

SUSTAINABILITY REPORT

FOSTERING STAKEHOLDER DIALOGUE

Setting the scene

Beyond its commercial and financial goals, Dufry is also committed to contributing to the travel retail industry and to society in general. In order to provide more visibility on the efforts made by Dufry to further develop our sustainability engagement, in 2016 we began to increase the depth and breadth of Dufry's reporting on sustainability issues. At that time, we commissioned a materiality assessment to EY (Ernst & Young) that served to establish a detailed view on which sustainability topics are material to our business from both a company and a stakeholder perspective. Based on the findings, in 2017 we prepared our first Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards, Core Option.

For 2018, we have taken the same approach, and expanded the reach of our report by adding additional operations to our sample data, which provides a broader view of our business from a sustainability standpoint. More detailed information may be found in the dedicated sustainability section of our corporate website: www.dufry.com/en/company/sustainability-dufry

Materiality Analysis

The materiality matrix serves to map the topics that we consider most important for our stakeholders and identifies the ones having the highest impact on our business from a broad perspective, and in particular from a sustainability point of view.

When defining the matrix, Dufry followed a company specific approach – rather than a pure sustainability view – in order to optimally link the company strategy and the broader company environment with the expectations of our stakeholders. We based the list of topics on a number of internal and external sources such as our existing policies and regulations, publicly available materiality assessments of peers and the SASB require-

ments (Sustainability Accounting Standard Board) as well as the report of the Governance & Accountability Institute. These topics, and the corresponding performance indicators included in the GRI guidelines, have been grouped into the three dimensions of our sustainability strategy: Economic, Environment and Social.

We periodically revise the assessment made to ensure it remains accurate and relevant for our business. We have observed the increased importance of digital themes, both for our stakeholders and our business, but as this was already forecasted in our 2016 assessment, our matrix remained unchanged.

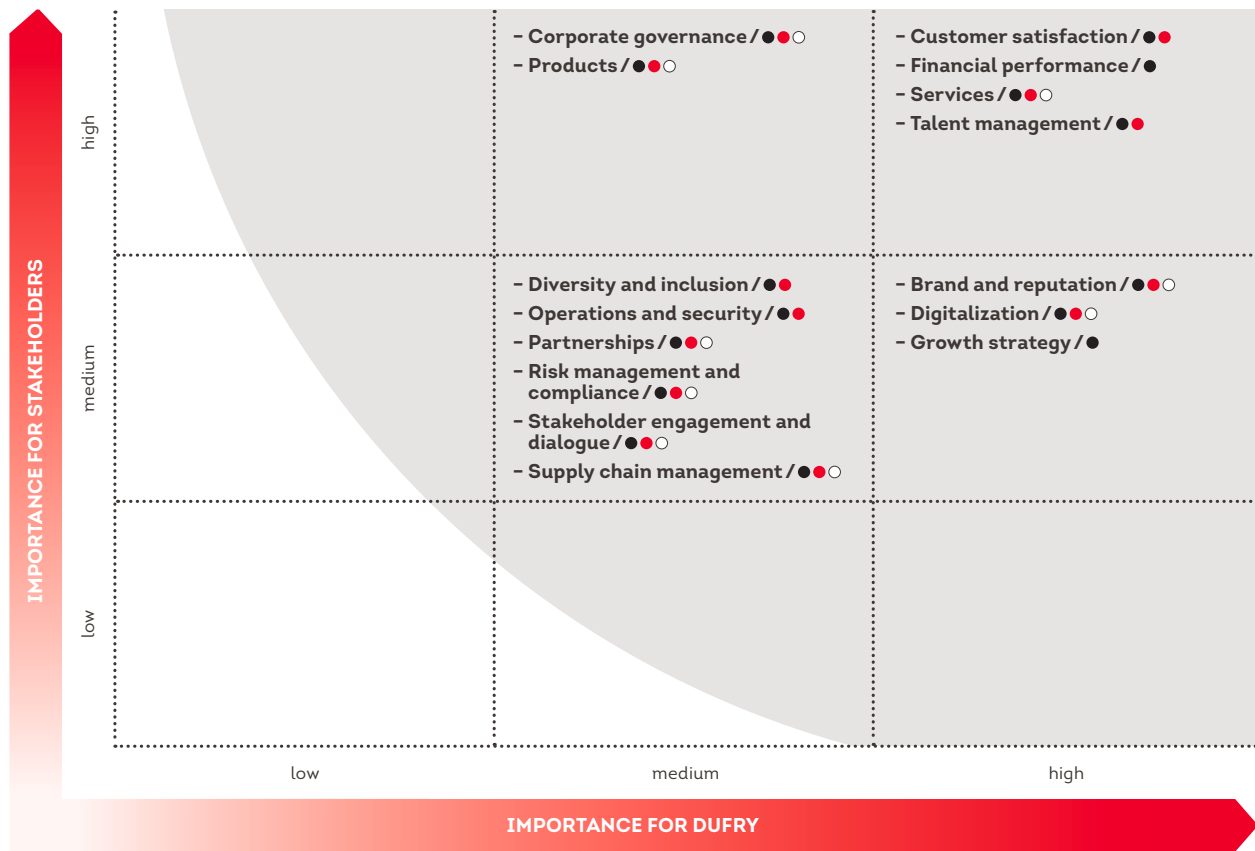
Dufry's materiality matrix remained unchanged.

Likewise, the group of relevant stakeholders included in our materiality assessment remains valid. It includes airports, customers, employees, investors (incl. shareholders, bondholders and lending banks), public authorities, society and suppliers.

Our Sustainability Goals

For Dufry success goes beyond commercial and financial performance. Operating over 2,300 stores in over 400 locations across 65 countries and with a workforce of more than 30,000 employees, we understand that our business activities also have an impact on the societies of the countries where we operate. In addition, as the leading travel retailer, we aim to further improve the overall traveler experience – in our shops we welcome customers from over 150 nationalities every day – and initiate growth opportunities that benefit brands, airports and travelers alike. For these rea-

MATERIALITY MATRIX



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

sons, we believe our goals are more articulate as we aim to cultivate and enrich sustainability for all our stakeholders.

In 2017, we identified the social assessment of our supply chain as one of the areas for development and accordingly drafted a Code of Conduct for Suppliers during 2018, which we have started to share with our most prominent partners. This is an on-going effort that will continue in 2019. More details may be found in the Social dimension section of this report.

Addressing the cultural transformation of Dufry has also been an area of focus during 2018. With the introduction of ONEDUFYR, a program aimed at mobilizing our people to focus their minds, hearts and hands on three core pillars – driving employee experience, driving customer experience and driving business results – we continue with the global transformation process of Dufry.

Increasing the share of female representation in our corporate governance bodies and managerial positions is another of our goals. In 2016, we launched an initiative called women@dufry, bringing together female leaders across the business, in a variety of functions and geographies. This group has the mission of ensuring women's advancement at Dufry, seeing talented women rise to top leadership positions within the company, and helping employees to manage work, family and life-balance topics.

We have made progress incentivizing women's progression and today over 30 % of the staff selected for

our Talent Program are women. More details can be found in the Social section of this report.

Moreover, Dufry has continued to develop its program for fair compensation and gender pay gap reduction. Through different initiatives across locations such as the UK (one of Dufry's largest operations) and Switzerland, compensation schemes were analyzed and remediation plans established if needed.

IMPROVEMENTS CARRIED OUT DURING 2018

COMPLIANCE AND DISCLOSURE

- ✓ Update of the Dufry Code of Ethics, Sustainability and Integrity in Business Transactions
- ✓ Disclosure of the Dufry Code of Conduct on the company website
- ✓ Formal setup of compliance department reporting to general counsel; member of group executive committee
- ✓ Launch of two additional reporting channels (hot-line and dedicated website) for wrongdoings
- ✓ GDPR implementation completed ahead of May 2018 deadline
- ✓ Execution of dedicated trainings for employees dealing with personal information and customer data

SUPPLY CHAIN

- ✓ Development & Finalization of Dufry Supplier Code of Conduct
- ✓ Launch of supply chain surveillance with largest suppliers
- ✓ Further improvement of logistics and supply chain with one order initiative

EMPLOYEES

- ✓ Equal Salary Certification achieved in Switzerland
- ✓ New mentoring program for Talent Management
- ✓ Launch of ONEDUFREY initiative to further harmonize collaboration through common values and principles

KPI'S

- ✓ Extended number of operations included in HR data sample through leveraging Dufry Connect (Global HR Platform)

Further details on these topics discussed can be found under the headings of the respective dimensions on the subsequent pages, as well as on pages 69-70 for customer and privacy related topics.

ECONOMIC DIMENSION



- Be profitable.
- Create shopping environments where people want to buy.
- Support local economies by buying local goods and services, paying local taxes and employing local staff.

ENVIRONMENTAL DIMENSION



- Minimize our environmental impact by operating an integrated and efficient logistics chain to transport products.
- Reduce our waste and energy consumption.

SOCIAL DIMENSION



- Maintain quality work environments for our employees.
- Responsible procurement practices.
- Support the communities in which we live and work.
- Support individual social projects, especially focusing on helping disadvantaged children and their families.

ECONOMIC



Dufry operates in an industry that has shown solid and resilient growth in the last decades – and which is expected to continue to grow. According to Generation Research, a travel retail market research specialist, the travel retail industry had a market value of USD 69.3 billion dollars in 2018, an 9.5% increase on 2016, and it is expected to reach USD 93.8 billion in 2022.

Within this prospective business environment, Dufry follows a strategy of profitable growth – see also our strategy section on pages 26 to 79 – in order to secure a sustainable development for the company and all its stakeholders.

Create best possible shopping experiences and environments.

As a retailer, our ambition is to create the best possible shopping environments to capture the interest of travelers and to generate selling opportunities. We closely cooperate with airport authorities and brand suppliers for store design, passenger flows and allocation of commercial space. This collaborative work results in improved passenger services as well as more visibility and opportunities for brands. Testament to this collaboration, and just as a remarkable example, is the London Heathrow Airport – where Dufry operates more than 60% of the total retail by value. In 2018 again, Dufry's retail in Heathrow has been recognized by Skytrax, winning the accolade for Best Airport Shopping in the world for the ninth consecutive year.

Taking the shopping experience to the next level

Dufry's ambition is to remain best in class when it comes to customer service. As reflected in our corporate brand statement, WorldClass.WorldWide, at Dufry we

strive to provide our customers with the best retail experience in any store we operate. For the more detailed aspects related to our customer services and approach, please refer to the Customer Section on page 68.

Engaging with customers through digital technology.

In 2018, we continued investing in renewing, refurbishing and upgrading our stores and to include additional services that improve the passengers' shopping experience. Complementing the physical construction of the stores and the adoption of corporate best practices with our digitalization strategy has resulted in the creation of "New Generation Stores". As described in the Strategy section of this Annual Report, these stores make extensive use of digital technology to take customer engagement to the next level by facilitating the communication with the most relevant nationalities of passengers in their own language and addressing the individual preferences of the different passenger profiles. As well as generating a unique shopping experience, digitalization within the store also supports sales staff when serving customers. So far, there are *New Generation Stores* in the airports of Cancun, London Heathrow, Madrid, Melbourne and Zurich. Dufry has plans to extend this store concept to two more locations in 2019 (Buenos Aires and Amman). Moreover, in the attempt to further improve customer engagement, Dufry enhanced its online Reserve & Collect service, which is now available in 39 countries and 153 locations, to its loyalty program RED by Dufry covering 40 countries and 200 locations, as well as the use of sales tablets for shop floor employees, now in service in 30 countries across 60 locations.



Another important component of our store renovations is to create a strong sense of place, linking the shopping environment to the country's cultural heritage, where they are located. One of the most remarkable examples is La Tequileria in our Cancun New Generation Store. The powerful combination of state-of-the-art store designs with local motives, together with a curated selection of local products on offer that are acquired from local suppliers, results in unique shopping spaces that invite customers to a full cultural immersion in the destination.

Track record of delivering successful shopping concepts.

Industry recognition

Our ongoing strive to develop state-of-the-art shopping environments and new services is also being recognized by the industry and sets new standards. Today, Dufry has a proven track record in delivering successful shopping concepts, specialized stores and marketing activations and some of the latest awards gained by Dufry include the 2018 Moodie Davitt Report's Dreamstore Award to both our Collection and Sunglasses stores in Heathrow's Terminal 5, an award where the world's brand owners rate the world's travel retailers. A detailed list of the awards won during 2018 is available under www.dufry.com/en/company/our-awards

Stakeholder Value Allocation by Dufry in 2018

The stakeholder value allocation 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 1,546.6 million in 2018 (CHF 1,553.7 million in 2017). Out of this amount, CHF 1,175.2 million was accrued to our employees in form of remuneration and social security payments. CHF 196.4 million was given as interest payments to our bondholders and lending banks. Income taxes to public authorities and communities in which the group companies are located amounted to CHF 98.8 million. The remaining amount was allocated to retained earnings and local partners. In 2018, the Board of Directors revised the company's capital allocation strategy and proposed to the Annual General Meeting 2018 the payment of a CHF 3.75 dividend per registered share for the 2017 business year. Moreover, the Board of Directors approved a share buyback program to enhance the value of shareholders' equity. With these two initiatives, the company returned CHF 600.6 million of capital to its shareholders. Further details of the dividend and the share buyback program can be found on page 76.

Anti-corruption and anti-competitive behavior

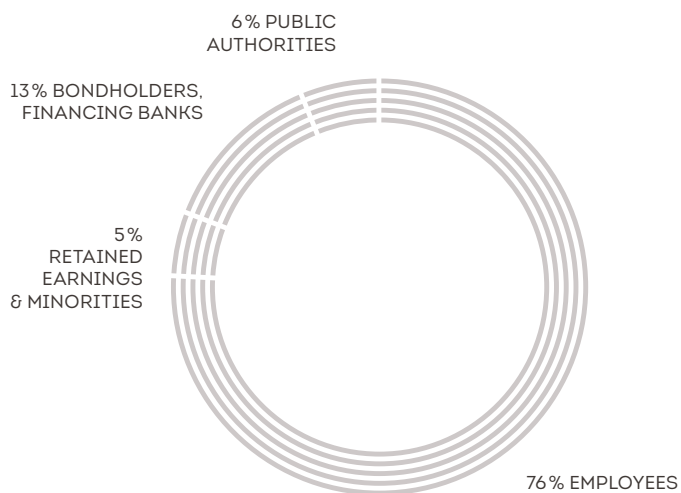
Corruption is a worldwide phenomenon which is considered to be the cause of many negative economic, social and environmental impacts. From a business perspective, corruption distorts the functioning of the market and undermines governance institutions and in general the rule of law.

No-tolerance approach to corruption.

The subject of corruption is of considerable importance to Dufry 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 and other concessions around the globe each year.

Dufry prohibits 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 accordance with all applicable laws, rules, and regulations. Dufry requires all of its employees, managers and executives to behave at all times

STAKEHOLDER VALUE ALLOCATION 2018





with honesty, ethics and within the confines of applicable law and in full compliance with Dufry's Code of Ethics, as well as its Sustainability and Integrity in Business Transactions Policy. Where laws, rules or customs exist that are different from the principles set out in this Policy, Dufry managers, executives and employees are required to follow whichever sets the higher standard in this regard.

Dufry also wants its officers, managers and employees to fully respect the safeguarding of integrity and fair dealing when performing their activities on behalf of Dufry and to promote the sustainability, diversity, decent work, human rights, anti-harassment and non-discrimination standards adopted by the Dufry Group. Dufry's management operates a no-tolerance approach to both active and passive corruption and seeks to minimize the circumstances in which corruption could occur in its global business development activities and operations.

Dufry's Code of Ethics, and the Sustainability and Integrity in Business Transactions Policy outline the types of conduct which are not permissible and impose strict rules in relation to charitable contributions and sponsorships as well as gifts, hospitality and entertainment expenses and facilitation payments to minimize the risk of corruption. In addition, the rules require careful due diligence to be conducted on new external partners Dufry is working with, including a procedure that must be followed to vet all new minority partners, consultants for business development projects, counterparties to M&A transactions and other similar counterparties.

Dufry also conducts training of managers and relevant employees on an ongoing basis. These training sessions reflect the changes introduced in the modified Code of Ethics, Sustainability and Integrity in Business Transaction Policy as of May 1, 2018, such as the formal establishment of a Compliance Department within the Le-

gal and Governance Department, enhanced third-party due diligence procedures and expansion of Dufry's anonymous reporting channels, among others.

Dufry's Compliance Department regularly evaluates the content of Dufry's training on Governance and Corporate Policies. The efforts of the Compliance Department are fully coordinated with, and supported by, the CEOs of each Division and the respective HR Departments who help identify the individuals, including new hires, who should receive the training.

New compliance reporting channels launched.

Dufry also undertakes to properly investigate all complaints and prohibits retaliation or discrimination against any employee who reports a concern made in good faith. As of June 1, 2018, two new Group-wide reporting channels have been initiated to go along-side the e-mail reporting channel integrity@dufry.com: (1) a world-wide, toll-free hotline in 9 languages (English, Spanish, Portuguese, French, Italian, Mandarin, Russian, Greek and German) also accessible via local dial-in numbers for all countries in which Dufry operates; and (2) the online reporting website www.dufry-compliance.com. These reporting channels ensure the integrity of such investigations by acting as a centralized contact point through which any wrongdoing or corruption concerns can be reported directly to the Compliance Department for further investigation. Unless the report is made anonymously, the identity of any employee reporting such concerns or possible violations of Dufry's Code of Ethics, Sustainability and Integrity in Business Transactions Policy is kept strictly confidential, unless the disclosure of the identity is required by law.

GOVERNANCE & CORPORATE POLICIES TRAINING

DIVISION	Total Number of Managers trained/retrained in 2018
HQ	111
Southern Europe and Africa	132
UK and Central Europe	147
Eastern Europe, Middle East, Asia and Australia	114
Latin America	87
North America	151
Total	742



Approximately 1.100 managers have been trained in total since the training started in 2012. These individuals have been selected based on the following criteria:

1. community heads at Headquarters (Finance, Treasury, Procurement, Business Development, Internal Audit, HR, IT, Commercial, Marketing, Customer Service);
2. heads of all Divisions;
3. local managers with exposure to business development, external partners and third-party contractors;
4. managers with exposure to procurement negotiations;
5. managers with exposure to government officials such as airport authorities, customs or other public authorities;
6. managers with signatory power or appointed as directors or officers of a Dufrey Group subsidiary;
7. Investor Relations managers;
8. all members of the Legal and Governance Department;
9. all members of the Internal Audit Department; and
10. all HR managers worldwide.

As reflected in the chart on page 86, between July and December 2018, 742 managers at Headquarters and across all five Divisions have completed this training.

Dufrey employees who are not included in the list above are familiarized with Dufrey's governance and corporate policies via a series of videos available through various internal channels, including on the Group's intranet - Dufrey Gate, the learning management system - Dufrey Connect, and its in-house television channel - Dufrey TV, among others. Additionally, all of Dufrey's corporate and governance policies, including its Code of Ethics and its Sustainability and Integrity in Business Transactions Policy, are available to all Dufrey employees, managers and executive board members on Dufrey Gate for their reference.

ENVIRONMENTAL



Dufry operates over 2,300 retail stores across 65 countries, where it sells products sourced from over 1,000 suppliers. For information on our divisional structure, countries and major locations covered by each Division please refer to pages 46 to 67. All the stores operated can be categorized into one of five types, which are explained on pages 36 to 45.

Three Global Distribution Centers.

As a pure retailer, the company does not have any production sites. However, Dufry consumes materials in several parts of its supply chain, from materials used to build stores and boxes and pallets used to transport products, to office supplies and carrier bags given to customers with every sale.

Transportation

As part of the strategic priorities set for the year with the roll-out of the Business Operating Model, Dufry has further improved its supply chain organization with the implementation of One Order. As described in more detail in the Suppliers and Strategy sections, One Order principally aims to simplify our supply chain by further centralizing logistics and warehousing, hence, reducing operational costs and administrative tasks and ultimately our impact on the environment. As a result of this process, our three Distribution Centers (Switzerland, Uruguay and Hong Kong) operate 3 major warehousing centers: Barcelona (Spain) serving 81 delivery points in Division 1 (Southern Europe & Africa) and Division 2 (UK & Central Europe) with the exception of UK - served by Runnymede - and some countries from Division 3 (Eastern Europe, Asia, Middle East & Australia);

Hong Kong (China) serving most countries from Division 3 (Eastern Europe, Asia, Middle East & Australia); and Miami (US) serving Division 4 (Latin America) and partially Division 5 (North America). These three main logistics centers receive the long-haul and major shipments and organize the further dispatch of the goods to the retail entities. Through the high efficiency in our logistics chain, we ensure that the environmental impact of transporting the goods is kept to a minimum.

CO₂ emission

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

Dufry has retail shops in 22 of 44 carbon neutral airports worldwide.

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, Skype-for-business) or reducing travel frequencies by optimizing each trip. In addition, Dufry 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 249 accredited airports in its program, which are spread across 68 countries worldwide. In 2018, based on information by Airport Carbon Accreditation 71 of these airports have actively reduced the CO₂ emissions under their direct control, and 44 airports have achieved carbon neutrality. Dufrey has retail shops in 22 of these 44 carbon neutral airports, including Dallas Fort Worth, Athens, Antalya, London-Gatwick, Helsinki, Milan-Malpensa, Manchester and Stockholm airports just to name a few. Queen Alia in Amman, Jordan, and London Stansted airports, where Dufrey is the main retail operator, joined the carbon neutral airports list in 2018.

Waste and Recycling

Avoiding any waste in the first place or recycling it, if it occurs, is an effective way to save valuable resources. In the European Distribution Center packaging material, which mainly consists of cardboard, paper, plastic film, 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.

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. Dufrey actively collaborates with the airport's sustainability teams where possible, as is the case at London Heathrow airport, to contribute and further improve recycling systems and/or reduce energy consumption.

We have observed a decrease in the number of bags in main operations last years.

The reduction in the consumption of shopping bags is another area where Dufrey 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 and by increasing its bag assortment to several sizes so that packaging relevant to the size of the products purchased is used, with less plastic waste. As a result, we have observed a decrease in the number of bags used per transaction in our main operations in the last years. Investigating alternatives to reduce the number of bags and the impact of each individual bag is however an ongoing improvement objective for Dufrey.

Regarding cartons and pallets used to transport and protect products, Dufrey ensures these are reused as much as possible and therefore consumption of new resources is also reduced.

Lastly, in the offices, the reduction of paper consumption is one of our ongoing challenges. Dufrey has put in place local initiatives to reduce paper and other office material consumption, including tips to reduce the amount of paper used such as printing double sided, avoiding the printing of the legal text on the bottom of emails, and encouraging people only to print when necessary. The adoption of IT solutions, such as the Dufrey Connect, which is being rolled-out to staff across all locations, is also helping to reduce the amount of paper used in day-to-day work of our staff. Local initiatives, including the Dufrey Award for the Best Initiative in Division 1, where the Turkish team developed an induction app for new joiners also work on that objective of reducing paper consumption.

Energy consumption

For the most part our travel retail shops are operated in premises and buildings such as airports or seaports, ships, train stations, 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. As public spaces, airports have to provide well-lit facilities and naturally this is a substantial part of their energy consumption. 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, resulting in a significant drop in the energy consumption (and associated CO₂ emissions). The same concept of using latest energy-efficient technologies also applies for our Basel headquarters, division offices and the regional operations centers.

SOCIAL



Socio-Economic Compliance

Having operations in 65 countries also means complying with different national and supranational regulations. For this reason, from a global perspective, Dufry's position towards regulations necessarily needs to go beyond the compliance and statutory requirements of the norms and have a more holistic and ample approach. In this regard, Dufry has a number of initiatives and control mechanisms in place that permit the company to monitor and ensure compliance with national and international laws and follow respective ethical standards.

Supplier Social Assessment

Dufry is aware of its responsibility beyond its own direct activities and strives to ensure that suppliers of goods and services behave responsibly towards society and the environment. To ensure this, Dufry expects suppliers and business partners to comply with the law, stipulated contract conditions and international best practices in respect of human rights, the environment, health and safety, as well as labor standards.

**82% of top suppliers
have acknowledged
our Supplier
Code of Conduct.**

As a step forward towards achieving a more sustainable supply chain, in 2017 Dufry developed its Supplier's Code of Conduct, with the purpose of ensuring that our suppliers across all product categories have in place accepted business standards, as described by the UN Global Compact, regarding:

- Ethics and integrity
- Labor and employment practices and working conditions
- Environmental compliance and sustainability
- Product safety and security

This code of conduct, together with the Dufry Code of Ethics – available on the sustainability section of our corporate website – and the Corporate Governance and Remuneration reports included in the annual report, demonstrate how Dufry assumes its responsibility concerning social, ethical and environmental standards and how we put into practice the principles of sustainable development in our day-to-day work.

As we expect all of our suppliers and business partners to comply with the principles included in Dufry Supplier's Code of Conduct, and ultimately to replicate these standards further down their supply chain, in 2018 we have in a first step proactively shared the Code with our top suppliers – who account for approx. 40% of our sales. Out of the suppliers reached, we have received acknowledgement of our code from 82% of them. During 2019 we will extend the reach and engage with more of our suppliers from all product categories.

Caring about our Employees

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

Dufry offers attractive working environments, interesting tasks, fair and competitive wages – which include in-



EMPLOYEES BY DIVISION



EMPLOYEES BY GENDER





OVERVIEW EMPLOYEE STRUCTURE 2018

	HQ	Southern Europe and Africa	UK and Central Europe	Eastern Europe, Middle East, Asia and Australia	Latin America	North America	Total
FTEs	584	5,437	4,384	3,588	6,899	9,372	30,264
Headcounts	618	8,860	5,466	4,039	7,486	10,137	36,606

centive plans based on objectives both for office and store staff – and a general working atmosphere based on mutual respect and appreciation for each individual. Some of our locations have been recognized locally for the quality of the working conditions offered. An example of that is Dufrey Americas, based in Miami (Florida – USA), recognized as a Top Workplace by Sentinel for three consecutive years (2015 – 2017) and Florida’s Best Companies award in 2017.

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 reviewing and discussing the professional development 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. Our staff members receive an annual performance review aimed at evaluating their performance and identifying further personal development potential for next career steps.

Mentoring program

As part of the talent program, in 2018 Dufrey launched a global mentoring program with the aim of transferring the skills and knowledge of Dufrey’s experienced professionals to talented professionals within our organization. More than 30 members of our senior leadership team, that represent 30% of Dufrey’s top management, have volunteered to act as mentors. Mentees have applied and have been assigned to mentors based on individual aspirations, identified areas of growth and personal interests to ensure mentees make the most of the program. This first mentoring program will span for the whole of 2019 and, if successful, will be extended to more professionals across the Group. The program will help participants (mentors and mentees) to gain sharper focus on what is needed to grow professionally and personally, to demonstrate strengths and explore their potential, better address their priorities, overcome challenges, develop leadership skills, increase career networks, and understand how to achieve a good work-life balance.

Grown to an organization with over 30,000 employees worldwide

In the past four years, our workforce has increased by 84% from 16,423 employees at the beginning of 2014 to 30,264 people (FTE) by the end of 2018. 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 2018 with 30,264 people (FTE) working for the group at December 31, 2018 compared to 29,879 at year-end 2017.

Dufrey’s unique cultural diversity

Our workforce comprises colleagues from more than 130 nationalities across all functions and Divisions. This has been a consistent situation for many years and we continue to believe that this broad cultural diversity represents a unique competitive advantage. We also view it as a key element in the successful development of our Group and in the implementation of our long-term growth strategy.

Our staff in each country is predominantly made up of local people.

For our employees, our company represents 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 predominantly local. Dufrey’s presence in 65 countries around the world make us an important employer in many locations, many of them being located in emerging markets. This, in addition to bringing know-how on operating a business, contributes to local development and wealth beyond the community engagement projects (see also page 98).



DUFRY RETAIL TRAINING AND DEVELOPMENT PROGRAMS

SALES TRAINING PROGRAMS COVERAGE	2018	2017	2016	2015
Out in Front	427 retail managers 4,794 sales professionals	357 retail managers 5,656 sales professionals	392 retail managers 3,424 sales professionals	227 retail managers 1,431 sales professionals
Dufry +1	6,924 sales professionals	7,300 sales professionals	9,015 sales professionals	6,680 sales professionals
Trainer Certificates	177 trainer certificates	193 trainer certificates	166 trainer certificates	751 trainer certificates

ONEDUFRY – Transforming corporate culture

ONEDUFRY is the continuation of a cultural transformation process that started after the acquisitions of Nuance and World Duty Free in 2014 and 2015 respectively. These acquisitions did not just transform the dimension of the company, but also the way of working and doing business. The integration of the three companies into one served to extract the best practices and know-how and the creation of ONEDUFRY, a program aimed at harmonizing values and principles, both at store and office levels. The initiative pursues mobilizing our people to focus their minds, hearts and hands on three core domains: driving employee experience, driving customer experience and driving business results.

ONEDUFRY to harmonize values and principles.

Unlike the Business Operating Model, which aims to standardize processes, ONEDUFRY focusses on our values and makes them visible anywhere in the 65 countries we are present.

Therefore, ONEDUFRY is aligning training and development programs, appraisals and recognitions programs, competency frameworks, etc. all with the single objective of ensuring a consistent way of operating and fostering the same attitude of doing business across the different geographies.

Roll-out of the HR digital platform across the Group

During 2018 Dufry continued to roll out its Human Resources information system “Dufry Connect”, a tool that supports HR and line managers to manage people, development and careers at Dufry in a more consistent, automated and efficient way. The system implementation, which started in 2016 with the staff holding Global functions, continued with the roll-out in key operations in the Divisions during 2017. As part of the standardization of processes included in the implementation of the Business Operation Model (BOM), more locations at country and Division levels have been added.

Dufry Connect has the triple purpose of assisting managers in guiding their teams, helping employees to better control their development and professional careers and enabling HR to manage employee data easily.

From a practical standpoint, this tool provides a more consistent approach to processes such as recruiting or performance reviews, replacing the use of excel or paper documents for a more robust online system that can be updated and progressed, as and when needed.

Beyond the improved employee management processes, Dufry Connect’s learning feature, the platform’s central point for managing all learning materials, offers staff a library of self e-learning modules categorized by specific roles, or per function, as well as instructor-led courses that permit staff to self-design their training paths and to easily access training modules through a web browser, regardless of where the employee is located.

Talent Management

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

The talent pipeline

We strongly believe that talent management and succession planning are key activities for a sustainable business. Accordingly, we develop new and existing candidates to get ready for more senior 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 already have management experience and that will be able to take over one of the senior positions in our organization. At year-end 2018, this pool of talented individuals included 70 high-potential managers. With these managers, we address and safeguard succession in specific key management positions.



- The second level focuses on our stores. Amongst the top-performing store personnel and supervisors, we have identified 42 "Retail talent" employees as of year-end 2018, on whose development we will focus, in order to ensure a quality store management succession pipeline.

Training and professional development

Dufrey carries a strong Learning and Development portfolio, both at local and global level. In terms of global programs, our flagship initiatives are "Dufrey Sales Academy" and "Step Ahead", with which we strive 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 Dufrey.

The Dufrey Sales Academy learning program includes two sub-programs: Out in Front and Dufrey + 1, both national award-winning programs. Out in Front was launched in 2012 and is a dedicated program for our sales professionals, shop managers and supervisors in the retail operation. At the start of 2018, Out in Front was running in 57 countries and has been expanded to 65 countries by year-end 2018. The learning program is being implemented across all operations and a total of 177 retail managers were trained as trainers in 2018.

In 2018, we completed the delivery of our integrated Dufrey + 1 program to 6,924 team members and continued to educate new shop floor hires on our Dufrey + 1 program across the entire Group in 65 countries.

The experimental learning format of both programs, Out in Front and Dufrey + 1, is delivered by a Dufrey Certified Trainer. The number of trainer certificates was 177 at year-end 2018.

Step Ahead includes two programs, one focused on management skills and the other on our operational business processes, procedures & tools. Managers running important segments in our value chain, such as commercial, logistics, procurement, marketing and retail operations, partake in these various learning offerings to achieve company performance outcomes and run the company according to the Group's performance expectations.

The Management Skills programs launched in 2013 provide our managers with a formal education allowing them to assess their current capabilities and improve their role as a manager of teams. In 2018, 1.277 managers participated in our formal sessions covering several topics from the Step Ahead Management Skills suite.

In the Step Ahead Operational program we educated 70 managers from various functions in 2018.

Articulating cultural transformation with ongoing training

As part of the cultural transformation process (ONEDUFREY) previously mentioned, a number of training sessions have been put in place in all Dufrey locations. Taking the "train-the-trainer" approach, two different sessions have been designed to accommodate the different needs and nature of their day-to-day work: one for Office Leaders and an extended one for Store Leaders. During 2018, 2,732 members of our staff were educated in the values of ONEDUFREY and the behaviors we expect from all our staff members. This represents 75% of the total workforce targeted.

Zero-tolerance policy on discriminatory abuse.

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 controls ensure that this never happens at any location.

Anti-discrimination, diversity and ensuring equal opportunities are and have always been important social and corporate issues for Dufrey across all locations, especially (but not exclusively) in developing countries. Many locations in which the Group operates still pose challenges to guarantee equality. We monitor those countries closely to ensure we provide equal opportunities to all our staff.

We provide our employees with fair and competitive wages based on an individual's background and experience, their 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 in an internal forum – Women@Dufry – where we address today’s challenges for women in their 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 represented by selected female executives of the company and HR management and is sponsored by the CEO.

Equal salary certification in Switzerland

Dufry achieved Equal Salary Certification for all functions and operations based in Switzerland at the beginning of 2019 thus demonstrating its commitment to diversity and inclusion in HR practices and initiatives.



Freedom of Association and Collective Bargaining

Dufry respects legally recognized unions and internal forums created to represent their employees’ interests. 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. As an example, the current practice in some of the main Group operations is described below:

- In Brazil, there is a collective agreement in place which covers core employee related topics such as salary reviews, general allowances (meal, transport, benefits, etc.), work contract restrictions/special conditions, work shifts, vacations, health and safety, contributions, gratifications, awards and requirements aiming employee’s guarantees.
- Greece also has a collective agreement in place ruling the main employee topics.
- In Spain, Dufry has a collective agreement in place that covers all employees in that country except senior management. The agreement is negotiated between the Company and a committee made up of employee representatives and labor union members and outlines conditions such as salary, holiday days and health and safety in the workplace, among other human resources related matters.

- In the UK, Dufry has an employee forum – “Voice” – made up of staff representatives. This forum was created as a partnership between the company’s management and employees to influence and communicate business change.
- In the US, there are a number of recognized trade unions that Dufry engages with, including Unite Here, Workers United, United Food and Commercial Workers, Teamsters, Newspaper Guild and Culinary Workers.

Dufry World – The internal news magazine for our employees

Dufry regularly reports on important news in its corporate magazine “Dufry World”, which is published 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 Dufry’s global environment. Dufry World is issued 4 times per year. Dufry World features also a section called the “Wall of Fame” to pay tribute to individuals that have gone beyond the ordinary either in their personal or in their professional lives, leading by example the rest of the Dufry employees.

“Wall of Fame” to pay tribute to Dufry employees.

In addition, all internal and external information is made available on Dufry’s intranet “Dufry Gate”, also available as a fully responsive online news channel called “mygate”, thus considerably extending the reach to additional employee groups in our locations. Mygate can easily be accessed from desktop workstations as well as through mobile devices.

Awards programs

Employee recognition is an important way to value employee and team achievements. With this in mind, In 2011, Dufry introduced the Dufry One Awards, a global award recognizing locations across the world that have taken initiatives to actively improve sales, efficiency or performance, contributing to Dufry’s ambitions of best serving customers and continuous growth and improvement.



The Performance Award – A global award recognizing locations globally that have taken initiatives to actively improve sales, efficiency or performance, contributing to Dufrey's ambition of continuous growth and improvement. The 2018 awards went to:

- Division 1 – Marrakech, Morocco
- Division 2 – Astana airport, Kazakhstan
- Division 3 – Bali airport, Indonesia
- Division 4 – Rio de Janeiro airport, Brazil
- Division 5 – Toronto, Canada

The Customer Service Award – Open to all shops participating in the global Mystery Shopper program, this award recognizes individual shop performance across the specific customer impact segments of the Mystery Shop. The winners of the 2018 awards were:

- Antalya airport operation, Turkey
- South Tenerife airport operation, Spain
- Edinburgh airport, Main store, United Kingdom
- Ezeiza International airport in Buenos Aires, Argentina, arrival store
- SeaTac airport operation, Seattle, USA

The Best Initiative Award – A global award to recognize individuals or teams that have demonstrated proactivity, taking initiative to solve a challenge, increase sales or improve customer service. The 2018 awards went to:

- Division 1 – Antalya, Turkey
- Division 2 – Sweden
- Division 3 – Kuwait
- Division 4 – Brazil and the Beauty Americas team in Miami for a joint project in Sao Paulo
- Division 5 – Vancouver, Canada

The winners of the 2018 awards were announced in May and published in the employee corporate magazine, Dufrey World, as well as on the company's intranet, Dufrey Gate.

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 30,000 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 involving 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, including staff of the – at that time – recently acquired World Duty Free. Over 60 countries across all five Divisions 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. During 2017, team leaders across Dufrey shared specific results from the survey with their teams and co-worked to put together action plans to improve engagement. The next survey will take place during the first part of 2019 after completion of the Business Operating Model project.

Our employee surveys get excellent response and engagement rates.

Employee health & safety and airport security practices

The majority of our workforce operates in airport, port and cruise-ship environments, where as a basic prerequisite employees have to comply and follow the respective airport's, seaport's or vessel's safety rules as these environments are highly regulated. On top of this, Dufrey has specific health & safety regulations for its employees.

The health and safety of our employees is a top priority at Dufrey. We ensure work place safety by regular learning and training courses, among them courses in fire safety and first aid to provide staff with knowledge for the prevention and quick, correct reaction in cases of emergencies. Dufrey strives to achieve high occupational health & safety standards and actively encourages compliance across the whole Group and among all its business partners and sub-contractors. As a result, Dufrey has a number of different Health & Safety Policies throughout the organization. Regardless of the specific requirements of each local legislation, there are certain principles that all these policies adhere to, including:

- Adherence to country, state and local health & safety legislation and any other requirements
- Workplaces as safe and hazard-free spaces
- That employees have the necessary skills and training to perform their duties



- That employees have been informed of the contents of the policy
- That all the elements and protective equipment required for employees to carry out their job safely have been provided
- That the Group has procedures in place in case of emergency

In 2018, for the third year running, Dufrey was awarded with the RoSPA Gold Award by the Royal Society for the Prevention of Accidents (UK), a recognition for companies that achieve a very high level of performance, demonstrating well developed occupational health and safety management systems and culture, outstanding control of risk and very low levels of error, harm and loss; www.rospa.com/awards/winners/2018/gold-awards/

Airport security practices

Due to the nature of our business, most of our staff is located in an airport environment, either working in stores, in airport offices and or in airport warehouses. As part of the airport ecosystem, our staff has to adhere and follow the security principles and processes established at the airport 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 of the cases implies training courses on security measures and procedures in the airport environment.



COMMUNITY ENGAGEMENT

Dufrey places high importance on supporting charitable causes as a way of giving back to society. We have continued to be a sponsor of charitable organizations and partnerships across the world in 2018, as was the case for many years before. Dufrey's support comes through by making direct donations to non-profit organizations and by encouraging employees to volunteer and participate in different projects. From participating in charitable sports activities to raising money with the sale of cakes baked by our employees, every little effort helps. Moreover, we also contribute by giving visibility and spreading the reach of the different institutions we work with.

In 2018, the main focus of our sponsorship programs remained on supporting disadvantaged children, young people and their families. They are often the weakest members of our society and the ones that need our support the most. We further provide help to charities that take care of victims of natural disasters, and support cultural as well as sports events.

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

Dufrey and SOS Children's Villages look back on nine years of successful partnership, strengthening families worldwide with the aim that no child should grow up alone. Dufrey started to sponsor a project with preventive care in Igarassu, Brazil, back in 2009. The construction of a social center was a tangible example of investing in the care for children and youth. Dufrey has been continuing to support the running costs and training classes of the center ever since. In 2018, our donation benefitted 468 infants, young children and teenagers with their mothers and enabled them to join family strengthening programs with child-minding and day care centers. In addition, we financed the yearly family-budgets, medical costs and school fees for 21 children in the SOS Children's Village of Igarassu.

In Russia, Dufrey has been supporting the running costs of the SOS Children's Villages center in Lavrovo since 2015. Lavrovo lies in the heart of Russia, about 350 kilometers south of Moscow. In early 2016, SOS Children's Villages identified foster care as its priority form of child upbringing in Russia. Dufrey's funding in 2018 supported 12 children during one year to receive a loving care and the requirements to shape their own future.

The programs of SOS Children's Villages in the social center in Tehuacán, Mexico, ensured that mothers have better opportunities to go to work and earn their own income while counting on day care solutions for their children. Fathers got rising awareness in educational matters and are better involved in family responsibility, improving the quality of family life for these families. Dufrey's donations have been supporting the running costs of the social center in Tehuacán since 2013. The financial support covers expenses for food, school expenditures, medical assistance and educational staff. Dufrey's contribution in 2018 supported 1,076 beneficiaries. The program was terminated in 2018. As a follow-up project within Mexico from 2019 onwards, Dufrey will support the family strengthening programs in Comitán.

Investing in the care of children and youth.

Since 2013, Dufrey runs an additional financing channel to the favor of the worldwide work of SOS Children's Villages by installing coin collection boxes in various Dufrey shops all over the world. Dufrey and SOS are evaluating new plans now to make the work of SOS Children's Villages even more tangible for Dufrey shops, co-workers and partners. Each coin or note is a little milestone for the future of the children and youth at the different SOS Children's Villages projects.



One Water – sustainable clean water service for African communities

During 2018, World Duty Free/Dufrey in the UK hit the £ 2 million mark raised for The One Foundation since the start of the partnership in 2006. World Duty Free has been one of The One Foundation's main commercial supporters, selling the charity's bottled "One Water" and branded jute bags in all of its UK airport stores. World Duty Free's donations have helped to bring clean, safe water to over 400,000 people in Africa (mainly Rwanda and Malawi) so far.

Over the years, employees throughout World Duty Free have been selected to go on trips to Malawi as part of a staff incentive to celebrate stores that have shown the most growth in terms of sales. Employees that have been nominated to go on the trip are real advocates for the brand, and the travels are a change for them to see the work that One Water is doing. These journeys to Africa are a great way to inspire our staff to get involved and keep supporting the One Water projects.

United Nations' global campaign #YouNeedToKnow

Dufrey continued supporting the United Nations' campaign #YouNeedToKnow, aimed at raising awareness for their Agenda 2030 and the 17 Sustainable Development Goals (SDGs) agreed by all 193 nations in 2015. Since the collaboration started in 2016, Dufrey has helped to spread the word by giving visibility to the 17 SDGs and the #YouNeedToKnow campaign in 34 airports where Dufrey operates, reaching over 55 million passengers during the activations.

The high diversity of airport users – from many different nationalities – permits amplifying the reach of any communication campaign. By using the in-store and till screens or through interaction with passengers to engage them to share the #YouNeedToKnow hashtag on their social media, Dufrey has collaborated in this important mission of moving individuals to adopt more sustainable habits in their day-to-day lives.

Compared to previous years, the campaign itself has evolved. Out of the 17 SDGs, the UN has developed a booklet "170 daily actions to transform our world", that offers examples of small and incremental – but also fundamental – changes everyone can adopt to live responsibly and to be accountable to the next generation. The booklet was distributed throughout Zurich airport during activities that took place in January 2018, just in time to grab the attention of attendees of the World Economic Forum in Davos. These 170 daily actions are the core part of the activities that Dufrey plans to take to further airports in collabora-

tion with the UN, aside from internal initiatives to promote them amongst our own Dufrey staff.

Kinder-Spitex and Foundation RgZ in the canton of Zurich

Dufrey continued its on-going support to Kispex (Kinder-Spitex) by raising funds for this Zurich-canton based charity. Kispex cares for acute and chronically ill children, children with a cognitive and motor impairment or after an accident, as well as children in their final stages of life. Dufrey's donation served to partially cover the over CHF 1 million budget that Kispex requires for their activities. Money raised by Kispex through donations goes to fund the cover of additional missions in crisis situations, more night-watches when parents are particularly stressed, to finance assistance in hardship cases where the insurance partners are not responsible for the costs, though the parents urgently need help with the care of their child; and to support families in acute situations when the caregiver, e.g. the mother or father is ill and falls short in the care support.

In 2018, we also started to donate to Foundation RgZ, which has been supporting the development, way of life and social integration of children, teenagers and adults with movement disorders, developmental problems and mental and/or multiple disabilities, regardless of the severity, for more than 60 years. Around 260 employees foster, teach, support and engage more than 2,700 children, young people and adults every year in the greater area of Zurich. The services include eight early childhood intervention and therapy centers for children, two schools for curative education, two day care centers, a sheltered workshop, several assisted housing apartments with social-educational support and one residential facility for adults.

Sponsoring children's education in Haiti

During 2018, Dufrey continued its support to the Hand in Hand for Haiti Foundation with the sponsoring of their Student Sponsoring Program. Hand in Hand for Haiti runs the "Lycée Jean-Baptiste Pointe du Sable" which was built as part of the collective response to the humanitarian crisis in Haiti following the catastrophic earthquake of January 12, 2010. Located in the village of Saint Marc, north of Port-au-Prince, the school provides trilingual education in French, English and Creole to pupils. Dufrey's donation in 2018 supported 25 students to receive free education and it also covered the costs of meals, health services, uniforms, school supplies, and bus transportation to and from the school.



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

Since 1995, Dufrey has been sponsoring a social promotion program in Rio de Janeiro, offering free professional education to 30 young people every year from communities around Galeão Airport. Every day, these teenagers go to the program where they participate in various classes and education modules such as English, computer classes, retail operations, professional orientation, teamwork, leadership, rules of etiquette, ethics and citizenship. Classes can be attended by 16 to 20 year-old female or male teenagers. The students also receive free meals, medical and dental care, uniforms, school and educational material, as well as transportation assistance. Dufrey supports the students with their career progression too, alerting them to any job opportunities within Dufrey's organization, or with external partners. Employability rates usually reach high levels for those teenagers taking part in the program. Since its beginning over 23 years ago, the program has benefited almost 700 teenagers in total.

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

Hudson Group supports Communities in Schools in the United States

Hudson Group, Dufrey's North American business, continued its long-term partnership with Communities in Schools (CIS), the largest and leading dropout prevention group in the United States, in 2018 through its fund raising program.

CIS and its over 160 local affiliates in the United States, work directly inside schools, building relationships that empower at-risk students to stay in school and succeed in life. The organization works with nearly 1.5 million students and is proud of its success rate: 99% of their students stayed in school and 93% of their seniors graduated or received a GED (General Education Development credential). Funds for the CIS organization are collected in Hudson and Hudson News stores located in airports, bus and rail terminals with counter-top boxes at registers.

Manchester HOME project

Opened in 2015, HOME is Manchester's cultural organization founded by the merger of two of the city's long-standing arts venues – Cornerhouse, established in 1985 and the Library Theatre Company, founded in 1952. World Duty Free's partnership with the Greater

Manchester Arts Centre (HomeMcr) supports work with local schools, youth centers and community centers in the Wythenshawe area (south of Manchester).

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

Three years of continued support for Alzheimer's Research UK

Tragically, there are 50 million people worldwide living with dementia, yet there are currently no treatments available to clearly slow down or stop the diseases, like Alzheimer's, that cause it. Only through research will the picture change.

Despite the crippling impact dementia has on families and society, research into the condition is still extremely low compared to other serious conditions. That's why Alzheimer's Research UK exists. It is Europe's largest dementia research charity, funding pioneering dementia research to understand, diagnose, reduce the risk and treat the condition. World Duty Free has been supporting the Alzheimer's Research UK cause for the past three years.

Mind – a new charity partner in the UK for 2019

Dufrey UK employees select the charity partner that the company collaborates with every three years. Mind was selected as Dufrey's charity partner for the 2019-2021 period, starting as of January 1, 2019. Mind provides life-changing information, advice and support to individuals suffering from mental health problems, through online information, helplines and 130 local Minds who deliver intensive face-to-face support such as counseling and therapy. By sponsoring different activities and with donations raised in the upcoming three-year period, Dufrey expects to finance part of the funds that will be necessary to support over 20,000 people through the helpline, enable more than 10,000 people to attend group support sessions and provide over 1,300 people struggling with mental health a place in a 10-week wellbeing group.

Further donations and cultural events

Dufrey supports many other social projects with local activities in countries where it operates. In Spain,



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1 IGARASSU | BRAZIL
This SOS Children's Villages project has been supported by Dufry since 2009.



2



3

2 **IGARASSU | BRAZIL**
Being taken care of in the SOS Children's Village of Igarassu.

3 **COMITÁN | MEXICO**
Dufry will begin supporting the SOS Children's Villages project in Comitán in 2019, as a follow-up project on its earlier support for the social center in Tehuacán.



Dufry employees from Barcelona, Bilbao, Madrid, Sevilla and Valencia operations participated in several running events organized by Action Against Hunger in the Intercompany Challenge in the months of October and November 2018. For every kilometer run by a Dufry employee, the company funded 10 days of child nutrition treatments. With their efforts on the track, Dufry runners managed to raise over 5,600 days of nutritional treatments, equivalent to covering the treatment of 560 children with severe malnutrition. Furthermore, Dufry also supported a paddle-tennis tournament to raise funds for Project M1, a Spanish NGO for the investigation of Multiple Sclerosis. Madrid-based staff volunteered to organize the tournament, which managed to attract over 150 participants and a large number of attendees to the event.

In Turkey, Dufry entered a charity run with 41 employees. The aim was to raise awareness about the importance of education for children with autism and the Dufry team managed to collect funds to support their education. Dufry also collaborated with WWF and supported their Green Office program. The goal of this program is to reduce the ecological footprint, combat climate change, and promote sustainable lifestyles in offices and beyond.

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

In Mexico, Dufry teamed up with Generation for a special recruitment program. Worldwide, more than 75 million young people are unemployed. Many employers cannot find people with the skills they need for entry-level jobs. In September 2018, Dufry Mexico along with Generation Mexico worked in a special recruitment program which created 25 jobs. The recruitment program took place in "Los Reyes" a surrounding area in Mexico City with a high level of unemployment. A group of 25 young people was selected to receive a three week intensive training program which included sales techniques, retail insights and customer service. After the training program the group of 25 took the position of sales associates inside Dufry shops at Mexico City International Airport.

In Australia, Dufry is a supporter of the Diamond Dinner for the Children's Cancer Institute. In 2018, this fundraising event once again brought together over 250 high-net worth individuals, celebrities and industry leaders to support the work of the institute that is wholly dedicated to childhood cancer.

In Korea, through different donations we support local students with high school scholarships, English classes for children of low-income families as well as Korean language teaching for multicultural families. In Jordan, SOS Children's Villages was supported by Dufry employees joining an entertainment trip for orphans and adoptive parents. The activity benefitted 20 children and 6 mothers. In Indonesia, 15 Dufry employees provided mental and physical support to about 100 refugees who suffered from the Mount Agung volcano eruption at a refugee campsite.

The annual sponsorship of cultural events also continued. Many local community events such as the Swiss Indoors tennis tournament in Basel, the Mutua Madrid Tennis Open and the Balaise Session, a three week music festival in Switzerland received our support.

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

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

