	3.375 % p.a., paid semi-annually
Maturity	April 15, 2028
ISIN-No.	XS2333564503 (Serie REG S)

Senior convertible bonds

Issuer	Dufry One B.V.
Listing	SIX Swiss Exchange)
Size of issue	CHF 500 million
Interest rate	0.75 % p.a., paid semi-annually
Maturity	March 30, 2026
Convertible into	Registered shares Avolta AG
Conversion price	CHF 87.00
ISIN-No.	CH1105195684
Ticker symbol	DUF 21

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Company's website:

Latest news:

Articles of incorporation:

Financial reports:

This Annual Report contains certain forward-looking statements, which can be identified by terms like “believe”, “assume”, “expect” or similar expressions, or implied discussions regarding potential new projects or potential future revenues, or discussions of strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. All forward-looking statements are based only on data available to Avolta at the time of preparation of this Annual Report. Avolta does not undertake any obligation to update any forward-looking statements contained in this Annual Report as a result of new information, future events or otherwise.

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ESG Report 2023 Annex

ESG Report 2023 Annex

About the Annex

Avolta has aligned its ESG Report with the new guidelines of the Global Reporting Initiative (GRI) Standards 2021. Reporting in accordance with this international standard permits a more transparent and comparable approach to information and facilitates the tracking of sustainability performance indicators.

In 2023, Avolta completed the business integration of the former entities Dufry and Autogrill, which includes also the development of a joint company and ESG strategy as disclosed in the respective chapters on pages 28–55 of the Annual Report 2023 and the ESG Report 2023.

The ESG Report 2023 Annex forms part of the ESG Report, which together with the TCFD Report constitutes Avolta's 2023 Non-Financial Reporting in accordance with the requirements regarding transparency on non-financial matters of Art. 964(a)-(c) of the Swiss Code of Obligations. The ESG Report is included in the Annual Report 2023 on page 97. The ESG Report 2023 Annex contains information presented in several tables with quantitative and qualitative indicators as per the GRI Standard indications.

The GRI Content Index 2023, also included in the Annex, cross references indicators (GRI and SDG) and page numbers, serving as a comprehensive guide to where the information on each topic may be found – either in the Annual Report, the ESG Report, on the company website or in this Annex.

Scope

Avolta's 2023 ESG Report covers the scope of the new combined entity and includes information from all the 73 countries where Avolta operates. For the general profile and most of the GRI indicators, the information reported is global (i.e.: relevant to the whole group). For staff-related indicators – GRI 2–7, 2–8, 2–21, 2–30; GRI 205-3 and GRI 401, 402, 403, 404, 405, 406, 407 & 410 – information is broken down by five geographical regions, following a similar structure to the one used in Avolta's financial report:

– HQ – Group Headquarters in Basel, Switzerland
– Europe, Middle East & Africa
– Asia Pacific
– North America
– Latin America.

More information about each of the regions included may be found on pages 56–75 of the Annual Report 2023. Should you have any comments about the content of the report or want to know more about Avolta's ESG engagement, please email us to: sustainability@avolta.net.

Material Matters and Related Inside-Out Impacts, Outside-In Risks and Opportunities and Mitigation

Below is a description of Avolta's material matters. As required by the GRI Standards 2021, for each matter we list the actual and potential impacts generated by the company on the economy, environment and people, including the human rights, which were assessed as significant via the updated materiality assessment ("Impact materiality"). For each material matter identified, we report the inside-out impacts and outside-in risks and opportunities, which might influence Avolta's results and performance identified as significant during a preliminary "double materiality" exercise (integrated by the "Financial materiality" perspective) in compliance with the requirements regarding transparency on non-financial matters pursuant to article 964a et seqq. of the Swiss Code of Obligations (SCO). As a voluntary addition, the overview also draws inspiration from the European Sustainability Reporting Standards (ESRS) foreseen by the new Corporate Sustainability Reporting Directive (CSRD). The overview considers both own operations as well as business relationships, products and services related to the Group's value chain.

Although positive impacts and opportunities may arise as well, priority has been given to negative impacts and risks adopting a precautionary approach. In the ESG Report, we describe the prevention and mitigation measures in place to manage impacts, risks and opportunities. An exception has been made for the matter "Supporting Communities", for which only positive impacts and opportunities have been identified in light of the voluntary nature of initiatives to support and engage communities.

Material Matters, Related Inside-Out Impacts, Outside-In Risks & Opportunities, Mitigation

Material matter	Inside-out impacts	Outside-In risks and opportunities	Mitigation by Avolta
Sustainable sourcing & traceability Adopt responsible sourcing practices aiming at both improving the transparency & traceability and increasing the procurement of sustainable and certified products.	Potential negative impact on environment, animal welfare and people related to harmful sourcing practices.	Potential risk on the company reputation deriving from raw materials limited traceability and responsible sourcing safeguards, and from the violation of animal welfare standards. Potential risk on the company business continuity due to raw material scarcity.	See page 115
Supply chain management Ensure a responsible and ethical management of the supply chain, also by partnering with suppliers attentive to their social and environmental impacts.	Potential negative impact on environment, people and affected communities in terms of violations of human rights (including child and forced labor, adequate wages, collective bargaining, freedom of association, working time, adequate housing and non-discrimination), health and safety and environmental standards.	Potential risk on the company reputation deriving from suppliers' socio-environmental performance not aligned with business and stakeholders expectations.	See page 116
Healthy and sustainable choice Promote better travel experiences offering a wide range of healthy and sustainable products, good for both consumers' and planet health.	Potential negative impact on people in terms of customers well-being due to a limited offer of sustainable, healthy and nutritious products.	Potential risk on the Group financial results due to the shift in customers preferences towards more healthy and sustainable choices.	See page 117
Product quality & safety Provide high quality & safety standards for the products and ingredients used in all of the company's channels.	Potential negative impact on people related to damages on customers health and safety.	Potential risk of non-compliance with regulations on product quality and safety.	See page 119
Climate change, energy and emissions Reduce GHG emissions by applying a set of measures including energy efficiency initiatives, sustainable logistics and mobility, and green stores building.	Potential negative impact on the environment related to the generation of greenhouse gas emissions.	Potential risk on the company business continuity deriving from the exposure to physical (extreme climatic events, rising of mean temperatures, etc.) and transition (evolving regulation, reputational damage, etc.) risks.	See page 123

Material matter	Inside-out impacts	Outside-In risks and opportunities	Mitigation by Avolta
Waste and Packaging Reduce and mitigate environmental damages caused by the excessive production and/or inadequate disposal of waste, including food waste. Reduce the use of virgin plastic in packaging.	Potential negative impact on the environment related to excessive production and/or inadequate disposal of waste, including food waste. Potential negative impact on the environment related to the exploitation and depletion of natural resources (such as virgin materials, etc.) and to the generation of packaging-related waste.	Potential risk of non-compliance deriving from evolving legislation related to waste and product packaging. Potential risk on the company financial results due to the scarcity of packaging raw materials, leading to price volatility	See page 127
Water and Biodiversity Implement processes to monitor and reduce water withdrawal in the operations and purchase materials and products preserving biodiversity.	Potential negative impact on the environment related to excessive withdrawal from areas with water stress and/or inefficient consumption of water. Potential negative impact on the environment related to loss of biodiversity and damage to natural ecosystems.	Potential risk of non-compliance deriving from evolving regulations regarding water discharge, deforestation and biodiversity. Potential risk on the company business continuity deriving from water scarcity. Potential risk on the company reputation deriving from the lack of initiatives and/or safeguards aimed at protecting biodiversity.	See page 131
Diversity, Equity & Inclusion Support diversity by fostering an inclusive working environment and incorporate a culture of DE&I throughout the organization, to develop a diverse, inclusive leadership.	Potential negative impact on people due to the perception of a not-inclusive culture, unable to recognize and valorize any kind of diversity, such as disability, gender, age, race, minorities, etc.	Potential risk on the company reputation deriving from the inability to foster a diverse and inclusive culture that stimulates creativity and innovative thinking.	See page 133
Talent recruitment, engagement and retention Promote efforts in the attraction, recruitment and retention of talents in order to bring on board and cultivate the leaders of tomorrow. Encourage people to engage throughout the organization by listening to and understanding their needs.	Potential negative impact on people in terms of inadequate selection process, retention measures not aligned with expectations and low engagement and motivation to contribute to the Group's evolution path.	Potential risk on the company productivity deriving from the incapacity to recruit all kinds of talent (considering also disability, gender, race, etc.) and retain key resources. Potential risk on the Group reputation due to a workplace culture that does not foster open dialogue and engagement.	See page 136
Employee Training and development Provide best training and performance development opportunities in order to foster employees personal and professional growth.	Potential negative impact on people in terms of training programs that do not foster the acquisition and development of key competencies, and lack of personalized development and career paths.	Potential risk on the company productivity deriving from upskilling and development programs not in line with the business strategy and goals.	See page 137

Material matter	Inside-out impacts	Outside-In risks and opportunities	Mitigation by Avolta
Health and Well-being Strengthen the culture of health and safety in the workplace through training and prevention programs designed to reduce occupational injuries and protect physical and mental wellbeing.	Potential negative impact on people in terms of occupational illnesses and injuries. Potential negative impact on people in terms of physical and mental well-being benefits and work-life balance protection not aligned with expectation.	Potential risk of non-compliance caused by the violation of workplace health and safety regulations. Potential risk on the company reputation and productivity due to low employee satisfaction.	See page 139
Human rights Foster respect for human rights and workers' rights along the entire value chain.	Potential negative impact on people and affected communities in terms of human rights violations – including child and forced labor, adequate wages, collective bargaining, freedom of association, working time, adequate housing and non-discrimination.	Potential risk on the company reputation deriving from human rights violation, including child and forced labor, adequate wages, collective bargaining, freedom of association, working time, adequate housing and non-discrimination.	See page 141
Supporting communities Contribute to the development of local communities through occupation, wealth and prosperity as well as with dedicated community engagement and charitable initiatives.	Potential positive impact on people and the communities coming from tangible support to local economy through occupation, wealth and prosperity. Potential positive impact deriving from the support to charitable organizations and NGOs, actively committed in contributing to social, environmental and economical development at local level.	Potential opportunity on the company reputation deriving from the fulfillment of the company's responsibility as corporate citizen and the ability to engage in strategic connections with the community.	See page 144

Non-Financial Risks & Opportunities

The factors listed below represent the main risks and opportunities for Avolta based on its business model and the company strategy Destination 2027. These factors are regularly reviewed and adapted in line with changes in the company's scope and the business model as well as to reflect new external developments. Detailed information on the business model is provided in the Strategy Chapter (pages 28 – 55), the ESG Report on pages (97 – 148) as well as in the Financial Report (pages 149 – 278) and the Corporate Governance Report (pages 279 – 309).

With the publication of its TCFD Report, Avolta also provides greater detail on specific risks and opportunities arising specifically from climate change. Information provided in the TCFD Report is intended to complement topics included in the table below and is available as integral part of the Annual Report 2023 or on the Avolta Group website: Our Impact | Avolta.

Risks

Risk Factors	Potential Impact	Our Response
Reduction in passenger & traveler traffic and changes in customer behavior	– Any event outside our control that causes a reduction of traveler & passenger traffic in among others airports & airlines, railway stations, ferries and cruise lines as well as motorways could adversely affect our business. – The same applies to economic conditions and political changes, which influence customer sentiment as well as traveling and spending behavior.	– Business diversification has always been and will continue to be a key strategic element to mitigate risks and drive company growth. – Diversification by geographies, sectors and channels to mitigate the impact of regional or local phenomena. – Information on sales split by geographies, sectors, channels and products categories is available on pages 8 – 9 of the Annual Report 2023.
Risks related to pandemics	– The COVID-19 pandemic is an example of how governmental restrictions to reduce traveling and personal contacts as a result of a pandemic strongly reduce domestic and international travel, passenger traffic and therefore impact the travel retail industry and our business.	– We immediately took action to protect health and safety of our employees and customers through our Health & Safety Protocol, fully aligning it with local regulations in the locations we operate. – Various processes and risk mitigation strategies being in place already prior to the COVID-19 pandemic have enabled us to react quickly and effectively on this specific situation. – We have taken a location-by-location and shop-shop-by-shop approach to assess opportunities to keep shops and restaurants open or reopen them as soon as possible. – We have adapted the company organization and processes to the new business environment to reduce costs and applied an increased control on cash management. – We have secured the resilience of the company by defining a new strategy – Destination 2027 – implementing a variety of refinancing initiatives focusing on liquidity and a strong financial position. – We expect to be well positioned for the ongoing recovery phase and to be able to engage in strategic initiatives to accelerate growth going forward.
Winning and extending concessions – Travel retail and travel F&B is typically a highly competitive concession business. Avolta competes with other travel retailers and F&B operators at global, regional and local levels in obtaining and maintaining concessions at airports and in other travel channels. Within a specific location (airport, cruise ship, train station, motorway location, casino or alike) the number of concessions is typically limited and includes a de-facto exclusivity.	– Failing to win or extend a concession can prevent Avolta – or any competitor – from entering a specific location until the concession comes up again for renewal. – Concession contracts can be subject to revocations and modifications, which can negatively affect the performance of the company at the particular location or at corporate level.	– Avolta maintains a highly diversified concession portfolio of over 5,100 shops across over 1,000 locations in 73 countries with an average remaining life-time of currently over 7 years. – Concessions are well balanced throughout emerging and developed markets; the largest concession accounts for less than 4 % and the ten biggest concessions for around 28 % of sales. – Local presence in all key markets, allows Avolta to monitor opportunities at global level to compete for attractive contracts.

Risk Factors	Potential Impact	Our Response
Market & political risks – Operating in a highly regulated environment – Travel Retail and F&B in general is a highly regulated industry, as operators: – have to adhere to the same regulatory framework with respect to commercial activities as well as local product and health & safety requirements as local retailers and restaurant operators in any specific country. – can additionally be impacted by changes in the taxation and customs allowance systems of individual countries. – have to follow product disclosure and health legislation as well as security requirements issued by the airline and airport industry.	– Changes in the regulatory framework in individual markets can positively or negatively impact sales performance or profitability of the company at local or group level.	– Diversification by geographies and by customs regime reducing exposure to local legislation. – Broad product and food assortment constantly adapted to new customer preferences. – Strong and long-term partnerships with airport authorities and other concession partners. Mutual trust and shared objectives with these concession partners are key for value creation. – Cooperation with industry associations to lobby for the industry's interests.
Customer data privacy and cyber security	– Potential impact on both the operational readiness of the business as well as with respect to reputation in the case of issues with customer data.	– Avolta manages its IT, data protection and cyber security risks through its Global IT Security Team responsible to assess, identify and implement protective measures to mitigate existing and potential new risks. – Avolta's Group Data Protection Policy defines requirements to process third party transactions, fulfills the EU General Data Protection Regulation (GDPR) and ensures compliance with international data protection laws such as among others the Payment Card Industry Data Security Standard (PCI DSS) and the Sarbanes-Oxley Act (SOX). – The company regularly does cyber security trainings helping to sensitize employees and increase their alertness for these topics. – A detailed description on cyber security is available on page 121 of the ESG Report. – Avolta maintains a global customer service platform, where any issues can be reported online and / or by personal contact 24 / 7.
Availability and retention of human capital – By directly engaging with our customers from over 150 nationalities and ethnicities our employees are key success factors to drive sales and customer satisfaction.	– The capability of employing and retaining a skilled workforce is a key success factor in the company. – This is particularly true for our shop and restaurant staff, who normally have higher and different skill requirements than in traditional high-street retail and F&B operations.	– Create an attractive working environment, which considers the specific skills needed by our employees (e.g. foreign languages, shift working, security requirements etc.) and offer fair compensation schemes. – Foster equal opportunities, without any kind of discrimination. – Create wealth at the local communities' level.
Customer behavior – Avolta welcomes daily customers from over 150 nationalities, many of them having different purchasing, dining behaviors and product preferences.	– Changes in customer behavior as well as the capability to provide the right services can influence sales performance of our operations locally and globally.	– Avolta regularly performs customer surveys several times per year to early identify potential changes in customer behavior and preferences. – In cooperation with our brand partners our procurement teams identify new trends and customer needs to optimize our dining offerings and product assortments.

Risk Factors	Potential Impact	Our Response
Suppliers & product availability – As a “pure” travel retailer & F&B operator, Avolta does not develop nor produce any products nor private labels.	– The ability to maintain and develop supply relationships to source products from global and local brands and suppliers requested by customers is a key success factor.	– Avolta operates a centralized global procurement department, which directly manages its supply chain with owners of global brands. Additionally, particularly for the F&B business as well as for local products, sourcing is done through local suppliers. – Avolta’s global brand portfolio as well as the access to renowned local suppliers represents a valuable asset for concession partners, when we compete for concessions.
Legal & compliance – Within its course of business, there is a risk that the company could violate laws and regulations at local level regarding business conduct and regulations, including, among others, bribery, corruption, fraud, discrimination, unauthorized use of personal data. – The company could be involved in lawsuits, claims of various natures, investigations and other business related legal proceedings.	– Legal or compliance issues, especially incidents of corruption, can generate related costs, penalties, loss of lease agreements, black-listings as well as reputational damage. These impacts can occur locally, but also affect the company globally.	– In its Code of Conduct, Avolta stipulates provisions on how it expects employees, directors and officers to conduct business. The dedicated Global Compliance department monitors the respect of the respective set of company policies. – In addition, a comprehensive risk management is established structured into three levels (see page 112 of the ESG Report). For risks of corruption in connection with external partners, Avolta has a procedure in place that requires to perform due diligence and to vet all external partners such as joint venture partners, consultants for business development projects, counterparts to M&A transactions and other similar counterparts. In addition, regular reassessment on existing external partners in conducted. – Through the Avolta Supplier Code of Conduct, the company extends its scope of compliance to its supply chain. – Employees receive regular compliance trainings and awareness raising communications.
Climate change & environmental risks – Avolta does not develop nor produce own products nor does it operate any kind of manufacturing sites. – Products are mainly sourced directly from brand owners and are delivered either to our Distribution Centers, wholesalers or directly to the shops and restaurants. – Transportation of goods from the supplier’s production sites to the Avolta’s Distribution Centers, wholesalers or directly to the shops and restaurants is covered within the responsibility of the suppliers. – From an energy perspective Avolta includes in its scope consumption at office buildings and covers its supply chain from the Distribution Center to the shops. These premises are mostly rented with low possibility to influence construction. – Avolta develops its own shop & restaurant design and the respective guidelines.	– Environmental legislation and requirements can affect cost of energy consumption for transportation as well as the operation of shop, restaurant and office premises within the company. – Legislation on use of packaging material (e.g. single use plastics) and circular economy can influence business procedures.	– Avolta’s ESG Strategy covers the different aspects of sustainability. – The company has defined emission reduction goals (for the former Dufry business) and discloses emissions on Scope 1, 2 and 3 for the whole scope. These objectives (for the former Dufry scope) have been validated by the Science Based Targets initiative (SBTi). – Avolta has a dedicated Shop & Restaurant Design Strategy to develop sustainable shops and restaurants with respect to reduced energy consumption, use of recyclable materials and circular economy for refurbishments. – Avolta is replacing its single-use plastic usage with sustainable and alternatives, where possible (see details page 128 of the ESG Report).

Risk Factors	Potential Impact	Our Response
Health & safety risks – Except for employees working in office-buildings, Avolta's workforce mostly operates in highly regulated areas such as airports, cruise ships & ferries, train stations, motorways as well as seaports and similar environments. Thus, we have two levels of health and safety provisions: the own company ones and those established by the respective concession partner. – Fire, health pandemics, terrorist attacks and other external factors can be risks to our employees and customers.	– Injury, illness or fatality can influence operational readiness and generate reputational damage, which can impact our financial and business performance.	– The first level of health and safety provisions is defined by concession partners' health and safety programs, to which our employees have to adhere to and for which they are specifically trained. – Avolta's own health and safety regulations are applied on top of the location specific ones and include group-wide regulations and guidelines. – In the context of the COVID-pandemic Avolta implemented an additional Global Health & Safety Protocol to protect both employees and customers. The protocol includes our internal guidelines and is flexible enough to adapt to the local regulations in the countries and locations of our operations. – A detailed description of the Health & Safety management process is described on pages 139 – 141 of the ESG Report.
Financial risks, ability to borrow funds and / or fund raising	– Financial Risks can impact the company's profitability, liquidity and financial position.	– Avolta has two strategic growth pillars: organic growth and M&A. – Within organic growth the company successfully extends existing contracts, adds additional retail space in existing locations and wins new concessions contributing to the increase of its global footprint. – We continue to focus on M&A as it offers the opportunity for strategic add-on acquisitions in travel retail and F&B as well as for accessing new and adjacent travel related markets. – M&A often allows to leverage an existing local organization thus increasing profitability.

Information on employees and other workers (using GRI coding)

2-7 Employees

Employees by employment contract and gender (HC)	HQ	EMEA	North America	LATAM	APAC	Total
Female	**63**	**19,704**	**19,806**	**3,988**	**2,671**	**46,232**
Permanent	61	16,551	19,709	3,632	1,146	41,099
Fixed-term	2	3,017	97	356	1,286	4,758
Non-guaranteed hours	0	136	0	0	239	375
Male	**85**	**12,675**	**11,826**	**2,574**	**3,465**	**30,625**
Permanent	84	10,551	11,806	2,337	899	25,677
Fixed-term	1	2,052	20	237	2,423	4,733
Non-guaranteed hours	0	72	0	0	143	215
Other / Not disclosed	**n/a**	**n/a**	**105**	**n/a**	**n/a**	**105**
Permanent	n/a	n/a	105	n/a	n/a	105
Fixed-term	n/a	n/a	0	n/a	n/a	0
Non-guaranteed hours	n/a	n/a	0	n/a	n/a	0
Total	**148**	**32,379**	**31,737**	**6,562**	**6,136**	**76,962**

Employees by employment type and gender (HC)	HQ	EMEA	North America	LATAM	APAC	Total
Female	**63**	**19,704**	**19,806**	**3,988**	**2,671**	**46,232**
Full-time	45	9,895	17,248	3,696	2,229	33,113
Part-time	18	9,809	2,558	292	442	13,119
Male	**85**	**12,675**	**11,826**	**2,574**	**3,465**	**30,625**
Full-time	82	8,579	10,638	2,515	3,067	24,881
Part-time	3	4,096	1,188	59	398	5,744
Other / Not disclosed	**n/a**	**n/a**	**105**	**n/a**	**n/a**	**105**
Full-time	n/a	n/a	79	n/a	n/a	79
Part-time	n/a	n/a	26	n/a	n/a	26
Total	**148**	**32,379**	**31,737**	**6,562**	**6,136**	**76,962**

2-8 Workers who are not employees

Workers who are not employees by gender (HC)	HQ	EMEA	North America	LATAM	APAC	Total
Female	4	1,757	n/a	254	112	2,127
Male	2	1,360	n/a	257	86	1,705
Other / Not disclosed	n/a	n/a	n/a	n/a	n/a	n/a
Total	**6**	**3,117**	**n/a**	**511**	**198**	**3,832**

2-30 Collective bargaining agreements

Employees covered by collective bargaining (%)	HQ	EMEA	North America	LATAM	APAC	Total
Percentage of employees covered by collective bargaining agreements	100 %	66 %	55 %	65 %	23 %	58 %

202-2 Proportion of senior management hired from the local community

Full-time senior managers active at 31/12 (%)	HQ	EMEA	North America	LATAM	APAC	Total
Percentage of senior managers from local communities	26 %	84 %	n/a	77 %	94 %	40 %

204-1 Proportion of spending on local suppliers

In 2023 Avolta's spent on local suppliers for its retail business amounted to around 30 % of global retail COGS.

306-3/4/5 Waste generated, waste diverted from disposal, and waste directed to disposal

Waste recovered/diverted from disposal (by recovery operation) and directed to disposal (by disposal operation) (t)*	Hazardous	Non-Hazardous	Total
Waste generated	14.4	21,393.2	21,407.6
Of which recovered (Preparation for reuse / Recycling / Other operation)	9.5	6,955.5	6,965.1
Of which disposed	4.9	14,437.8	14,442.7
– Landfill	0	5,829.0	5,829.0
– Incenerator – with energy recover	1.5	2,904.4	2,905.9
– Incenerator – without energy recover	3.2	4,960.7	4,963.8
– Other disposal methods	0.2	743.6	743.9

* The data considers only the following EMEA F&B operations: Austria, Belgium, Denmark, France, Greece, Italy, Netherlands, Slovenia, Sweden and Türkiye

401-1 New employee hires and employee turnover

Note that Avolta mainly operates in airports that have a very marked seasonal pattern and traffic, especially in the Europe, Africa & Middle East and Latin America regions. Over the summer season – from April until October – these airports concentrate over 80 % of the annual traffic. Staff is hence reinforced over each summer period. Wherever possible, Avolta employs the same staff year after year. However, these seasonal employment contracts are accounted as new hires in the table below and therefore also impact the turnover figures.

New hires by age and gender (HC)	HQ	EMEA	North America	LATAM	APAC	Total
Female	**17**	**10,787**	**16,979**	**1,248**	**1,538**	**30,569**
<30	6	6,381	10,674	765	1,076	18,893
30 – 50	10	3,308	5,013	442	405	9,178
>50	1	1,098	1,292	50	57	2,498
Male	**9**	**8,191**	**10,363**	**862**	**2,225**	**21,650**
<30	0	5,442	6,054	563	983	13,042
30 – 50	5	2,164	3,352	257	1,219	6,997
>50	4	585	957	42	23	1,611
Other / Non disclosed	**n/a**	**n/a**	**174**	**n/a**	**n/a**	**174**
<30	n/a	n/a	105	n/a	n/a	105
30 – 50	n/a	n/a	59	n/a	n/a	59
>50	n/a	n/a	10	n/a	n/a	10
Total	**26**	**18,978**	**27,516**	**2,110**	**3,763**	**52,393**

Ingoing turnover by age and gender (%)	HQ	EMEA	North America	LATAM	APAC	Total
Female	**27 %**	**55 %**	**86 %**	**31 %**	**58 %**	**66 %**
<30	150 %	128 %	158 %	59 %	71 %	130 %
30 – 50	26 %	33 %	64 %	20 %	41 %	44 %
>50	5 %	23 %	25 %	10 %	35 %	23 %
Male	**11 %**	**65 %**	**88 %**	**33 %**	**64 %**	**71 %**
<30	0 %	139 %	144 %	70 %	45 %	117 %
30 – 50	9 %	36 %	73 %	18 %	105 %	52 %
>50	15 %	22 %	32 %	14 %	25 %	26 %
Other / Non disclosed	**n/a**	**n/a**	**166 %**	**n/a**	**n/a**	**166 %**
<30	n/a	n/a	223 %	n/a	n/a	223 %
30 – 50	n/a	n/a	113 %	n/a	n/a	113 %
>50	n/a	n/a	167 %	n/a	n/a	167 %
Total	**18 %**	**59 %**	**87 %**	**32 %**	**61 %**	**68 %**

Employees who left by age and gender (HC)	HQ	EMEA	North America	LATAM	APAC	Total
Female	**19**	**9,699**	**16,180**	**724**	**1,110**	**27,732**
<30	4	5,393	9,993	400	755	16,545
30 – 50	13	3,169	4,811	294	290	8,577
>50	2	1,137	1,376	30	65	2,610
Male	**6**	**6,998**	**9,419**	**576**	**1,723**	**18,722**
<30	1	4,460	5,270	298	1,335	11,364
30 – 50	3	1,871	3,088	246	361	5,569
>50	2	667	1,061	32	27	1,789
Other / Non disclosed	**n/a**	**n/a**	**123**	**n/a**	**n/a**	**123**
<30	n/a	n/a	84	n/a	n/a	84
30 – 50	n/a	n/a	32	n/a	n/a	32
>50	n/a	n/a	7	n/a	n/a	7
Total	**25**	**16,697**	**25,722**	**1,300**	**2,833**	**46,577**

Outgoing turnover by age and gender (%)	HQ	EMEA	North America	LATAM	APAC	Total
Female	**30%**	**49%**	**82%**	**18%**	**42%**	**60%**
<30	100%	109%	148%	31%	50%	114%
30 – 50	33%	32%	61%	13%	29%	41%
>50	10%	23%	27%	6%	40%	24%
Male	**7%**	**55%**	**80%**	**22%**	**50%**	**61%**
<30	100%	114%	125%	37%	61%	102%
30 – 50	5%	31%	67%	17%	31%	42%
>50	8%	25%	35%	11%	29%	29%
Other / Non disclosed	**n/a**	**n/a**	**117%**	**n/a**	**n/a**	**117%**
<30	n/a	n/a	179%	n/a	n/a	179%
30 – 50	n/a	n/a	62%	n/a	n/a	62%
>50	n/a	n/a	117%	n/a	n/a	117%
Total	**17%**	**52%**	**81%**	**20%**	**46%**	**61%**

402-1 Minimum notice periods regarding operational changes

Minimum number of weeks (n)	HQ	EMEA	North America	LATAM	APAC	Total
Minimum number of weeks to provide notice for operational changes	**12**	**5**	**13**	**3**	**4**	**8**

403-8 Workers covered by an occupational health and safety management system

Employees covered by an occupational H&S management system (HC)	HQ	EMEA	North America*	LATAM	APAC	Total
Employees covered by an occupational H&S system	148	29,500	31,737	4,601	1,212	35,461
Employees covered by an occupational H&S system, that has been internally audited	0	15,327	0	2,319	1,368	19,014
Employees covered by an occupational H&S system, that has been audited or certified by an external party (e.g. ISO 45001)	0	4,721	0	2,313	132	7,166
Total number of employees	**148**	**32,379**	**31,737**	**6,562**	**6,136**	**76,962**
Employees covered by an occupational H&S management system (%)						
Employees covered by an occupational H&S system	100 %	91 %	100 %	70 %	20 %	46 %
Employees covered by an occupational H&S system, that has been internally audited	0 %	47 %	0 %	35 %	22 %	25 %
Employees covered by an occupational H&S system, that has been audited or certified by an external party (e.g. ISO 45001)	0 %	15 %	0 %	35 %	2 %	9 %

*For North America, data refers to employees covered by the Workers' Compensation Policy.

403-9 Work-related injuries

Injuries of employees by type of incident (n)	HQ	EMEA	North America	LATAM	APAC	Total
Work related injuries	0	960	1,452	93	53	2,558
– of which high-consequence work-related injuries (excluding fatalities)	0	12	9	0	10	31
Main types of work-related injury	Bruises and contusions, sprains and strains, cuts and wounds , burnings, and to a minor extent fractures					
Fatalities	0	0	0	0	0	0
Hours worked	265,715	45,240,353	40,296,400	11,303,149	11,518,082	108,623,698
Rate of fatalities as a result of work-related injury	0	0	0	0	0	0
Rate of high-consequence work-related injuries	0	0.27	0.22	0	0.87	0.29
Rate of recordable work-related injury	0	21.22	36.03	8.23	4.60	23.55

404-1 Average hours of training per year per employee

Average training hours by gender and associate category (n)	HQ	EMEA	North America	LATAM	APAC	Total
Female	**n/a**	**7**	**33**	**17**	**10**	**19**
Director / Management	n/a	5	3	9	7	5
Admin & Professionals	n/a	4	3	7	4	5
Sales & Ops Managers	n/a	22	31	21	13	27
Sales & Ops Staff	n/a	7	34	18	10	20

Average training hours by gender and associate category (n)	HQ	EMEA	North America	LATAM	APAC	Total
Male	**n/a**	**8**	**34**	**13**	**7**	**18**
Director / Management	n/a	3	2	10	3	3
Admin & Professionals	n/a	3	3	5	3	4
Sales & Ops Managers	n/a	24	35	17	10	28
Sales & Ops Staff	n/a	6	35	14	7	18
Other/Not disclosed	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Director / Management	n/a	n/a	n/a	n/a	n/a	n/a
Admin & Professionals	n/a	n/a	n/a	n/a	n/a	n/a
Sales & Ops Managers	n/a	n/a	n/a	n/a	n/a	n/a
Sales & Ops Staff	n/a	n/a	n/a	n/a	n/a	n/a
Total	**n/a**	**8**	**33**	**15**	**8**	**19**

Training hours by type (n)	HQ	EMEA	North America	LATAM	APAC	Total
Operative skills	n/a	67,184	944,402	42,934	12,490	1,067,009
Managerial skills	n/a	35,490	73,052	6,285	4,455	119,282
Technical skills	n/a	51,321	21,721	17,947	7,239	98,229
Health & Safety and Quality	n/a	50,714	15,087	4,928	10,005	80,734
Compliance	n/a	16,549	2,343	4,068	11,321	34,281
Other	n/a	21,659	0	25,584	4,050	50,293
Total	**n/a**	**242,916**	**1,056,605**	**100,745**	**49,560**	**1,449,827**

405-1 Diversity of governance bodies and employees

Employees by associate category, age and gender (HC)		HQ	EMEA	North America	LATAM	APAC	Total
Female		**63**	**19,704**	**19,806**	**3,988**	**2,671**	**46,232**
Director / Management		26	302	228	92	63	711
	<30	0	17	7	2	2	28
	30 – 50	20	210	113	57	45	445
	>50	6	75	108	33	16	238
Admin & Professionals		37	964	130	329	213	1,673
	<30	4	174	9	60	78	325
	30 – 50	19	579	70	204	124	996
	>50	14	211	51	65	11	352
Sales & Ops Managers		0	1,021	1,988	152	101	3,262
	<30	0	97	479	28	19	623
	30 – 50	0	664	1,127	93	70	1,954
	>50	0	260	382	31	12	685
Sales & Ops Staff		0	17,417	17,460	3,415	2,294	40,586
	<30	0	4,678	6,272	1,196	1,415	13,561
	30 – 50	0	8,428	6,541	1,867	755	17,591
	>50	0	4,311	4,647	352	124	9,434

405-1 Diversity of governance bodies and employee

Employees by associate category, age and gender (HC)		HQ	EMEA	North America	LATAM	APAC	Total
Male		85	12,675	11,826	2,574	3,465	30,625
Director / Management		66	376	241	107	90	880
	<30	0	4	6	2	0	12
	30 – 50	44	216	119	56	64	499
	>50	22	156	116	49	26	369
Admin & Professionals		19	639	69	395	206	1,328
	<30	1	116	9	83	69	278
	30 – 50	14	371	37	233	126	781
	>50	4	152	23	79	11	269
Sales & Ops Managers		0	1,021	1,475	153	250	2,899
	<30	0	100	284	24	33	441
	30 – 50	0	648	798	114	196	1,756
	>50	0	273	393	15	21	702
Sales & Ops Staff		0	10,639	10,041	1,919	2,919	25,518
	<30	0	3,703	3,912	700	2,104	10,419
	30 – 50	0	4,845	3,647	1,059	780	10,331
	>50	0	2,091	2,482	160	35	4,768
Other/Non disclosed		n/a	n/a	105	n/a	n/a	105
Director / Management		n/a	n/a	0	n/a	n/a	0
	<30	n/a	n/a	0	n/a	n/a	0
	30 – 50	n/a	n/a	0	n/a	n/a	0
	>50	n/a	n/a	0	n/a	n/a	0
Admin & Professionals		n/a	n/a	14	n/a	n/a	14
	<30	n/a	n/a	0	n/a	n/a	0
	30 – 50	n/a	n/a	14	n/a	n/a	14
	>50	n/a	n/a	0	n/a	n/a	0
Sales & Ops Managers		n/a	n/a	1	n/a	n/a	1
	<30	n/a	n/a	1	n/a	n/a	1
	30 – 50	n/a	n/a	0	n/a	n/a	0
	>50	n/a	n/a	0	n/a	n/a	0
Sales & Ops Staff		n/a	n/a	90	n/a	n/a	90
	<30	n/a	n/a	46	n/a	n/a	46
	30 – 50	n/a	n/a	38	n/a	n/a	38
	>50	n/a	n/a	6	n/a	n/a	6
Total		**148**	**32,379**	**31,737**	**6,562**	**6,136**	**76,962**

Employees with disability by employee category, age and gender (HC)	HQ	EMEA	North America	LATAM	APAC	Total
Female	**0**	**295**	**n/a**	**33**	**3**	**331**
Director / Management	0	0	n/a	0	0	0
Admin & Professionals	0	12	n/a	4	0	16
Sales & Ops Managers	0	8	n/a	0	0	8
Sales & Ops Staff	0	275	n/a	29	3	307
Male	**0**	**224**	**n/a**	**40**	**2**	**266**
Director / Management	0	1	n/a	0	0	1
Admin & Professionals	0	8	n/a	10	0	18
Sales & Ops Managers	0	7	n/a	0	0	7
Sales & Ops Staff	0	208	n/a	30	2	240
Other/Non disclosed	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Director / Management	n/a	n/a	n/a	n/a	n/a	n/a
Admin & Professionals	n/a	n/a	n/a	n/a	n/a	n/a
Sales & Ops Managers	n/a	n/a	n/a	n/a	n/a	n/a
Sales & Ops Staff	n/a	n/a	n/a	n/a	n/a	n/a
Total	**0**	**519**	**n/a**	**73**	**5**	**597**

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Avolta is unaware of any operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at risk.

As a participant of the UN Global Compact, Avolta endorses the concept and right to exercise freedom of association. Moreover, and as stipulated in Avolta´s Supplier Code of Conduct, Avolta suppliers shall not supply any products or services to Avolta that have been manufactured, assembled, or packaged in violation of internationally-accepted human rights standards and applicable laws and regulations in relation to labor and working conditions, and more specifically, in respect of the rights of employees to form and join trade unions and bargain collectively in accordance with applicable law.

410-1 Security personnel trained in human rights policies or procedures

Avolta does not employ in-house security personnel of its own. This is largely due to the fact that its retail stores and F&B operations are overwhelmingly located in airports, railway stations, motorways and on cruise ships (98 % of 2023 global sales), where security is already strict and generally provided by e.g. the airport authority or cruise line itself. Where security personnel are required and contracted, Avolta expects its security service contractors to act in a manner consistent with local and national laws as well as with applicable human rights standards. Avolta outsources this service to trustworthy providers, regulated by local governments and with a reputable track-record of services, including the respect for human rights. We have not recorded for the period any case of human rights or any other type of abuse by the security personnel hired by Avolta.

415-1 Public Policy

For Avolta it is important to engage in discussions with various stakeholders – from policymakers, legislators and regulators to representatives of the business community and society – to understand relevant issues and to help find constructive solutions to current challenges.

When it comes to political and charitable contributions, as established in the Avolta Code of Conduct, Avolta requires strict adherence to applicable laws and disclosure requirements in relation to political and charitable contributions and sponsorships. A donation should be avoided where it would create the impression that it is made in exchange for a business advantage for Avolta.

Avolta does not make direct or indirect contributions to political causes that can present corruption risks, because they can be used to exert undue influence on the political process.

416-1 Assessment of the health and safety impacts of product and service categories

We are committed to ensuring that every product and meal we sell is safe. Our procurement teams focus on preventing issues occurring by sourcing products from a reliable supply base.

Some of the products that Avolta sells are heavily regulated – especially alcohol and tobacco but also beauty, as well as food and beverages. Avolta complies with all regulations and rules related to the products sold in the countries where it operates.

416-2 Incidents of non-compliance concerning H&S impacts of products and services

Incidents of non-compliance (n)*	31/12/2023
Incidents of non-compliance with regulations resulting in a fine or penalty	15
Incidents of non-compliance with regulations resulting in a warning	9
Incidents of non-compliance with voluntary codes	7
Total	**31**

* The incidents of non-compliance regarding the health and safety impacts of products and services reported in 2023 mainly concern minor accidents, all of which have been carefully handled by the associate in charge of Quality, Health and Safety Management to tighten the company's standards.

Avolta

GRI Content Index 2023

GRI Content Index 2023

Page indications in this Index refer to the 2023 Avolta Annual Report unless otherwise noted.

Avolta's 2023 ESG Report applies Global Reporting Initiative (GRI) Universal Standards: 2016*, 2018* and 2021* which refer to the Standards' issue date, not the date of the information presented in this report.

Statement of use	Avolta has reported "in accordance with GRI Standards" for the period from 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A: The GRI Sector Standards for the F&B and retail industries have not yet been published.

General Disclosures

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
GRI 2: General Disclosures 2021	**2-1** Organizational details		21; 24-27; 56-75; 280-285				
	2-2 Entities included in the organization's sustainability reporting		266-267				
	2-3 Reporting period, frequency and contact point		Pg. 2 ESG Report 2023 Annex 7 March 2024				
	2-4 Restatements of information		There are no restatements of information in this report, since 2023 is the first reporting year for Avolta				
	2-5 External assurance		No				
	2-6 Activities, value chain and other business relationships		56-75; 101-102; 110-111				
	2-7 Employees	10.3	Pg. 10 ESG Report 2023 Annex				
	2-8 Workers who are not employees	8.5	Pg. 10 ESG Report 2023 Annex				
	2-9 Governance structure and composition		287-299				
	2-10 Nomination and selection of the highest governance body	5.5; 16.7	279-309				
	2-11 Chair of the highest governance body	16.6	287-291				
	2-12 Role of the highest governance body in overseeing the management of impacts	5.5; 16.7	279-309; 296-297				

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
	2-13 Delegation of responsibility for managing impacts		296				
	2-14 Role of the highest governance body in sustainability reporting		Avolta´s ESG Report, as well as the ESG Report Annex, GRI Index, and TCFD report are revised and approved by the BoD				
	2-15 Conflicts of interest	16.6	293				
	2-16 Communication of critical concerns		111-113; 298-299 No critical issues raised.				
	2-17 Collective knowledge of the highest governance body		298-299 Avolta´s Board is regularly updated on new issues and concerns that may have an impact over the sustainable development of the business.				
	2-18 Evaluation of the performance of the highest governance body		311-331				
	2-19 Remuneration policies		311-331				
	2-20 Process to determine remuneration		311-331				
	2-21 Annual total compensation ratio			Headquartered in Switzerland, Avolta operates in 73 countries with different economic development levels and with very varied labor markets. The compensation we offer is based on regular market analyses of the respective positions as well as the employee's skill set and performance. As far as possible, we strive to offer all our employees comparable compensation structures and monitor compliance with minimum standards. The ratio of the annual compensation of the highest-paid employee and any median can vary greatly depending on the market spread between countries and other external influences, such as exchange rates etc. For this reason, we do not consider the requested information to be relevant to assessing the fairness of our compensation structures.			

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
	2-22 Statement on sustainable development strategy		12-20, 98 ESG Strategy at: www.avoltaworld.com				
	2-23 Policy commitments		100; 108-109, 111-113; ESG Strategy, Code of Conduct, Supplier Code of Conduct, HR Policy at: www.avoltaworld.com				
	2-24 Embedding policy commitments		111-113				
	2-25 Processes to remediate negative impacts		ESG Strategy, Code of Conduct, Supplier Code of Conduct, HR Policy at: www.avoltaworld.com				
	2-26 Mechanisms for seeking advice and raising concerns		134-135 Code of Conduct and HR Policy at: www.avoltaworld.com				
	2-27 Compliance with laws and regulations		In 2023 there were no significant incidents of non-compliance with laws and regulations				
	2-28 Membership associations		110-111				
	2-29 Approach to stakeholder engagement		101-102; 110-111				
	2-30 Collective bargaining agreements	8.8	141; Pg. 14 ESG Report 2023 Annex				

Material Topics

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
GRI 3: Material Topics 2021	**3-1** Process to determine material topics		102				
	3-2 List of material topics		103				
Material matter: Water and Biodiversity							
GRI 3: Material Topics 2021	**3-3** Management of material topics		131				
GRI 303: Water and effluents 2018	**303-1** Interactions with water as a shared resource	6.4	131				
	303-3 Water withdrawals		131	The information is unavailable/incomplete. Avolta is committed to improve its management and monitoring practices related to water, aiming at collecting and providing quantitative performance indicators in future reporting years.			

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.

Material matter: Supporting communities

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Requirement(s) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
GRI 3: Material Topics 2021	**3-3** Management of material topics		142-148				
GRI 202: Market Presence 2016	**202-2** Proportion of senior management hired from the local community	8.5	Pg. 11 ESG Report 2023 Annex				
GRI 204: Procurement Practices 2016	**204-1** Proportion of spending on local suppliers	8.3	Pg. 11 ESG Report 2023 Annex				

Material matter: Climate change, energy and emissions

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Requirement(s) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
GRI 3: Material Topics 2021	**3-3** Management of material topics		123-127				
GRI 302: Energy 2016	**302-1** Energy consumption within the organization	7.2 7.3 8.4 12.2	125				
	302-3 Energy intensity	13.1	(40.3 MWh/MCHF net sales). For the retail sector only, the energy intensity is calculated over the total square meters of commercial surface and amounts to 283.2 kWh/m²				
GRI 305: Emissions 2016	**305-1** Direct (Scope 1) GHG emissions	12.4 13.1 14.3 15.2	125				
	305-2 Energy indirect (Scope 2) GHG emissions		125				
	305-3 Other indirect (Scope 3) GHG emissions		125				
	305-4 GHG emissions Intensity		125				
	305-5 Reduction of GHG emissions		125				

Material matter: Waste and packaging

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Requirement(s) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
GRI 3: Material Topics 2021	**3-3** Management of material topics		127-130				
GRI 306: Waste 2020	**306-1** Waste generation and significant waste-related impacts	6.6 11.6 12.4 12.5	129 Pg. 11 ESG Report 2023 Annex				
	306-2 Management of significant waste-related impacts		129-130				

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
	306-3 Waste generated	15.1	129 Pg. 11 ESG Report 2023 Annex				
	306-4 Waste diverted from disposal		129 Pg. 11 ESG Report 2023 Annex				
	306-5 Waste directed to disposal		129 Pg. 11 ESG Report 2023 Annex				

Material matter: Supply chain management

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
GRI 3: Material Topics 2021	**3-3** Management of material topics		116-117				
GRI 308: Supplier Environmental Assessment 2016	**308-1** New suppliers that were screened using environmental criteria		116-117				
GRI 414: Supplier Social Assessment 2016	**414-1** New suppliers that were screened using social criteria		116-117				

Material matter: Talent recruitment, engagement and retention

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
GRI 3: Material Topics 2021	**3-3** Management of material topics		136-137				
GRI 401: Employment 2016	**401-1** New employee hires and employee turnover	5.1 8.5 8.6 10.3	Pg. 12-13 ESG Report 2023 Annex				

Material matter: Health and well-being

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
GRI 3: Material Topics 2021	**3-3** Management of material topics		139-141				
GRI 403: Occupational Health and Safety 2018	**403-1** Occupational health and safety management system	3.3 3.4 3.9 8.8	139-141				
	403-2 Hazard identification, risk assessment, and incident investigation	8.8	139-141				
	403-3 Occupational health services	8.8	139-141				
	403-4 Worker participation, consultation, and communication on occupational health and safety	8.8 16.7	139-141				

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
Material matter: Health and well-being							
GRI 403: Occupational Health and Safety 2018	**403-5** Worker training on occupational health and safety	8.8	139-141				
	403-6 Promotion of worker health	3.3 3.5 3.7 3.8	139-141				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8.8	139-141				
	403-8 Workers covered by an occupational health and safety management system	8.8	Pg. 14 ESG Report 2023 Annex Data for workers who are not employees is currently unavailable.				
	403-9 Work-related injuries	3.6 3.9 8.8 16.1	Pg. 14 ESG Report 2023 Annex Data for workers who are not employees is currently unavailable.				
Material matter: Employee training and development							
GRI 3: Material Topics 2021	**3-3** Management of material topics		137-139				
GRI 404: Training and Education 2016	**404-1** Average hours of training per year per employee	4.3 4.4 4.5 5.1 8.2 8.5 10.3	Pg. 14-15 ESG Report 2023 Annex				
Material matter: Diversity, Equity & Inclusion							
GRI 3: Material Topics 2021	**3-3** Management of material topics		133-135				
GRI 405: Diversity and Equal Opportunity 2016	**405-1** Diversity of governance bodies and employees	5.1 5.5 8.5	Pg. 15-17 ESG Report 2023 Annex				

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
GRI 406: Non-discrimination 2016	**406-1** Incidents of discrimination and corrective actions taken	5.1 8.8	In 2023, 118 complaints related to incidents of discrimination have been received through formal reporting channels and reviewed from the Group. Among them, only 28 emerged as confirmed incidents of discrimination and for all of them the Group has designed the most appropriate remediation plan. On the basis of the severity of the reported episode, different disciplinary actions have been implemented ranging from verbal or written warning to termination. The remediation plan was still on-going at the end of the year for 9 of them, while for the remaining 19 cases the remediation plan was completed.				
Material matter: Human rights							
GRI 3: Material Topics 2021	**3-3** Management of material topics		141				
GRI 402: Labor/ Management Relations 2016	**402-1** Minimum notice periods regarding operational changes	8.8	Pg. 13 ESG Report 2023 Annex				
GRI 407: Freedom of Association and Collective Bargaining 2016	**407-1** Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	8.8	Pg. 17 ESG Report 2023 Annex				
Material matter: Product quality and safety							
GRI 3: Material Topics 2021	**3-3** Management of material topics		119-120				
GRI 416: Customer Health and Safety 2016	**416-1** Assessment of the health and safety impacts of product and service categories		Pg. 18 ESG Report 2023 Annex				
	416-2 Incidents of non-compliance concerning H&S impacts of products and services	16.3	Pg. 18 ESG Report 2023 Annex				

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
Material matter: Sustainable sourcing & traceability							
GRI 3: Material Topics 2021	**3-3** Management of material topics		115-116				
Material matter: Healthy and sustainable choice							
GRI 3: Material Topics 2021	**3-3** Management of material topics		117-119				

Other GRI indicators beyond material matters

GRI Standard/ other source	Disclosure	SDG	Page Number and/or URL	Requirement(s) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
GRI 410: Security Practices 2016	**410-1** Security personnel trained in human rights policies or procedures		140; Pg. 17 ESG Report 2023 Annex				
GRI 415: Public Policy 2016	**415-1** Political contributions		Pg. 18 ESG Report 2023 Annex				
GRI 417: Marketing and Labeling 2016	**417-1** Requirements for product and service information and labeling	12.8	80-81; 98; 115-119				
GRI 418: Customer Privacy 2016	**418-1** Substantiated complaints concerning breaches of customer privacy and losses of customer data	16.3 16.10	During 2023, Avolta has not been notified through the available channels of any significant sanction for the breach of the customer's privacy and personal data protection rules				
GRI 205: Anti-corruption 2016	**205-3** Confirmed incidents of corruption and actions taken		During 2023, Avolta didn't have any confirmed incident of corruption				
GRI 206: Anti-competitive Behavior 2016	**206-1** Legal actions for anticompetitive behavior, antitrust, and monopoly practices		During 2023, Avolta didn't have any legal action for anti-competitive behaviour, anti-trust or monopoly practices				
GRI 201: Economic Performance 2016	**201-1** Direct economic value generated and distributed	8.1 8.2 9.1 9.4 9.5	143				
	201-2 Financial implications and other risks and opportunities due to climate change		TCFD Report (Pg. 5)				
	201-3 Defined benefit plan obligations and other retirement plans		168-169; 211; 226-232				
	201-4 Financial assistance received from government		None				

Avolta

TCFD Report 2023

Task Force on Climate-Related Financial Disclosures (TCFD) Report 2023 Content

Avolta's ESG strategy and engagement has always been an inherent part of the company's strategy – a commitment also reconfirmed in the company strategy Destination 2027. Avolta's ESG strategy includes 4 focus areas – Create Sustainable Travel Experiences, Respect the Planet, Empower our People, and Engage Local Communities – and subsumes climate change as part of the focus area Respect the Planet.

Avolta consistently reports on its ESG initiatives, achievements and vision in the annually disclosed ESG Report, which is an integrated part of the Annual Report. The ESG Report comments on the company's engagement and progress on how to minimize impact and generate positive contributions for its stakeholders.

With its TCFD Report (Task Force on Climate-related Financial Disclosure) Avolta wants to complement the existing ESG reporting, further enhance transparency and provide stakeholders with information and insights to assess climate-related risks and opportunities (CRRO). This report also explains how Avolta responds to these challenges.

The TCFD Report, together with the ESG Report (including the ESG Report 2023 Annex) constitutes Avolta's 2023 Non-Financial Reporting in accordance with the requirements regarding transparency on non-financial matters of Art. 964(a)-(c) of the Swiss Code of Obligations. The ESG report is included on pages 97–148 of the Annual Report.

1. Governance

1.1 Board oversight

The supervision of the implementation of Avolta's ESG strategy – including climate change topics – has always been within the responsibility of the Board of Directors. In 2023, to further highlight the importance of ESG, the former Nomination and ESG Committee of the Board of Directors was reorganized into two individual committees: the ESG Committee, chaired by the Lead Independent Director, and the Nomination Committee that assists the Board of Directors in fulfilling its nomination related matters.

The ESG Committee advises the Board of Directors on matters concerning the sustainable success of the business and monitors and assesses the company's activities in this area; such functions include promoting the integration of sustainability within the Group's strategies and culture and fostering these concepts among all stakeholders, reviewing stakeholder engagement, and periodically assessing the Group's position on sustainability themes (including financial market, ratings and sustainability index analyses).

The Lead Independent Director supervises Avolta's ESG strategy development and execution, ensuring alignment with the business strategy. The Lead Independent Director and the other members of the ESG Committee are experienced in corporate citizenship, sustainability and ESG, bringing subject matter expertise to the committee. As ESG is seen as a holistic approach, climate-related topics are discussed as part of the regular ESG Committee meetings.

Further underlining the strategic importance, ESG is now represented also at the level of the Global Executive Committee by the Chief Public Affairs & ESG Officer, who drives the implementation and the execution of the defined strategy. Interaction with the ESG Committee occurs through the regular quarterly information meetings, as well as through additional meetings and information exchanges upon request of the Lead Independent Director.

The entire Board of Directors is updated, at least on a quarterly basis on non-financial information. This also includes, among other matters, updates on progress on the implementation of the company's ESG strategy.

1.2 Management oversight & implementation

Execution of the sustainability strategy at the operational level is led by the Chief Public Affairs & ESG Officer, who reports to the group CEO and leads the ESG department. The day-to-day implementation of the ESG strategy is executed by the ESG department. The corporate governance structure and policies are continuously assessed to ensure compliance with the applicable legal frameworks, environmental guidelines as well as Avolta's Code of Conduct to reflect stakeholder's needs and expectations. Additionally, the ESG department develops approaches to identify, assess, monitor and report on climate-related risks and opportunities.

Avolta's Corporate Governance Report 2023 provides more information on the governance structure concerning ESG on page 296. Since 2022, ESG and climate-related performance goals are integrated in the compensation schemes of the Global Executive Committee as well as the senior management. Details are included and disclosed in the Remuneration Report 2023 on page 311.

2. Strategy

2.1 Avolta's climate strategy

As a travel experience player, Avolta views addressing climate change not only as a moral obligation, but as essential from a business perspective to ensure business continuity for the long-term. Due to the special nature of the travel retail and F&B industry, on top of actively reducing its own footprint, Avolta closely collaborates with third parties, in particular with concession partners, brand suppliers and logistics providers, on reducing the environmental impact of its business in general, and more specifically also contributing to the implementation of recycling processes and waste avoidance wherever possible.

Avolta's ESG strategy covers the different aspects of sustainability, including climate-related risks and opportunities, which are managed by the ESG department and implemented as needed in collaboration with other specific departments and functions. This TCFD Report is reporting on the progress achieved.

In 2021, internal guidelines (Environmental Management Guidelines) were adopted to define the Group's management and compliance measures with a special focus on climate action. The adoption of these guidelines is monitored by the ESG department.

In 2021, the company amongst other ESG initiatives established an emission reduction strategy for Scope 1 and 2 emissions until 2025 (based on the Dufry retail business scope 2022 and the 2019 base data), which follows the 1.5°C pathway and was validated by the Science-Based Target initiative (SBTi) in early 2023. For Scope 3 emissions, the company (based on the Dufry retail business scope 2022 and the 2019 base data) follows SBTi 's "well below 2°C pathway" with two separate objectives. Through supplier engagement programs, the company will commit to ensure that, by 2027, 74% of emissions (based on the Dufry retail business scope 2022 and the 2019 base data) will be covered by SBTi committed suppliers. At the same time, through collaboration with its logistics partners, it commits to reduce its logistics carbon footprint (based on the Dufry retail business scope 2022 and the 2019 base data) by 28% by 2030. Both initiatives combined will serve to reduce Avolta's Scope 3 carbon footprint (based on the Dufry retail business scope 2022 and the 2019 base data) in alignment with SBTi criteria, which were also validated by SBTi.

The targets were validated by SBTi in early 2023 and relate to the Dufry retail business and company scope of 2022 based on 2019 data. Following the business combination of Dufry and Autogrill in 2023, Avolta plans to restate the targets in 2024 to cover the full scope of the combined business.

Avolta has a dedicated Shop and Restaurant Design Strategy to develop sustainable shops and restaurants with respect to reduced energy consumption, use of recyclable materials and circular economy for refurbishments. Avolta follows the principles established by leading green-building certification systems, such as the Leadership in Energy and Environmental Design (LEED). For details on the Environmental Guidelines and additional information, please refer to the section "Respect the Planet" on page 123 of the ESG Report 2023.

2.2 Climate related risks and opportunities

Climate change is anticipated to impact Avolta's business over the short-, medium- and long-term. Physical risks might impact Avolta's business operations and supply chain in the form of e.g. extreme nature-related events. With respect to the F&B business, physical risks may impact also the agricultural output, with negative effects on crop yields and livestock production.

Transition risks might affect Avolta through moving the economy into a low-carbon future which is characterized by e.g. environmental legislation, carbon taxes or higher aviation fuel and / or gasoline prices that increase price levels and hence consumers' preparedness to fly and travel in general. In the F&B business, product preferences of customers might change. On the other hand, climate change can also provide opportunities for Avolta.

The following table shows the main climate-related risks and opportunities identified and evaluated so far by the company, which might impact Avolta.

Type	Risk / opportunity factors	Potential impact	Avolta's response
Transition Risks (Policy & Legal)	– Regulations on CO_2 taxation of flights / cruise ships / automobiles etc. leading to a reduction in passenger traffic and changes in customer behavior. – Environmental legislation and requirements on e.g. energy consumption, transportation, packaging materials in the own operations and supply chain. – Regulations on CO_2 taxation of direct emissions of carbon intensive agriculture, e.g. livestock farming.	– A reduction in passenger traffic could adversely affect Avolta's sales. – Environmental legislation can affect cost of energy consumption, cost for transportation and influence business processes by regulation on the use of packaging material (e.g. single use plastics). – CO_2 taxation of carbon intensive agriculture can affect procurement costs.	– Business diversification has always been and will continue to be a key strategic element to mitigate risks and drive company growth. – Diversification by geographies, sectors, suppliers and channels to mitigate the impact of regional or local phenomena (see sales splits on pages 8 – 9 of the Annual Report 2023). – Avolta has a dedicated Shop Design Strategy to develop sustainable shops with respect to reduced energy consumption, use of recyclable materials and circular economy for shop refurbishments. – Avolta is replacing its single-use plastic packaging with sustainable alternatives, where possible and in particular within its travel retail operations (see details page 127 of the ESG Report 2023). – Cooperation with industry associations to develop sustainable solutions for the industry. – Strong and long-term partnerships with airport authorities and other concession partners. Mutual trust and shared objectives with these landlords are key for value creation. – Development of technical monitoring and management capabilities in order to reduce its greenhouse gas emissions and minimize the climate risks to which its business is exposed. – Start of Avolta's global sustainable product identification initiative and the increase of healthy, sustainable (i.e. plant based) and certified (organic, fair trade, etc.) products in the F&B stores' assortments.
Transition Risks (Market)	– Changes in customer behavior towards higher ecological awareness leading to a reduction in passenger traffic at airports, a change in travel destinations, reductions or changes in motorway and railway stations traffic or a change in purchasing behaviors and product preferences. – Changes in customer behavior towards higher ecological awareness leading to a reduction in carbon intense food product purchases.	– The change in ecological awareness might influence travel traffic, customer sentiment as well as traveling and spending behavior. This can influence sales performance of Avolta's outlets locally and globally. – The change in product preferences might lead to sales risks when not meeting customer demands.	– Avolta has a Global Consumer Insight department who regularly performs customer surveys and marketing analysis several times per year to early identify potential changes in customer behavior and preferences. – In cooperation with Avolta's brand partners, the central procurement teams identify new trends and customer needs to optimize assortments. – Avolta also operates owned Innovation Labs endowed with dedicated "R&D kitchens", where new F&B concept and products are developed to meet new customer requirements. – Enhanced communication activities to support customer make responsible product choices – as started with Avolta's global sustainable product identification initiative and the increase of healthy, sustainable (i.e. plant based) and certified (organic, fair trade, etc.) products in the F&B stores' assortments. – Avolta's diversification strategy by geographies, sectors, categories and channels (see sales splits on pages 8 – 9 of the Annual Report 2023) mitigates the impact of regional or local phenomena and the fact of passengers travelling to other destinations.

Type	Risk / opportunity factors	Potential impact	Avolta's response
Physical Risks (Acute and Chronic)	– Extreme nature-related events such as rise in sea level, heat waves etc. or natural disasters might affect the supply chain, production processes and Avolta's operations. – Acute and chronic physical risks influence the agricultural output, with negative effects on crop yields and livestock production.	– Acute risks such as extreme weather events and natural catastrophies might lead to asset damages or disruption to the supply chain, production processes and could impair Avolta's ability to sell its products. – Chronic risks such as the rise in sea level might impact locations where Avolta operates and eventually lead to a reassessment of the operation, with the costs this implies. – The effect of global warming may lead passengers to select different holiday destinations where Avolta may not be present, hence, impacting sales. – Fluctuations in the agricultural output can negatively affect the availability of procured products, purchasing costs and planning security.	– Avolta's diversification strategy by geographies, sectors, categories and channels (see sales splits on pages 8 – 9 of the Annual Report 2023) mitigates the impact of regional or local phenomena and the fact of customers travelling to other destinations. This strategy will continue to be a key strategic element going forward to mitigate risks and drive company growth.
Risks / Opportunities (Reputation)	– Trustful climate strategy and enforcement.	– Avolta might strengthen its reputation and build a competitive advantage compared to competitors as it is the only company disclosing a TCFD report in its industry.	– Avolta's ESG strategy covers different aspects of sustainability in a holistic approach. The company has defined emission reduction goals and discloses emissions on Scope 1, 2 and 3 (for its Dufry business scope 2022 and 2019 base-line). – Avolta has set up main lines of action, which include the continuous assessment of its corporate governance structure and policies, alignment of ESG and business strategies ensuring critical business decisions, ensuring compliance and control as well as having an open stakeholder dialog and engagement. – Avolta has an ESG strategy in place which is also aligned with main ESG objectives of concession partners and main stakeholders and which also represents many new opportunities to be embraced with dedicated ESG initiatives. This places the company in a stronger position to obtain new and retain existing concessions.

2.3 Qualitative climate scenario for Avolta

In 2023, Avolta embarked on examining the utilization of climate scenarios. While our work has only just begun, we are happy to share some of our initial considerations.

We have carefully assessed which climate scenarios are adequate for Avolta. There is a growing consensus in the travel retail and F&B industries that scenarios developed by the Network for Greening the Financial System (NGFS) are apt for describing different futures for the travel retail and F&B sector. While designed largely for use by central banks and regulators, NGFS recognizes that it is also valuable to the business community as a common starting point. We started examining our prime risk through the lens of three NGFS reference scenarios: Orderly Transition, Disorderly Transition, and Hot House World.

The three scenarios chosen are the following ones:

The Orderly Transition scenario assumes climate policies are introduced early and become gradually more stringent. This leads to a gradual and predictable transition to a low-carbon economy. Both physical and transition risks are relatively subdued.

Overall, in an orderly transition scenario, a travel retail and F&B firm would be able to plan and adapt to the changing market and regulatory environment in a structured manner, enabling a smoother shift to sustainable practices and aligning its business model with the goals of a low-carbon economy.

The Disorderly Transition scenario envisages a situation where climate action is delayed and then suddenly accelerated. In this scenario, the delay in taking action leads to a more abrupt and disruptive transition later on.

Overall, a disorderly transition to a low-carbon economy would demand swift and significant adaptations from travel retail and F&B firms. While presenting certain risks and challenges, it could also open up new opportunities for innovation and sustainability-focused business models.

The Hot House World scenario assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise.

Travel retail and F&B firms, like many other businesses, would need to adapt and innovate in the face of these challenges, potentially reshaping their business models, supply chains, and product offerings to remain viable in a drastically changed environment.

Area of business potentially affected	Orderly Transition	Disorderly Transition	Hot House World
Operations	A focus on energy efficiency would become paramount. Retail stores, restaurants, warehouses, and distribution centers would need to invest in energy-efficient lighting, HVAC systems, and other technologies to reduce energy consumption.	The introduction of carbon pricing or energy taxes could significantly increase operational costs. Travel retail and F&B firms may need to invest quickly in energy-efficient technologies and processes to reduce costs and comply with new regulations.	Rising temperatures and extreme weather conditions could impact the physical operations of retail stores, restaurants, warehouses, and distribution centers. This includes higher costs for cooling, potential damage to infrastructure, and disruptions in logistics.
Supply Chain	With a gradual shift, travel retail and F&B firms would have more time to adjust their supply chains to ensure sustainability. This might involve sourcing more eco-friendly materials, working with greener suppliers, or optimizing logistics for lower emissions.	The disorderly transition could lead to abrupt changes in the availability and cost of raw materials, especially those with high carbon footprints. Travel retail and F&B firms might face difficulties in sourcing products and materials, leading to supply chain disruptions and increased costs.	Increased frequency of extreme weather events like storms, floods, and droughts could disrupt global supply chains. Travel retail and F&B firms might struggle with inconsistent supply of products, increased costs for raw materials, and challenges in maintaining inventory levels.

Area of business potential-ly affected	Orderly Transition	Disorderly Transition	Hot House World
Changes in Consumer Behavior and Brand Loyalty	Consumer awareness and demand for environmentally friendly products would likely increase steadily, allowing travel retailers and F&B operators to gradually expand their range of sustainable products.	The rapid transition might lead to a swift change in consumer awareness and behavior, with a heightened demand for sustainable and environmentally friendly products. Retailers and F&B operators not already offering such products might struggle to meet this new demand.	Consumer preferences and demands may shift significantly in response to environmental changes. There might be a greater demand for sustainable, eco-friendly products, or products adapted to new climate realities (e.g., cooling products, durable goods for extreme weather).
Policy Change	Travel retail and F&B firms would face progressively stricter environmental regulations, but these changes would be introduced in a predictable and manageable way, giving companies time to adapt.	The sudden implementation of strict environmental regulations and policies could catch travel retail and F&B companies off-guard. These might include sudden bans on certain materials, abrupt changes in packaging requirements, and steep carbon taxes, requiring rapid adjustments in business operations.	Even in a "Hot House World," some regions may implement stringent environmental regulations. Retail firms might face increased costs related to compliance, packaging, waste management, and carbon footprint reduction.
Market Opportunities and Innovation	The orderly transition could open new market opportunities in the green economy, encouraging innovation in product development, supply chain management, and customer engagement.	Despite the challenges, this scenario could also present opportunities. There may be a growing market for sustainable products, and retailers who adapt quickly could capture new customer segments.	The broader economic impacts of a "Hot House World" scenario could lead to market volatility, affecting consumer spending power and overall economic stability, which in turn could impact travel retail and F&B sales.
Workforce	Travel retail and F&B operators would have the opportunity to train and develop their workforce in new, green technologies and practices, aligning their skills with the demands of a low-carbon economy.	Travel retail and F&B firms may need to retrain or reskill their workforce to adapt to new technologies, processes, or products that align with the low-carbon transition.	The health and safety of employees could be at risk due to extreme weather conditions, leading to potential workforce challenges and increased costs for health and safety measures.

While each of the three climate scenarios – Orderly Transition, Disorderly Transition, and Hot House World – is possible, it is not clear to what extent either one will materialize. For Avolta, it is key to take specific measures to increase our business' resilience and prepare for the future as well as we can.

Monitor policy adaptation. Stay informed about regulatory changes and plan ahead to meet new standards. Engage in policy discussions and advocacy to shape favorable outcomes.

Sustainable Supply Chain Management. Gradually transition to sustainable suppliers, invest in eco-friendly materials, and optimize logistics for lower emissions. Develop relationships with suppliers who share a commitment to sustainability.

Invest in energy-saving technology and environmentally friendly packaging. Refurbish stores, restaurants and warehouses with energy-efficient systems and appliances, implement sustainable packaging solutions, and reduce waste. Explore renewable energy options.

Expand green product and F&B lines. Gradually increase the range of environmentally friendly products and meals to meet growing consumer demand. Educate customers about the benefits of sustainable products and meals.

Brand enhancement. Promote the company's sustainability efforts to boost brand reputation. Engage in marketing campaigns highlighting environmental commitments.

Workforce training. Invest in training programs for employees on sustainable practices and green technologies. Foster a culture of sustainability within the organization.

Innovate and explore markets. Invest in research and development for innovative, sustainable products and services. Explore new market opportunities in the green economy.

2.4 Plans to expand scenario analyses

Avolta's first TCFD Report published in March 2023 focused on identifying climate-related risks and opportunities, which foster building appropriate scenarios going forward. To analyze climate scenarios and subsequently identify management tools, further discussions between risk and strategy departments are necessary, in particular also against the background of the business combination of Dufry and Autogrill in 2023 and the needed update of the strategy and the specific initiatives. Internally, Avolta is liaising with its risk management team to this end and plans to provide further information on scenario analysis expansion in its TCFD Report in 2025.

3. Risk Management

3.1 Organizational processes for identification and management of CRRO

The risk management processes of Avolta identify and manage risks at different levels of the organization and the responsibility is distributed across different functions and countries of the organization. The company is supported by an enterprise risk management software called GRC (Governance, Risk and Compliance), which allows a comprehensive identification and management of existing and potential risks that may affect the business.

During 2023, further improvements of the enterprise risk management process were put in place including the alignment of the company organization and processes following the business combination of Dufry and Autogrill, now renamed to Avolta. This new process harmonizes risk management processes concerning format and time-frame. One pillar of the risk management organization is ESG, which also contains the management of climate-related risks and opportunities.

3.2 Integration in the organization's overall risk management

The overall risk management model of Avolta is based on the following three levels:

1. The commitment of Avolta and all its subsidiaries to integrity and transparency begins with its own staff and the adherence to the Avolta Code of Conduct.

2. There are various governance functions across the organization including the Compliance, Legal, Finance, ESG and Human Resources departments that are in charge of monitoring the main risks and establishing the most appropriate controls to mitigate them, as well as ensuring compliance with the policies and procedures of the Group.

3. The Group's Internal Audit department provides independent and objective monitoring and consulting services designed to add value and improve Avolta's operations. This function covers all subsidiaries and applies a systematic and disciplined approach to evaluate and improve the effectiveness of governance processes as well as risk management and control, including assessing risk management procedures and the potential committing of fraud.

The main risks identified during internal audits are reported to senior management and the Audit Committee of the Board of Directors. The status of the main risks is periodically updated until resolution or acceptance by the governing bodies.

Climate-related aspects form integral parts of the ESG processes and infrastructure. Therefore, the risk management processes also include explicitly the management of Avolta's CRRO (Climate Related Risks and Opportunities) as an integral part of the ESG engagement.

Further information on the overall risk management process is provided in the Corporate Governance Report 2023 on pages 298 – 299 including chapters «3.5 Internal Organizational Structure», «3.6 Definition of areas of responsibility» and «3.7 Information and Control Instruments vis-a-vis the senior Management», as well as in the ESG Report 2023 on page 117 of the Annual Report 2023. The Financial Risk Management is disclosed in the Financial Report 2023 on pages 237 – 248.

4. Targets & Metrics

4.1 Greenhouse gas emissions

The Greenhouse gas emissions for the years 2019-2023 as shown below are calculated in accordance with the Greenhouse Gas Protocol (GHGP).

Greenhouse gas emissions

In tons of Co_2-EQ.	2023	2022	2021	2020	2019
Scope 1[2]	9,506	1,524	935	717	1,736
Scope 2[1,3]	126,021	18,900	19,813	21,290	27,923
Scope 3[4]	18,057	7,509	3,728	1,451	10,766
Total	153,584	27,934	24,477	23,475	40,425

Carbon intensity

Carbon Intensity[5]	2023	2022	2021	2020	2019
Tons of CO_2-eq./MCHF net sales	10.8	0.0697	0.0521	0.0500	0.0740

[1] Energy consumption is based on reported data from single locations. For missing data concerning US F&B scope, an extrapolation has been conducted to estimate consumption for 2023. Thereof, 48'000 MWh were purchased with Renewable Energy Certificates (RECs). 2023 data are not comparable with previous years, since they reflect the new scope of the company (retail+F&B activities). Data from 2022 to previous years reflect only the retail business sector (ex. Dufry). Data of the years 2022, 2021 and 2020 are not comparable with 2019 due to temporary shop closures during Covid 19.

[2] Includes consumption of Avolta-managed goods transportation in Egypt, Jordan, Morocco, United Arab Emirates and the United Kingdom as well as diesel and gas for heating purposes.

[3] Scope 2 emissions for year 2023 are reported under the "market-based" approach. They include the contribution of Renewable Energy Certificates (RECs). Average emission factors used: IEA 2023, trade-adjusted for OECD countries. Applying the "location-based" approach, the emissions amount to 137,558 tCO_2eq.

[4] Scope 3 emissions only include data from logistics partners accounting for 87 % of total volume of good transported globally in 2023 (2022: 83%; 2021: 64%; 2020 & 2019: 55%). Not included here are the product purchasing related Scope 3 emissions or other Scope 3 emission categories.

[5] Carbon intensity calculated over the total net sales of Avolta in tCO_2eq. per million CHF. The carbon intensity calculated over the total square meters of commercial surface operated in the retail sector amounts to 0.727 $tCO_2eq./m^2$ (Total area 2023: 477,464 m^2). For 2022 and previous years the carbon intensity data are not comparable with the new reality of Avolta, since they were calculated over the total square meters of commercial surface operated within the retail sector (ex. Dufry).

4.2 CO_2 Reduction targets

Avolta has defined science-based emission reduction targets for the former Dufry scope 2022 based on 2019 data, thus recognizing the crucial role the business community can play in minimizing the climate change risk. Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement – to pursue efforts to limit global warming to 1.5°C.

After committing to the Science Based Targets initiative in spring 2022, the Group submitted emission reduction targets following the SBTi guidance (SBTi Target Validation Protocol). SBTi validated the following emission reduction targets in early 2023 for the former Dufry scope 2022 (not including the Autogrill business) based on 2019 data:

- Committment to reduce absolute Scope 1 & 2 GHG emissions 94.2 % by 2030 from a 2019 base year.
- Committment 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.
- Committment to reach 74 % of the suppliers by emissions covering purchased goods and services will have science-based targets by 2027.
- Committment to reduce absolute Scope 3 GHG emissions of upstream transportation emissions by 28 % by 2030.

The targets were validated by SBTi in early 2023 and relate to the Avolta retail business and company scope of 2022 based on 2019 data. Following the business combination of Dufry and Autogrill in 2023, Avolta plans to re-state the targets in 2024 to cover the full scope of the combined business. In addition, Avolta wants to invest into climate protection to counter-balance non-avoidable emissions of its own retail operations (Scope 1 & 2 emissions) by 2025 with carbon offsetting initiatives to be defined in the near future; also based on the Dufry business scope 2022 and the 2019 baseline.

The emission reduction strategy for Scope 1 & 2 follows the SBTi 1.5°C pathway, whereas the emission reduction strategy for Scope 3 follows the SBTi well below 2°C pathway. Measures to achieve the reductions of Scope 1 & 2 include reductions in energy consumption and the purchase of renewable energy certificates (RECs) at company level. Scope 3 reduction measures are the establishment of a supplier engagement program, development of a green logistics code of conduct and tracking of suppliers and logistic partners with commitments to SBTi.

For the next years, Avolta will investigate whether additional key figures on CRRO e.g. vulnerable assets to climate change, and in particular considering the new scope after the business combination, can be reported.

4.3 Integrating ESG and climate-related metrics in remuneration

In 2022, the Nomination and ESG Committee of the Board of Directors recommended the inclusion of ESG and climate-related performance metrics in the remuneration schemes of the Global Executive Committee and senior management. This proposal was implemented in 2022 and continued in 2023. Moreover, in 2023, the former Nomination and ESG Committee has been split into two dedicated committees: the ESG Committee, who now supervises the implementation of the ESG strategy, including climate related topics, and the Nomination Committee, which assists the Board of Directors in fulfilling its nomination related matters. For more information, please also refer to page 296 of the Corporate Governance section in the Annual Report 2023.

Avolta –
The leading global travel experience player.

Avolta AG (SIX: AVOL) offers a revolutionary travel experience to consumers worldwide addressing 2.3 billion passengers in over 5,100 outlets across more than 1,000 airports, motorways, cruise lines, seaports, railway stations and other locations.

The company, headquartered in Basel, Switzerland, operates in 73 countries worldwide.

We’re here to make your journey as rewarding as the destination.