

SUSTAINABILITY REPORT

CREATING VALUE TO STAKEHOLDERS

Dufry considers sustainability as one of the cornerstones of corporate culture to increase its long-term value and minimize risks for the company's future development.

New Dufry as common starting point

In 2016, we operated for the first time as the "New Dufry", following the transformational acquisitions of Nuance and World Duty Free. While the integration of Nuance was completed in 2015, in the year under review we focused on the integration of World Duty Free and the definition of the new Business Operating Model, which saw the adaptation of our processes and procedures to the new geographical footprint and the organizational structure. As a key element of the integration process and in order to provide all employees of the former companies with a common starting point, Dufry had also introduced a new corporate identity and defined new common values in late 2015 (see www.dufry.com/company/our-brand-values).

Dufry companies operate in all countries according to local legislation and regulations. We have incorporated across the Group an "Integrity in Business Transaction Policy" that sets guidelines in the fair dealings with business partners and particularly prohibits any kind of passive or active bribery or corruption. The policy is applicable to all employees, including the Group Executive Committee and the Board of Directors. In case of any question regarding the Policy or suspicion of a violation of the Policy, Dufry employees can connect with a centralized contact point through a dedicated Dufry email address or follow the hierarchical reporting line. Any wrongdoing concerns can also be reported directly to the CEO. The identity of an employee reporting such concerns or possible violations against the Policy will be kept confidential, unless the disclosure of the identity is required by law. Moreover, we also have an "Insider information and security trad-

ing policy" and the "Public Disclosure and Communication Policy" in place and signed by all employees concerned.

In line with our commitment to sustainability, we are now seizing the opportunity to leverage on the common starting point, to revise our CSR reporting in order to better assess the impact our company has on our employees, the society and the environment, with the ultimate intention to further develop our reporting step-by-step over the next few years.

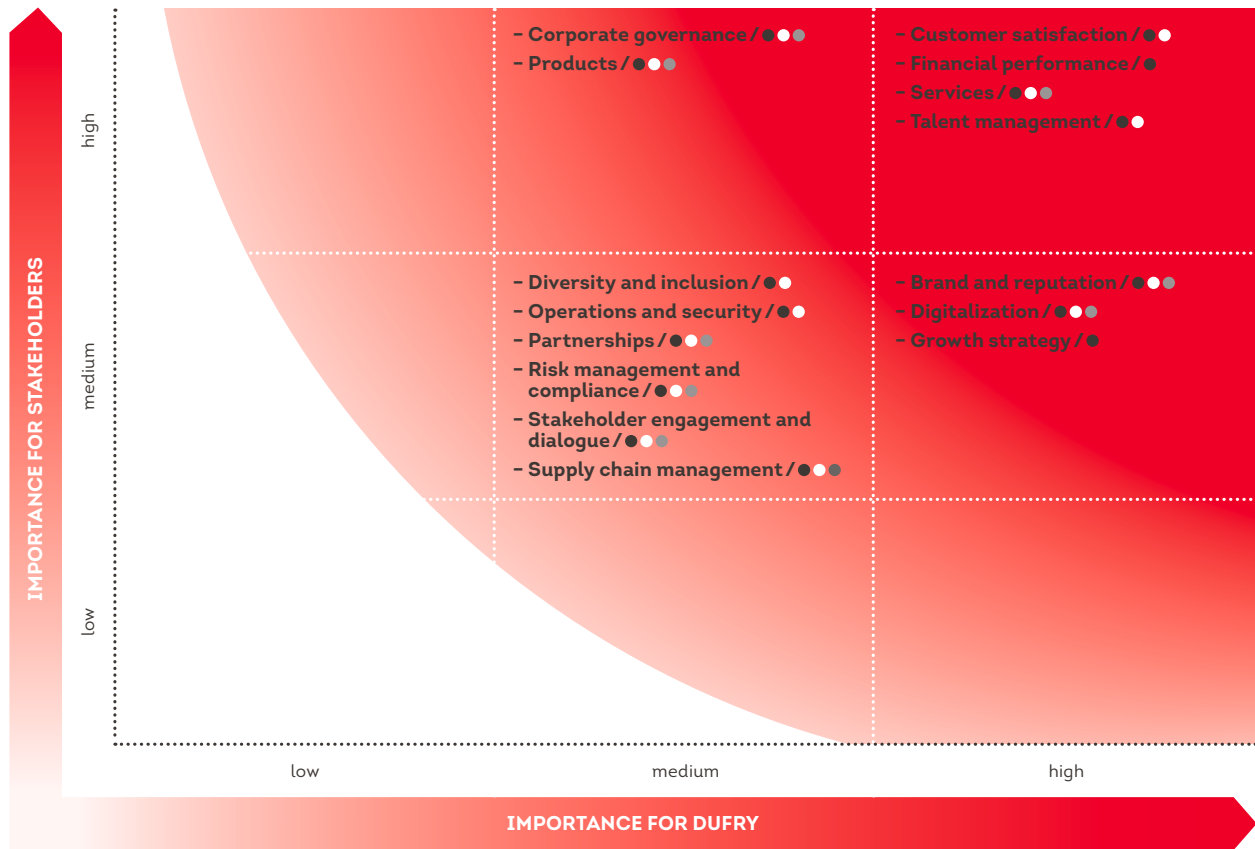
Materiality Assessment performed in 2016

As a first step, in 2016 we performed a materiality assessment with the support of Ernst & Young to gain a detailed view on which sustainability topics are material to our business from both a company and a stakeholder perspective. This carefully planned and executed process allows us to align the internal and external perspectives, to identify areas of potential optimization and to further develop the sustainability related management approach and reporting.

In order to optimally link the company strategy and the whole company universe with the expectations of our stakeholders we have chosen to follow a company specific approach rather than a pure sustainability view, when defining the list of topics which we consider relevant for us and which we want to work with going forward. To compile the list of potential topics we included internal and external sources such as our existing policies and regulations; publicly available materiality assessments of peers; the SASB requirements (Sustainability Accounting Standard Board) as well as the report of the Governance & Accountability Institute.

The main stakeholder groups included in our materiality assessment and the subsequent definition of the topics are: employees, customers, investors (incl.

MATERIALITY MATRIX



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

shareholders, bondholders and financing banks), society and public authorities. The topics identified will be mapped according to the GRI guidelines (Global Reporting Initiative). Moreover, in the future, we might also consider reporting on additional material topics for Dufry, which are not covered by GRI.

Identifying Key Performance Indicators (KPIs)

As a second step, we have assessed and identified KPIs for tracking performance on material non-financial topics. The topics are further classified into the three dimensions of economic, social and environment. Currently, we are assessing the respective data availability to be able to report on the identified KPIs going forward.

For the 2016 reporting, we have further evolved the methodology used so far and provided if possible a higher level of detail for the topics covered (see the following pages 74 to 85).

ENVIRONMENT

Dufrey operates close to 2,200 retail stores across 64 countries, where it sells products sourced from over 1,000 suppliers. For information on our divisional structure and countries/major locations covered by each division please refer to pages 40 to 59. All the stores operated can be categorized into one of five channels, which are explained on pages 60 to 61.

As a pure retailer, the company does not have any production sites. Our main logistics operations (Global Distribution Centers) are centralized in three platforms: Egerkingen/Switzerland, mainly serving Division 1 (Southern Europe and Africa) and Division 2 (UK, Central and Eastern Europe); Hong Kong/China serves Division 3 (Asia, Middle East and Australia), and Montevideo/Uruguay attends to Division 4 (Latin America) and Division 5 (North America). These main distribution centers receive the long-haul and major shipments and organize the further dispatch of the goods to the local entities at country and shop level. Through the high efficiency in our logistics chain, we ensure that the environmental impact of transporting the goods is kept low. Moreover, the World Duty Free operations in Spain and the UK are for the time being still operating their existing local warehouses.

Three Global Distribution Centers cover the dispatch of goods to the local entities.

Energy consumption

For the most part our travel retail shops are operated in premises and buildings such as airports or seaports and downtown resorts, which are owned by third party landlords. Thus, a large portion of the utilities consumption, such as energy or water sourcing and usage in the shops cannot be directly changed or influenced by Dufrey as these factors are predetermined by the landlords and the building construction. The highest influence in energy efficiency can be taken when Dufrey is designing or re-designing stores. The main focus thereby is on substituting traditional lighting for more energy-efficient lighting systems (e.g. LED) on ceiling and furniture displays, and on using A-rated electronic devices (e.g. air conditioning, refrigerators) in our stores. The same concept of using latest energy-efficient technologies also applies for our Basel head office and the regional operations centers.

CO₂ emission

Reducing CO₂ emissions is one of Dufrey's concerns. Whenever possible, transports of goods are done by shipping containers on sea-ships, thereby choosing the most CO₂-efficient way of transportation. Through reconfiguration of goods in our Global Distribution Centers and regional logistics stations, we minimize intercompany transportation of the goods to a minimum. The distribution to the individual shop locations is usually done by road whereby Dufrey outsources the transportation to specialized national or international logistics partners, who partly have their own environmental strategies in place.

Further actions to reduce the CO₂ emissions are in the area of business travel: We advise our employees to consider alternatives to traveling such as the use of virtual meeting systems (video conferencing, conference calls, computer live-meetings) or reducing travel frequencies by optimizing each trip. In addition, Dufrey

employees are also encouraged to use public transport systems not only for business trips but also for their daily journeys to and from work. In specific locations the company grants contributions to employees using public transport for commuting.

According to Airport Carbon Accreditation (airportcarbonaccreditation.org), the airport industry accounts for about 5% of the air transport sector's total carbon emissions. The organization, launched in 2009, currently has 173 accredited airports in its program, which are spread across 50 countries worldwide. In 2016, based on information by Airport Carbon Accreditation, 61 of these airports have actively reduced the CO₂ emissions under their direct control, and 26 airports have achieved carbon neutrality. Dufry has retail shops in 15 of these 26 carbon neutral airports, including Dallas Fort Worth, Athens, Antalya, Milan-Malpensa, Manchester and Stockholm airports, just to name a few.

**Dufry has
operations in 15
of the world's
26 carbon neutral
airports.**

Waste and recycling

Avoiding any waste in the first place or recycling it if it occurs is an effective way to save valuable resources. The European Distribution Center is outsourced and run by a specialized logistics company and packaging material which mainly consists of card-

board, paper, plastic film, wood as well as electronic and plastic consumables such as neon lamps and PET are sorted out in different containers and sent for recycling. The recycling process is outsourced to specialized service providers. If these providers have a climate program in place, Dufry's Swiss logistics provider supports their program by paying a surcharge on the transports, which is devolved to "myclimate" (www.myclimate.org).

In the shops, the waste produced by our operations is mostly packing material handled through the landlord's waste disposal system and recycled accordingly where possible. Dufry actively collaborates with the airport's sustainability teams where possible, as it is the case at Heathrow airport in the UK, to contribute to further improve recycling systems and reduce energy consumption.

The reduction in the consumption of shopping bags is another area where Dufry is seeking sustainable solutions by replacing traditional plastic bags with reusable bags and/or advising its retail staff to ask customers if they need a bag.

STAKEHOLDER VALUE ALLOCATION BY DUFY IN 2016

The stakeholder value allocation of Dufry corresponds to corporate output less third-party inputs. The calculation is based on Dufry's EBIT plus personnel costs. It does not comprise of values allocated to business stakeholders, such as suppliers and landlords.

The value allocated reached CHF 1,327.1 million in 2016 (CHF 988.9 million in 2015). Out of this amount, CHF 1,054.5 million was accrued to our employees in form of remuneration and social security payments.

CHF 243.4 million was for interest payments to our bondholders and financing banks. Income taxes to public authorities and communities in which the group companies are located were CHF 11.3 million. The remaining amount is allocated to shareholders of Dufry AG and to the company through retained earnings. This results in a value allocation of: 79% to employees, 18% to bondholders and financing banks, 2% to shareholders and 1% to public authorities.

EMPLOYEES

Working together for Dufrey's success.
WorldClass.WorldWide.

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

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

We also strongly believe that regularly planning the next career steps together with an individual employee is an important aspect to a long-term, successful employer-employee relationship. Therefore it is important for us to build a constructive dialogue between each individual employee and manager on goals, priorities and personal development. Each of our staff members receives an annual performance review aimed at evaluating the performance and identifying further personal development potential for next career steps.

Having grown to an organization with almost 29,000 employees worldwide

In the past three years, our workforce has increased by 76% from about 16,400 employees at the beginning of 2014 to over 28,800 people (FTE) by the end of 2016. The two acquisitions of Nuance in 2014 and World Duty

Free in 2015 and their timely integrations have not only changed our footprint in the market and have made Dufrey the undisputed market leader in travel retail; they have also meant a lot of transformation and integration in terms of our human resources projects.

Overall, our total workforce remained stable during 2016 with 28,848 people (FTE) working for the group at December 31, 2016 compared to 28,853 at year-end 2015.

The new company structure with 5 Divisions as of January 1, 2016, have meant a number of changes in our global organizations as well as on the divisional and country levels. The newly created Divisions are focusing on geographies. Following the reorganization, new divisional headquarters were established in Madrid for Division 1, London for Division 2, Hong Kong for Division 3. The headquarters of Division 4, which now includes both Latin America and the former America II (Brazil and Bolivia), and Division 5 remained unchanged in Miami and New Jersey respectively. A new cross-geographical structure of Global Functions was created, with our colleagues based in different countries leveraging the skills in various locations.

One thing that remained unchanged – Dufrey's unique cultural diversity

Our workforce comprises colleagues from more than 70 nationalities across all functions and divisions. This hasn't changed much in recent years and we continue to believe that this broad cultural diversity represents a unique competitive advantage. We also view it as a key element in the successful development of our Group and in the implementation of our long-term growth strategy.

For our employees, it creates a truly international working environment with colleagues from across the world and interesting career opportunities. The staff in our local shops in each country is to a high extent local people. Dufrey's know-how on operating local businesses in 64 countries around the world make us a strong job creator in a large number of cities, many of them being located in emerging markets, thus contributing to local development and wealth beyond the social projects (see also page 81 ff.).

Roll-out of the new HR information system across the Group

The new Human Resources information system "Dufrey Connect" is supporting HR and line managers to place additional focus on people management activities, enabling greater automation and solid interface to manage people, development and careers at Dufrey. The

28,848

Dufry employed
28,848 people (FTE) at
December 31, 2016.

system implementation has been completed for the Global functions communities and is ongoing for the key operations in the Divisions with the objective to be rolled out during 2017. As a result this will have a major impact on the efficiency of the employee management processes. Another key improvement is related to the learning management platform: The new learning platform comprises all Dufry learning programs and enables training paths by employee role, easily accessible worldwide.

Talent Management

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

The talent pipeline

We strongly believe that talent management and succession planning are ongoing processes. Accordingly, we keep enhancing the pipeline of candidates ready for the key managerial 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 that will be able to occupy one of the pre-defined key positions in our entire organization. At year-end 2016, this pool of talents included 86 high-potential managers. We trust that with these managers, we are able to address and safeguard the succession in specific key management position.
- The second level focuses on our stores. Within the top-performing stores' personnel and supervisors, we have identified 397 "Retail talent" employees as of year-end 2016, on whose development we will fo-

cus in order to ensure a quality store management succession pipeline.

Training and professional development

Dufry carries a strong Learning and Development portfolio of programs, both at the local and global level. As for global programs, our flagship initiatives are the "Dufry Sales Academy" and "Step Ahead Management Development Program", with which we strive to consistently provide our professionals with the tools, knowledge and capabilities they need to perform at their jobs and develop their full potential at Dufry.

Our major training program "Dufry Sales Academy" for shop managers, supervisors and sales professionals has been heavily expanded and integrated in 2016 not only the earlier Dufry organization, but also the Nuance and World Duty Free shops. In doing so, we have proactively identified, combined and integrated the best practices, delivery methods and content of all the acquired companies into our standard portfolio of training programs.

Dufry Sales Academy

This learning program includes two sub-programs: Out in Front and Dufry +1. Out in Front started in 2012 and is a dedicated program for our shop managers and supervisors on the shop floor. At the start of 2016, Out in Front was running in 35 countries and has been expanded to 47 countries by year-end 2016. The learning program is being implemented across all WDF operations and a total of 392 retail managers were educated at Dufry, Nuance and WDF locations during 2016.

Under the Dufry +1 program we have educated new shop floor hires on our foundational sales and service course. During 2016, the program was expanded and covered all the main WDF locations, thereby giving

DUFREY RETAIL TRAINING AND DEVELOPMENT PROGRAMS

SALES TRAINING PROGRAMS COVERAGE (IN TOTAL AT YEAR-END)	2016	2015	2014	2013
	1,310 retail managers	918 retail managers	691 retail managers	313 retail managers
	9,868 sales professionals	6,931 sales professionals	5,500 sales professionals	3,534 sales professionals
Out in Front	47 countries	35 countries	29 countries	24 countries
	9,015 sales professionals	6,680 sales professionals	3,191 sales professionals	2,437 sales professionals
Dufrey +1	64 countries	63 countries	46 countries	32 countries
Trainer Certificates	1,717 trainer certificates	1,551 trainer certificates	800 trainer certificates	626 trainer certificates

learning to over 9,000 new sales professionals across the entire Group. The Dufrey +1 program is running in 64 countries and we have educated a total of 21,323 new sales professionals worldwide between 2013 and 2016. The learning of both programs, Out in Front and Dufrey +1, is given by Dufrey Certified Trainers with the number of learning certifications having increased to 1,717 at year-end 2016 compared to 1,551 at the end of 2015.

Dufrey's Out in Front training program has won the "Gold Medal" in the Global Outlook category of the Optima Awards granted by the multimedia publication Workforce. Out in Front has been recognized as a robust global training program to drive sales and services.

Step Ahead Management Development Program

The managers running important segments in our value chain, such as commercial, logistics, procurement, marketing or retail functions, require specific learning in order to be successful in their roles, and run the company according to the Group's performance expectations.

The Step Ahead program, launched in 2013, ensures that managers are receiving a formal learning on Dufrey's business model and processes, as well as on critical people management skills. All learning in Step Ahead is delivered by other Dufrey managers – similar to the learning in Out in Front and Dufrey +1 – to ensure that best practices are exchanged among peers and know-how remains within the company.

In 2016, we organized several courses in the Step Ahead Management Skills program and had 1,528 colleagues in attendance. In the Step Ahead Operations learning, we educated 67 team members in various roles. The total number of people educated in these two programs since 2013 are 4,174 in attendance for

Step Ahead Management Skills and 209 managers for Step Ahead Operations.

Equal employment

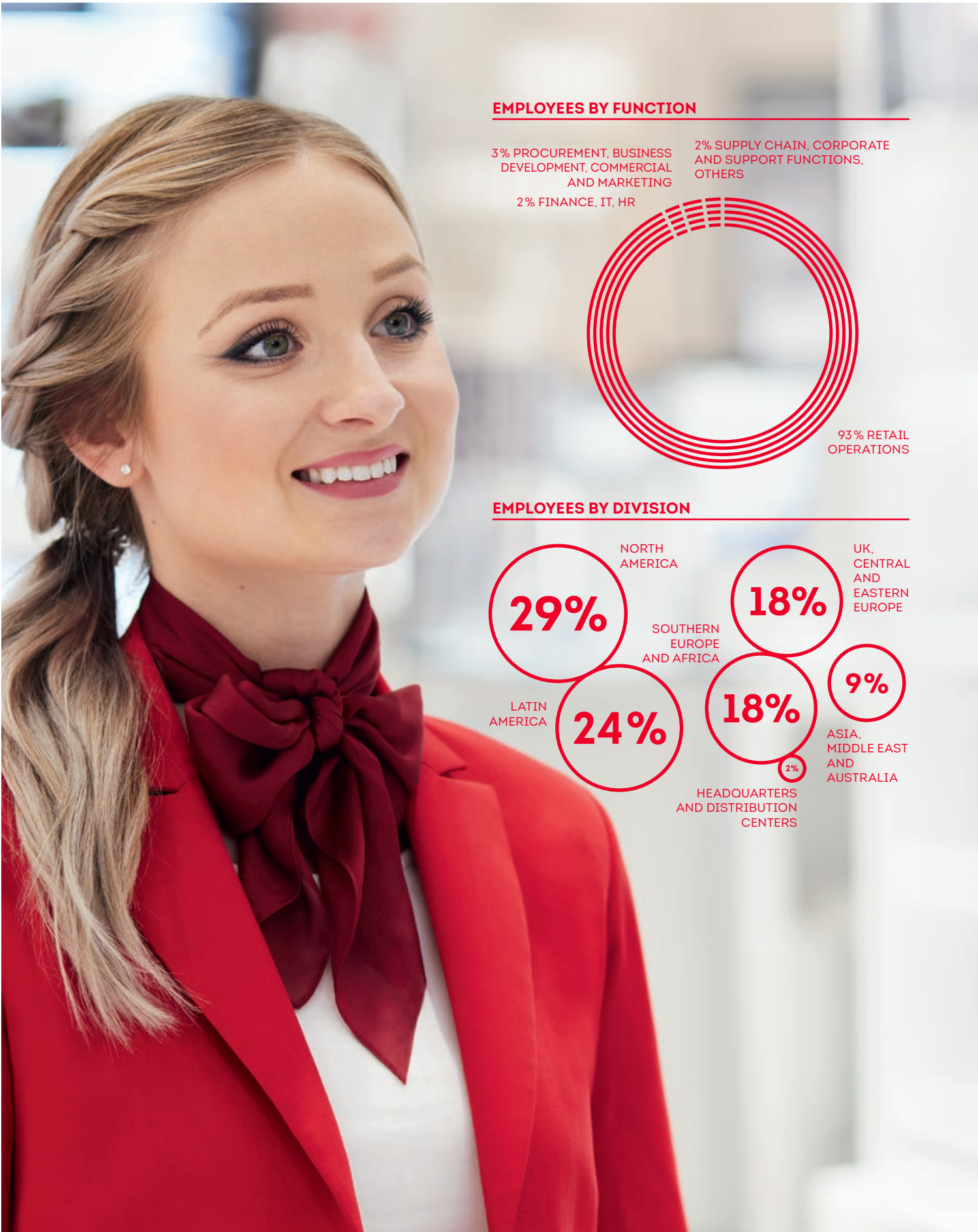
Dufrey fosters a culture of equal opportunity. Our HR policy is to provide equal employment conditions and to offer career opportunities without discrimination to all our employees. We offer and promote working environments where everyone receives equal treatment, regardless of gender, color, ethnic or national origins, disability, age, marital status, sexual orientation or religion. In addition, we adhere to local legislation and regulations in all the countries where we operate. Any kind of child labor or forced labor is strictly forbidden and clear recruitment procedures and regular workplace control ensure that this never happens at any location.

We provide our employees with fair and competitive wages based on an individual's background and experience, the particular job within our organization, the appropriate market benchmark in the respective countries and locations, as well as her/his performance.

We assess the remuneration structure of our employees on a regular basis to make sure there is no discrimination related to any kind of diversity. In this context, we also proactively engage with our women employees in an internal forum where we discuss today's challenges of women at the work place in order to make sure that our female employees can fully develop their potential and career opportunities within the company. The forum is attended by selected female representatives of the company, HR management and is sponsored by the CEO.

Dufrey World – The internal news magazine for our employees

Dufrey regularly reports on important news in its corporate E-magazine "Dufrey World", which is published

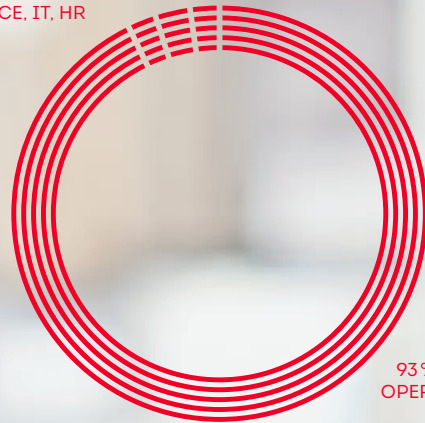


EMPLOYEES BY FUNCTION

3% PROCUREMENT, BUSINESS DEVELOPMENT, COMMERCIAL AND MARKETING

2% SUPPLY CHAIN, CORPORATE AND SUPPORT FUNCTIONS, OTHERS

2% FINANCE, IT, HR



93% RETAIL OPERATIONS

EMPLOYEES BY DIVISION



in 5 languages. This ensures that important trends in the travel retail industry and developments of our Group are communicated to our staff members in full. Every issue of the magazine also portrays individual employees or teams and their personal stories within Dufrey's global environment and within the Dufrey family. Dufrey World is issued 4 times per year.

In addition, all internal and external information are also made available in Dufrey's intranet "Dufrey Gate". In 2016, the communication channel of Dufrey Gate was transformed into a fully responsive online news channel called "mygate" thus considerably extending the reachability of additional employee groups in our locations. Mygate can easily be accessed from desktop workstations as well as through mobile devices.

Awards programs – fully integrated during 2016

Employee recognition is an important way to value employees' and team achievements. Dufrey, Nuance and World Duty Free had been running various global and regional recognition programs for each company in the past few years. In 2016, all of the international awards programs were integrated into the Dufrey One Award system, to ensure that every one of our over 28,800 employees are participating in the same unique award system and based on identical award criteria. The winners of the 2016 awards were announced in May 2016 and published in the Dufrey World magazine as well as in Dufrey Gate.

Dufrey One Awards

- The Performance Award – A global award recognizing locations globally, which have taken initiatives to actively improve sales, efficiency or performance contributing to Dufrey's ambition of continuous growth and improvement. The 2016 Award went to:
 - Division 1 – Greece, Athens Airport – "Extra Schengen Area" and "Kipi Border Shop & Simi Island Sea- port Shop"
 - Division 2 – Bulgaria – Varna and Burgas operations
 - Division 3 – Bali Airport, Indonesia
 - Division 4 – Logistic team, Argentina
 - Division 5 – Cleveland Hopkins airport, USA
- The Customer Service Award – Open to all shops participating in the global Mystery Shopper program, recognizes individual shop performance across the specific customer impact segments of the Mystery Shop. The winners of the 2016 awards were:
 - Zurich, Switzerland – Shop Arrival 2
 - Belgrade, Serbia – Shop Futura Plus 3
 - Chicago, USA – O'Hare Terminal 1C
- The Best Initiative Award – A global award to recognize individuals or teams that have demonstrated proactivity, taking initiative to solve a challenge, in-

crease sales or improve customer service. The 2016 awards went to:

- Division 1 – HR department in Greece
- Division 2 – Serbia, operation at Belgrade Airport
- Division 3 – India, the core management team led by Vishal Bansal of the Nuance operation at Mumbai airport
- Division 4 – St. Lucia, to Barbara Pierre, working for the Colombian Emeralds store at James Club Hotel
- Division 5 – USA, to Michael Clemens working as at the operation at SeaTac airport in Seattle

Employee engagement

Measuring employee engagement and satisfaction through regular surveys is an important tool to recognize potential for improvements across the Group. Our employee surveys are done systematically over specifically defined cycles: we ensure that the surveys always involve a substantial part of our more than 28,800 employees, and that they are carried out across the world, involve all divisions as well as the headquarters; and, that over a certain timespan, all employees have been involved in a survey. Applying this system results in regular surveys focusing on the action plans.

In 2016, we organized a global employee engagement survey which included over 28,000 employees; in this survey most of the WDF employees participated too. Over 60 countries across all five divisions have completed the survey with an overall response rate of 69%. The engagement rate was 61%, both of which are excellent rates compared to the overall benchmark of the survey system we use.

Health and safety

The health and safety of our employees is a top priority at Dufrey. The majority of our workforce operates in airport and cruise-ship environments, where employees have to comply and follow the respective airport's, seaport's or vessel's safety regulations. We ensure work place safety additionally by regular learning and training courses, among them in fire safety and first aid to provide for the prevention and quick, correct reaction in cases of emergencies.

In 2016, World Duty Free has been awarded by the Royal Society for the Prevention of Accidents (UK) the RoSPA Gold Award for having achieved a high level of performance underpinned by good occupational health and safety management systems and culture, which are delivering consistent improvement; <http://www.rosipa.com/awards/winners/2016/gold-awards/>

SOCIAL RESPONSIBILITY

Dufrey has for many years been engaging in charitable sponsoring and partnerships throughout the world. This strong commitment to social and cultural sponsoring remained unchanged in 2016 and will also continue in the future. Our main focus is on programs that support disadvantaged children, young people and their families. By supporting such programs, but also cultural and sports events as well as charitable organizations that help victims of natural disasters, we want to use our possibilities and bring some joy and relief into the world of the people concerned.

“one” water – providing clean, safe water to African communities

World Duty Free has worked together with The One Foundation since 2006. This charity created the bottled water brand “one” water in 2005 to help people who do not have access to clean drinking water. Profits generated from the sale of this water are donated by the foundation to the construction of water infrastructure to provide Sub-Saharan African regions with drinking water. Over the last decade, the foundation invested over £ 14 million in water and sanitation projects, helping over 3 million of the world’s poorest people. Their 2016 – 2020 strategy mainly focuses on four countries – Rwanda, Kenya, Malawi and Ghana – and Dufrey is proud to reach out with a helping hand.

Imagine children who have to get up at 3 am every day and collect water for 5 hours before going to school, then after school having to do the same for another 3 hours: A new water pump nearby – financed through the foundation – enables them to collect water easily nowadays. Water and sanitation projects like this are changing lives! WDF sells the “one” brand water bottles, juiced water and reusable jute bags in its UK stores and has thereby helped to raise significant funds for the One foundation.

SOS Children’s Villages – supporting communities in Brazil, Mexico and Russia

Dufrey started its long-term partnership with the SOS Children’s Villages organization back in 2009. The first project sponsored at that time was a social center in Igarassu, Brazil, for which Dufrey funded the construction costs of the center and has been supporting the center’s running costs and training classes ever since. With the Dufrey support 460 infants, young children and teenagers with their mothers in 51 families benefitted from family strengthening programs with child-minding and day care centers in 2016. Furthermore, an additional donation allowed the financing of the yearly family-budgets, medical costs and school fees for 15 children and their SOS-mothers.

Reaching out
with a helping hand
to disadvantaged
children and their
families.

Another SOS Children’s Villages social center program that Dufrey has been supporting since 2013 is located in Tehuacán, Mexico. This project enables mothers to leave their children in the safety of the SOS child care center during the day so that they can go to work and earn their own income. Our contribution in 2016 supported the running costs – food, medical assistance as well as school and educational staff expenses – of the social center with 500 beneficiaries in 140 families.

1



1



2



1 "ONE" WATER PROJECTS | NANKUMBA ZONE & MADZIABANGO ZONE, BLANTYRE DISTRICT | MALAWI
Supporting Sub-Saharan African communities through The One Foundation drinking water projects.

2 LAVROVO | RUSSIA
A SOS Children's Villages project supported by Dufry since 2015.

3



3 SAINT MARC | HAITI
Participating in a student sponsorship program
by the Hand in Hand for Haiti Foundation.

A third project, started in 2015, supports the SOS Children's Village in Lavrovo, Russia. When young people are ready to move out of the SOS families, they join the SOS Youth Program, which gives them a start into vocational training or supports them on their way to a higher education. Dufry's funding in 2016 supported twelve adolescents on their personal way to shape their own future.

Since 2013, Dufry also runs an additional financing channel in favor of the worldwide work of SOS Children's Villages: we have installed special coin collection boxes in many of our shops all over the world. This creates an opportunity for our customers and our business partners to actively participate in the support programs of this child-caring organization.

Hand in Hand for Haiti

Dufry became a sponsor in the Student Sponsorship Program launched by the Hand in Hand for Haiti Foundation and supported in 2016 a group of 25 students at the school complex in Saint Marc, north of Port-au-Prince. Through our donation the sponsored students can receive free trilingual education in French, English

and Creole. Furthermore, it also provides them with meals, health services, uniforms and school supplies as well as bus transportation to and from school.

Rio de Janeiro, Brazil – support of a social promotion program for 21 years

Dufry Brazil has been sponsoring a social promotion program in Rio de Janeiro for the last 21 years. This program offers free professional education to 30 young people every year. Classes can be attended by 16 to 20 year-old female or male teenagers. The program covers subjects like English, computer classes, retail operations, professional orientation, teamwork, leadership, ethics and citizenship modules. The students attending also receive free meals, medical and dental care, life insurance, uniforms, school and educational material and transportation assistance. After that, Dufry facilitates their job career indicating them to internal opportunities and external partners.

Dufry employees regularly participate in the program as volunteers, serving also as mentors to these teenagers.



4 UNITED NATIONS | UK, SWITZERLAND
Dufry joined forces with UNITED NATIONS in an information campaign at Heathrow airport in London and at the Geneva airport in 2016.

Dufry supports United Nation's Global Goals campaign #YouNeedToKnow

In November 2016, the United Nations in Geneva, the Geneva International Airport and Dufry's duty-free shop at the Geneva airport have joined forces in a campaign called #YouNeedToKnow to remind travelers that there won't be a second chance to save the planet for future generations. Travelers arriving at the Geneva airport in November 2016 were greeted by a wall-size promotion of the UN global goals, and an appeal to do their part to help achieve these goals by 2030. The advertisement was installed just outside of Dufry's duty-free shop.

Dufry's support for the Global Goals campaign has also been extended to London's Heathrow airport, where the campaign has been promoted across the digital signage displays of the World Duty Free stores in all the airport terminals. Dufry is currently in discussions with the United Nations on how to further collaborate in other projects in the upcoming years.

World Duty Free funds The Dementia Research Infoline

Dementia is not a disease in itself, it is a definition used to describe a group of symptoms that occur when brain cells stop working properly and die off. Because

of the high impact these symptoms have in everyone's life, it is of great importance to get people informed about dementia. This is what Alzheimer's Research UK does – and from now on with the support of Dufry.

By fundraising The Dementia Research Infoline, World Duty Free staff will help Alzheimer's Research UK to provide more people with information about dementia; how they can get help and what's being done to cure it. The funds will also help the organization to sign up more volunteers to take part in medical research.

Manchester HOME project

HOME is Manchester's newest cultural organization founded by the merger of two of the city's long-standing arts venues – Cornerhouse (established in 1985) and the Library Theatre Company (founded 1952), which has been supported by World Duty Free ever since 2003 in form of a community partnership for the Wythenshawe area in the South of Manchester. To date the engagement has reached over 2,000 participants attending drama workshops, theatre visits, joining intergenerational projects as well as adult creative writing courses.

In 2016, WDF has funded two initiatives; the Wythenshawe Community Workshop and the Wythenshawe

School project, both providing opportunities to young people and pupils to expand their horizons, build new skills, increase their confidence and ultimately give them the tools to help maximize their potential and prepare them for future training and employment.

Hudson supports Communities in Schools and keeps U.S. troops connected

In Division 5, Hudson Group has continued its long-term partnership with Communities in Schools (CIS), the largest and leading dropout prevention group in the United States. CIS and its nearly 200 local affiliates in 25 states and the District of Columbia surround students – nearly 1.5 million nationwide with a community of support to help them get the education they need and keep them in school. 91% of the students they work with on a one-to-one basis remain in school. Funds are collected in Hudson and Hudson News stores in airports, bus and rail terminals within counter-top boxes at registers.

Hudson Group also partners with local charities in the areas where it does business to provide support and engagement in the community, including the USO (United Service Organizations). Through the local connections we have with USO chapters across the U.S., Hudson Group and its customers have helped keep America's military service members connected to family and friends throughout their service with the "donate a phone call" initiative.

Hudson Group reached a record milestone in 2016 in customer donations of phone cards to the military, sold at Hudson Booksellers, Hudson News, and Hudson airport store locations. The pre-activated AT&T cards allow troops to access the Internet and call home to their families and friends. The phone cards work from landlines and payphones across the globe, including war zone locations.

Further donations and cultural events

Dufry is supporting many other social projects with local activities in countries where it operates. Examples for such projects during 2016 are: In Australia, Dufry is a supporter of the Diamond Dinner for the Children's Cancer Institute. This fund raising event brought together over 250 high-net worth individuals, celebrities and industry leaders who support the work of this institute that is wholly dedicated to childhood cancer. In Korea, we support through different donations local students for high school scholarship and English teaching classes for low-income children as well as Korean teaching to multicultural families.

The operations in Greece supported the Hellenic Red Cross refugees program and implemented a fund raising activity for supporting the Special Olympics Hellas, the largest sports and educational organization for people with intellectual disabilities in Greece. Furthermore, the Greek operations participated in Delta Airlines Day of Hope in Athens to benefit the American Cancer Society and sponsored various local community events organized by municipalities, embassies and local authorities.

In Spain, we contributed to Fundación Aladina, an organization that helps more than 1,700 children at many hospitals around Spain year after year. The 2016 contribution was used to subsidize the refurbishment of the Intensive Care Unit at the Child Hospital Niño Jesús in Madrid. And we were giving the hospital's campaign further visibility in the Madrid-Barajas airport through contentainment screens and charity boxes in December and January.

Our sponsorship of cultural events also continued during 2016, including many local community events for example Swiss Indoors tennis tournament in Basel or the Baloïse Session, a three week music festival in Switzerland. In the year under review, Dufry also supported the Zoofäscht, the bi-annual fund-raising gala to support the Zurich zoo.

The broad network of our travel retail shops in all continents gives us another opportunity to support social programs: In many of our shops we maintain donation boxes, thereby encouraging customers to participate in support activities for specific or local programs or for victims of natural disasters. The amounts that can be collected this way are astonishing and we thank all our participating customers for their generosity. The various charities that received the donations have welcomed them greatly.