Avolta

TCFD Report 2024

Task Force on Climate-Related Financial Disclosures (TCFD) Report 2024 Content

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Avolta's commitment to sustainability has been a cornerstone of its overall strategy, reaffirmed in the Company's Destination 2027 strategy. Avolta's Sustainability strategy is built around 4 focus areas – Create Sustainable Travel Experiences, Respect our Planet, Empower our People, and Engage Local Communities. Within the Respect our Planet focus area Avolta addresses climate change as critical matter and develops strategies and drives efforts to reduce carbon emissions, enhance energy efficiency, and adopt sustainable sourcing practices.

Avolta provides comprehensive updates on its sustainability initiatives, commitments and achievements in its Sustainability Report, which is an integrated part of the Company's Annual Report. The Sustainability Report highlights the Company's ongoing efforts to minimize its environmental footprint while delivering positive contributions for stakeholders.

To further enhance transparency and provide stakeholders with key insights to assess climate-related risks and opportunities (CRRO), Avolta began publishing in 2023 a report in accordance with TCFD ("Task Force on Climate-related Financial Disclosures"). This report complements Avolta's Sustainability Report by detailing how the company assesses and responds to climate-related challenges.

The TCFD Report, together with the Sustainability Report (including the Sustainability Report 2024 Annex), form Avolta's 2024 Non-Financial Reporting, which has been prepared in accordance with the transparency requirements on non-financial matters outlined in Art. 964(a) et seqq. of the Swiss Code of Obligations, the Ordinance for Climate Disclosures and the DDTrO. The Sustainability report is included on pages 99 – 161 of the Annual Report 2024.

1. Governance

The following section provides an overview of Avolta's governance framework regarding sustainability matters as of December 31, 2024.

1.1 Board oversight of climate risks and opportunities

The Board of Directors is responsible for overseeing Avolta's Sustainability strategy and its effective implementation, including climate-related initiatives.

Within the Board, the ESG Committee – chaired by the Lead Independent Director – drives the Company's sustainability agenda by approving the strategy and key initiatives, monitoring progress against targets, and evaluating sustainability impact. Its core responsibilities include assessing the Company's position across key sustainability dimensions (such as financial market performance, ratings, and sustainability indices), strengthening stakeholder engagement, and embedding sustainability principles into the Group's business model and culture. The ESG Committee meets as often as business requires – typically two to four times per year – with meetings lasting approximately one hour.

The Lead Independent Director plays a central role in overseeing the development and execution of Avolta's Sustainability strategy, ensuring alignment with business objectives. Working closely with the other members of the ESG Committee – whose members are experts in corporate citizenship, sustainability, and governance – the Lead Independent Director contributes to a comprehensive, holistic approach to sustainability. Climate-related topics are a key focus of the committee's regular discussions, reflecting their relevance to the broader sustainability agenda.

The Board of Directors receives periodic non-financial updates at least quarterly, covering progress on Sustainability strategy implementation and climate-related projects and initiatives.

1.2 Management's role

The Chief Public Affairs & ESG Officer, reporting to the Group CEO, represents sustainability at the Global Executive Committee level and leads the execution of Avolta's Sustainability strategy at the operational level. Overseeing the Global Sustainability team, the Chief Public Affairs & ESG Officer drives the day-to-day implementation of Avolta's Sustainability strategy in collaboration with global functions, as well as regional and local Sustainability teams, to support effective delivery.

Regular quarterly meetings facilitate collaboration between the ESG Committee and executive leadership, with additional discussions taking place as needed.

The Global Sustainability team also works with the Global Enterprise Risk Management (ERM) team to develop frameworks for identifying, assessing, monitoring, and reporting climate-related risks and opportunities.

Since 2022, sustainability and climate-related performance goals have been integrated into the compensation schemes of the Global Executive Committee and senior management. Further details are disclosed in the 2024 Remuneration Report on pages 314 – 317.

2. Strategy

2.1 Avolta's climate strategy

As a key player in the travel experience industry, Avolta recognizes that addressing climate change is not only a moral obligation but also a business imperative to ensure long-term resilience. Given the unique nature of the travel retail and F&B industry, Avolta actively works to reduce its own footprint while closely collaborating with third parties – particularly, concession partners, brand suppliers and logistics providers – to mitigate the broader environmental impacts of its business.

Avolta's Sustainability strategy covers the different aspects of environmental sustainability, including climate-related risks and opportunities, which are managed by the Global Sustainability team in collaboration with the Global ERM team and other specific departments and functions. This TCFD Report provides an update on the progress achieved to date.

Avolta has implemented an Environmental Management System (EMS) to systematically assess its environmental impact, set clear goals, and implement target actions to reduce its footprint as well as to prevent or mitigate climate related risks. However, as most shops and restaurants operate in third-party owned premises – such as airports, train stations, and cruise ships – Avolta has limited control over key operational factors, which are typically determined by concession partners. Where it holds greater influence, Avolta introduced energy-saving initiatives and sustainable retail and F&B options. In areas with less direct control, Avolta fosters collaboration with stakeholders – airports, suppliers, and vendors – to assess environmental impacts and explore ways to minimize or offset them. Complementing the EMS, Avolta's Environmental Management Guidelines outline key principles for addressing climate change, improving resource efficiency, and designing sustainable stores.

Avolta has developed a dedicated Shop and Restaurant Design Strategy to create sustainable shops and restaurants by reducing energy consumption, incorporating recyclable materials and applying circular economy principles in refurbishments. Avolta aligns with principles established by leading green-building certification systems, such as the Leadership in Energy and Environmental Design (LEED). For more details on the Avolta's Environmental Management Guidelines and additional information, please refer "Respect our Planet" section on page 130 of the Sustainability Report 2024.

Amongst other sustainability initiatives, the Company established an emission reduction strategy for Scope 1 and 2 emissions until 2025 (based on the Dufry retail business scope 2022 with 2019 base data), which follows the 1.5°C pathway.

For Scope 3 emissions, the Company (based on the Dufry retail business scope 2022 and the 2019 base data) follows SBTi's "well below 2°C pathway" with two separate objectives.

2.2 Climate related risks and opportunities

Climate change is expected to impact Avolta's business in the short, medium and long-term. Physical risks, such as extreme nature-related events, could affect Avolta's business operations and supply chain. In the F&B sector, physical risks could also disrupt agricultural output, potentially reducing crop yields and livestock production.

Avolta also faces transition risks as the global economy moves toward a low-carbon future, driven by stringent environmental regulations, carbon taxes, and rising energy costs, including aviation fuel and gasoline prices. Greater regulatory requirements and higher fuel prices may raise operating expenses, influence pricing, and ultimately impact consumer travel demand. In the F&B segment, evolving customer preferences may require adjustments in product offerings. Despite these challenges, climate change may also present opportunities for Avolta.

Avolta can enhance its reputation among key stakeholders and gain a competitive edge by developing a distinctive decarbonization strategy. Additionally, incorporating sustainable, plant-based, and ethically sourced products can boost sales, strengthen brand loyalty, and align with evolving consumer preferences. Integrating locally sourced, organic, and regenerative agriculture-based products can also reduce supply chain risks from extreme weather and promote greater operational resilience.

The following table outlines the main climate-related risks and opportunities identified and assessed by the Company to date that may affect Avolta's business and operations.

Type	Risk / opportunity factors	Potential impact	Avolta's response
Transition Risks (Policy & Legal)	– Regulations on CO_2 taxation for flights, cruise ships, automobiles, and others, causing prices increases and leading to a reduction in passenger traffic. – Environmental legislation and requirements related to energy consumption, transportation, packaging materials (e.g., plastic tax) affecting both the Company's operations and the supply chain. – Regulations on CO_2 taxation for direct emissions from carbon intensive agriculture, such as livestock farming.	– A reduction in passenger traffic could adversely affect Avolta's sales. – Environmental legislation may result in increased compliance, energy and transportation costs and influence business processes through regulations on the use of packaging materials (e.g. single-use plastics). – CO_2 taxation on carbon-intensive agriculture may impact procurement and increase raw material costs.	– Business diversification has always been and will continue to be a key strategic element to mitigate risks and drive Company growth. – Diversification across geography, sectors, suppliers and channels to mitigate the impact of regional or local regulations on the business (see sales splits on pages 8 – 9 of the Annual Report 2024). – Continuous monitoring of sustainability-related regulations by the Global Sustainability team, which proactively alerts and coordinates with impacted functions to support timely compliance and adaptation. – Collaboration with industry associations (e.g. ACI, ETRC) airport authorities and other concession partners to develop common solutions to regulatory challenges within the industry. – Emission reduction plan in place for Scope 1 and 2 emissions within retail operations. – Transition to bio-based fuels for maritime and ground transportation to cut emission in upstream logistic and distribution. – Enhancing technical monitoring and management capabilities to reduce greenhouse gas emissions and mitigate climate-related risks impacting the business. – Engagement with suppliers and vendors to reduce carbon emission along the value chain. – Dedicated Shop and Restaurant Design Strategy focused on green building practices, including energy efficiency measures, the use of recyclable materials, and the application of circular economy principles in new construction and refurbishments. (see details page 135 of the Sustainability Report 2024). – Phasing out virgin plastic in single-use packaging by adopting recycled materials or more sustainable alternatives across retail and F&B (see details on page 137 of the Sustainability Report 2024).
Transition Risks (Market)	– Changes in customer behavior towards higher ecological awareness leading to reduced passenger traffic at airports, changes in travel destinations, reductions or changes in motorway and railway station traffic or shifts in purchasing behaviors and product preferences. – Changes in customer behavior towards higher ecological awareness leading to a reduction in carbon-intensive food product purchases.	– Growing ecological awareness may impact travel trends, customer sentiment, and purchase behavior, potentially affecting the Company's sales performance at both local and global levels. – Shift in product preferences may pose sales risks if offerings do not align with evolving customer demands.	– Implementation of a diversification strategy across geography, sectors, categories, and channels (see sales splits on pages 8 – 9 of the Annual Report 2024) to mitigate the impact of regional or local disruptions and shifts in travel patterns. – Internal Global Customer Insight team regularly performing customer experience tracking and satisfaction surveys to timely identify potential changes in customer behaviors and preferences, both at global and local levels. – Cooperation with brand partners to anticipate new trends and customer needs and optimize the Company's dining offerings and product assortments. – Enhanced communication initiatives to assist customers in making responsible product choices, as initiated with Avolta's global sustainable product identification initiative. – Expansion of sustainable product offerings, including healthy, certified (organic, fair trade, etc.) and environmentally responsible options in both retail and F&B assortments. – Two F&B Centers of Excellence at EMEA level focused on driving innovation in restaurant concept and product assortment: Foodservice in Amsterdam, focused on global concept and brand portfolio developments, and Factory Food Designers in Milan, focused on food & recipe development according to new consumer trends.

Type	Risk / opportunity factors	Potential impact	Avolta's response
			– Collaboration with startups through Avolta Next to drive innovation, enhance the customer journey, and develop sustainable solutions for retail and F&B.
Physical Risks (Acute and Chronic)	– Extreme nature-related events, including rise in sea levels, heat waves and natural disasters, such as floods, storms and wildfires could affect the supply chain, production processes and Avolta's operations. – Acute and chronic physical risks may adversely affect the agricultural output, leading to negative effects on crop yields and livestock production.	– Acute risks such as extreme weather events and natural disasters could result in asset damage, disruption of the supply chain and production processes, which could negatively affect Avolta's ability to sell its products. – Chronic risks such as rising sea levels could adversely affect locations where Avolta operates leading to a reassessment of the Company's operations, which could result in additional operational costs. – Global warming effects could lead passengers to choose different holiday destinations where Avolta does not operate, potentially impacting sales. – Fluctuations in agricultural output could negatively affect the availability of procured products, purchasing costs and planning security.	– Diversification strategy across geography, sectors, categories and channels (see sales splits on pages 8 – 9 of the Annual Report 2024) to mitigate the impact of regional or local phenomena and eventual shift in travelers' destinations. Going forward, this strategy will continue to be a key element in addressing risks and supporting Company growth. – Development of insurance plans at both global and local levels to mitigate the Company's store network's exposure to extreme weather events and provide compensation for asset damage and business interruptions.
Transition Opportunities (Reputation)	– Trustworthy climate strategy and implementation.	– Avolta may strengthen its reputation among key stakeholders (e.g., landlords, investors) and gain a competitive advantage through the development of a comprehensive and distinctive decarbonization strategy.	– Sustainability strategy covering different aspects of sustainability in a holistic approach. The Company has set emission reduction goals and discloses emissions on Scope 1, 2 and 3 (for its Dufry business scope 2022 and 2019 base-line) and is going to restate environmental targets for the full Company scope in 2025. – Sustainability strategy aligned with the core sustainability objectives of airports, concession and key brand partners. – Key action areas defined to maintain seamless integration alignment between sustainability and business strategies, incorporating climate-related risk management into critical decision-making. – Support regulatory compliance, enhance oversight, and foster open dialogue and stakeholder engagement.
Transition Opportunities (Market)	- Increase the capability of meeting the expectations of climate-conscious consumers.	- Opportunity to drive revenue growth by attracting climate-conscious consumers, leveraging market diversification and evolving customer needs.	- Collaboration with brand partners to anticipate emerging trends and customer needs and optimize the Company's dining offerings and product assortments. - Expansion of healthy, sustainable, certified (organic, fair trade, etc.) products across both retail and F&B assortments. - Enhanced communication initiatives to support customer in making responsible product choices as initiated with Avolta's global sustainable product identification initiative.

2.3 Qualitative climate scenario for Avolta

In 2023, Avolta initiated an assessment of climate-scenario analysis to better understand potential future impact, risks and opportunities, in the short, medium and long term. While this work is still ongoing, we are including in this report some of our findings to date.

Avolta has evaluated the most relevant climate scenarios for its business. Within the travel retail and F&B industries, there is increasing alignment around the suitability of scenarios developed by the Network for Greening the Financial System (NGFS) to illustrate different future pathways.

Although originally designed for central banks and regulators, the NGFS framework is widely recognized as a valuable reference for businesses. As part of this analysis, Avolta has begun examining its key risks through the lens of three NGFS reference scenarios: Orderly Transition, Disorderly Transition, and Hot House World.

The Orderly Transition scenario assumes that climate policies are introduced early and become progressively more stringent. This leads to a gradual and predictable transition to a low-carbon economy. Both physical and transition risks remain relatively low. This scenario projects an increase in global warming ranging between 1.4°C and 1.7°C. Overall, in this scenario, a travel retail and F&B firm would be able to plan and adapt to the changing market and regulatory environment in a structured manner, enabling a smoother shift to sustainable practices and aligning its business model with the goals of a low-carbon economy.

The Disorderly Transition assumes no additional climate policies are implemented until 2030. This scenario envisions a situation where climate action is delayed and then suddenly accelerated. In this scenario, the delay in taking action leads to a more abrupt and disruptive transition later on and to an increase of the planet's temperature above 1.7°C.

Overall, a disorderly transition to a low-carbon economy would require swift and significant adaptations from travel retail and F&B firms. While presenting certain risks and challenges, it could also create new opportunities for innovation and sustainability-focused business models.

The Hot House World scenario assumes that some climate policies are implemented in certain jurisdictions, but global efforts fail to halt significant global warming. Critical temperature thresholds are exceeded, ranging from 2.3°C to 3.0°C leading to severe physical risks and irreversible impacts such as sea-level rise.

Travel retail and F&B firms, like many other businesses, would need to adapt and innovate to navigate these challenges, potentially reshaping their business models, supply chains, and product offerings to remain viable in a drastically changed environment.

While each of the three climate scenarios – Orderly Transition, Disorderly Transition, and Hot House World – is possible, the extent to which any of them will materialize remains uncertain. For Avolta, it is key to take specific measures to enhance business' resilience and prepare for the future.

Area of business potentially affected	Orderly Transition	Disorderly Transition	Hot House World
Own Operations	A focus on energy efficiency would become increasingly important. Retail stores, restaurants, warehouses, and distribution centers would need to invest in energy-efficient lighting, HVAC systems, and other technologies to reduce energy consumption.	The introduction of carbon pricing or energy taxes could significantly increase operational costs. Travel retail and F&B firms may need to invest quickly in energy-efficient technologies and processes to reduce costs and comply with new regulations.	Rising temperatures and extreme weather conditions could affect the physical operations of retail stores, restaurants, warehouses, and distribution centers. This may lead to higher cooling costs, potential infrastructure damage, and disruptions in logistics.
Supply Chain	With a gradual shift, travel retail and F&B firms would have more time to adjust their supply chains to enhance sustainability. This might involve sourcing more eco-friendly materials, working with greener suppliers, or optimizing logistics to reduce emissions.	A disorderly transition could lead to abrupt changes in the availability and cost of raw materials, especially those with high carbon footprints. Travel retail and F&B firms might face difficulties in sourcing products and materials, leading to supply chain disruptions and increased costs.	Increased frequency of extreme weather events, such as storms, floods, and droughts could disrupt global supply chains. In this scenario, travel retail and F&B firms mat experience inconsistent product supply, higher raw material costs, and challenges in managing inventory levels.
Changes in Consumer Behavior and Brand Loyalty	Consumer awareness and demand for environmentally friendly products would be expected to increase steadily, allowing travel retailers and F&B operators to gradually expand their range of sustainable products.	A rapid transition could lead to a swift change in consumer awareness and behavior, with a heightened demand for sustainable and environmentally friendly products. Retailers and F&B operators that do not already offer such products may have difficulties in meeting this new demand.	Consumer preferences and demands may shift significantly in response to environmental changes. This may drive greater demand for sustainable, eco-friendly products, or products adapted to new climate realities (e.g., cooling products, weather-resistant durable goods).
Policy Change	Travel retail and F&B firms would be subject to increasingly stringent environmental regulations. However, these changes would likely be introduced in a gradual, structured manner, allowing companies time to adapt effectively.	The abrupt implementation of stringent environmental regulations and policies could create significant challenges for travel retail F&B companies. These could include sudden bans on certain materials, unexpected changes in packaging requirements, and sharp increases in carbon taxes, forcing companies to make rapid, large-scale adjustments to business operations.	Even in a “Hot House World,” some regions may still enforce stringent environmental regulations. Retail companies could face increased costs related to compliance, packaging, waste management, and carbon footprint reduction, further increasing operational complexities.
Market Opportunities and Innovation	The orderly transition could unlock new market opportunities in the green economy, encouraging innovation in product development, supply chain management, and customer engagement.	Despite the challenges, this scenario may also present opportunities. There may be a growing market for sustainable products, and retailers who adapt quickly could capture new customer segments.	The broader economic impacts of a “Hot House World” scenario could lead to market volatility, affecting consumer spending power and overall economic stability, which in turn could impact travel retail and F&B sales.
Workforce	Travel retail and F&B operators would likely have the opportunity to train and develop their workforce in emerging green technologies and practices, aligning their skills with the evolving demands of a low-carbon economy.	Travel retail and F&B firms may need to retrain or reskill their workforce to adapt to new technologies, processes, or products that support the low-carbon transition.	The health and safety of employees could be at risk due to extreme weather conditions, leading to potential workforce challenges and increased costs for health and safety measures.

Key measures include:
Monitor policy adaptation. Stay informed about regulatory changes and proactively plan to meet evolving standards. Engage in policy discussions and advocacy efforts to help shape favorable outcomes.

Sustainable Supply Chain Management. Gradually transition to sustainable suppliers, invest in eco-friendly materials, and optimize logistics for lower emissions. Develop relationships with suppliers who share a commitment to sustainability.

Invest in energy-saving technology and environmentally friendly packaging. Upgrade stores, restaurants and warehouses with energy-efficient systems and appliances. Implement sustainable packaging solutions and reduce waste. Explore renewable energy options.

Expand green product and F&B lines. Gradually increase the offer of environmentally friendly products and meals to meet growing consumer demand. Educate customers about the benefits of sustainable products and meals.

Brand enhancement. Promote the company's sustainability efforts to boost brand reputation. Engage in marketing campaigns highlighting environmental commitments.

Workforce training. Invest in training programs to equip employees with knowledge of sustainable practices and green technologies. Foster a culture of environmental responsibility within the organization.

Innovate and explore markets. Invest in research and development to drive innovation in sustainable products and services. Identify and explore new market opportunities in the green economy.

2.4 Plans to expand scenario analyses

To enhance climate scenario analysis and develop effective management and resilience measures, Avolta's Sustainability, Risk, and Strategy departments are actively collaborating. These discussions have gained increasing significance following the 2023 business combination of Dufry and Autogrill, requiring updates to the Company's strategy and related initiatives.

In response to these developments, Avolta plans to refine its approach and provide deeper and more detailed insights in the 2025 TCFD Report, with a focus on expanding scenario analysis, the assessment of climate change's financial impact and the definition of prevention and mitigation measures to safeguard the Company from climate-related risks.

3. Risk Management

3.1 Organizational processes for identification and management of CRRO

Avolta's risk management processes identify and address risks across various levels of the organization, with responsibilities distributed among different functions and countries. The risk assessment process integrates both bottom-up and top-down methodologies, leveraging local-level inputs while consolidating insights at the global level. Risk identification follows a structured, questionnaire-based approach, gathering insights from stakeholders across different regions. Risks are classified into key categories, with sustainability serving as a key pillar of Avolta's risk management framework. This includes the management of climate-related risks and opportunities, supporting a proactive response to sustainability challenges. Each risk is evaluated based on a combination of quantitative (financial impact) and qualitative (strategic, reputational) criteria, allowing for a comprehensive assessment of potential threats and opportunities. The process prioritizes material sustainability and climate-related risks, helping maintain alignment with evolving regulations and corporate sustainability goals.

To support this approach, the Company utilizes the Governance, Risk and Compliance (GRC) software, an enterprise risk management tool that enables the comprehensive identification and mitigation of potential business risks.

3.2 Integration in the organization's overall risk management

Avolta's overall risk management model is structured around three key pillars:

1. **Commitment to Integrity and Transparency:** Avolta and its subsidiaries uphold a strong commitment to integrity and transparency, starting with the employee's adherence to Avolta's Code of Conduct.

2. **Governance and Risk Oversight:** Various governance functions across the organization – including Compliance, Legal, Finance, Sustainability and Human Resources – are responsible for monitoring. These departments establish controls, enforce policies, and

oversee compliance with regulatory and internal standards.
3. **Assurance and Independent Valuation:** The Internal Audit department provides independent and objective monitoring and consulting services designed to add value and improve Avolta's operations. This function covers all subsidiaries and applies a systematic and disciplined approach to evaluate and improve the effectiveness of governance processes as well as risk management and control, including assessing risk exposure, control effectiveness, and fraud prevention measures across the organizations.

The main risks identified during internal audits are reported to senior management and the Audit Committee of the Board of Directors. The status of the main risks is periodically updated until resolution or acceptance by the governing bodies.

Climate-related matters are an integral part of Avolta's sustainability processes and infrastructure. Therefore, the risk management processes explicitly include the management of Avolta's CRRO (Climate Related Risks and Opportunities) as part of the sustainability engagement.

Further information on the overall risk management process is provided in the Corporate Governance Report 2024 on pages 290 – 294, including chapters "3.5 Internal Organizational Structure", "3.6 Definition of areas of responsibility" and "3.7 Information and Control Instruments vis-a-vis the senior Management", as well as in the Sustainability Report 2024 on page 116 The Financial Risk Management is disclosed in the Financial Report 2024 on pages 237 – 248.

4. Targets & Metrics

4.1 Greenhouse gas emissions

The Greenhouse gas emissions for the years 2019-2024 as shown below are calculated in accordance with the Greenhouse Gas Protocol (GHGP).

In the tables below, 2023 figures have been restated to reflect an expanded geographic scope, enhanced KPI tracking, and estimated missing data.

Greenhouse gas emissions

in tons of Co_2-eq.	2024	2023
Scope 1[1]	84,421	82,264
Scope 2 Location-based[2]	158,215	149,766
Scope 2 Market-based[2]	201,223	191,633
Scope 3[3,4]	3,806,960	59,192
Category 1: Purchased goods and services	3,708,121	n/a
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 and 2	43,042	41,135
Category 4: Upstream transportation and distribution	42,730	18,057
Categroy 5: Waste generated in operations	13,067	n/a
Total Scope 1, 2 location-based	242,636	232,030
Total Scope 1, 2 market-based	285,644	273,897
Total Scope 1, 2 location-based, and 3	4,049,596	291,221
Total Scope 1, 2 market-based, and 3	4,092,604	333,088

Carbon intensity

Carbon Intensity	2024	2023
Tons of CO_2-eq, / MCHF net sales (Scope 1,2)[5]	21,58	21,77
Tons of CO_2-eq, / MCHF net sales (Scope 1,2,3)[5]	309,16	26,47

1 Scope 1 was calculated following the GHG protocol guidelines. The estimated emissions were calculated with the emission factors provided by the "UK Government GHG Conversion Factors for Company Reporting",and published by the Department for Environment, Food & Rural Affairs (DEFRA) 2024. Due to data unavailability, the missing fuel consumption of Australia, and United Arab Emirates, were estimated through a comparative methodology between net sales and fuel consumption to proportionally derive the missing data.

2 Scope 2 emissions for year 2024 are reported under the "market-based" approach. For the "market-based" calculation, the residual mix factors published bu the Association of Issuing Bodies (AIB) were used, where available. When unavailable, the average emission factors IEA 2024 was used, trade-adjusted for OECD countries. To obtain the total market-based scope 2 emissons, the contribution of RECs (calculated with the location-based approach) were subtracted from the locations that had acquired the certification (REC). The total "location-based" scope 2 emissions, on the other hand, amounts to 158,215 tCO_2e."

3 Scope 3 emissions include the most significant and relevant categories selected based on Avolta's business model, associated risks and opportunities, and the feasibility of data acquisition. The calculations were all done in alignment with GHG Protocol guidelines.

4 Scope 3 emissions were calculated using both activity-based and spend-based methods. The activity-based method was prioritized whenever sufficient data was available. When activity data was lacking, the spend-based method was used, leveraging expenditure data to calculate emissions. This approach is aligned with the GHG Protocol guidelines.

5 Carbon intensity calculated over the total net sales of Avolta in tCO_2e per million CHF.

Further information on the management of the climate-related risks associated with other key environmental matters for Avolta – such as water usage, waste generation and disposal and biodiversity loss – along with their related metrics, can be found, respectively, on pages 136-141 of the Sustainability Report.

CO_2 Reduction targets

In 2021, Avolta committed to define science-based emission reduction targets for the Company's retail business scope using 2019 baseline. Avolta's current commitment targets are as follows:

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

These targets, validated by the Science Based Targets initiative (SBTi) in early 2023, align with the Paris Agreement's decarbonization goals to limit global warming to 1.5°C.

Avolta's Scope 1 & 2 emission reduction strategy follows the SBTi 1.5°C pathway, while its Scope 3 strategy aligns with the SBTi "well below 2°C" pathway. Measures to achieve Scope 1 & 2 reductions include energy consumption reductions and the procurement of renewable energy certificates (RECs) at the company level. For Scope 3, reduction initiatives focus on supplier engagement programs, supplier and logistics partner tracking aligned with SBTi commitments, and the development of a green logistics plan (see page 134 of the Sustainability Report).

2024 progress in achieving the targets

Scope 1 & 2 objective – During 2024, Avolta has further increased its electricity sourcing of renewable energy from 40% (48,000 MWh) in 2023 to 93% (113,000 MWh) by purchasing Renewable Energy Certificates (RECs) (using 2019 as a baseline).
As an example, these RECs cover the equivalent of our total electricity consumption of our operations in Belgium, Brazil, China, France, Germany, Greece, India, Spain, Switzerland, Türkiye and the UK, and permit Avolta to compensate over 39,000 tons of CO2-eq.

Scope 3 objective – Scope 3 objective – As of 31st December 2024, suppliers representing about 70% of Avolta retail COGS have committed to SBTI targets. Furthermore, Avolta has consolidated its enlarged supplier landscape and mapped the related logistics suppliers' landscape as a base to design its future emissions reduction plan for our goods transportatio. In 2024, Scope 3 emissions from upstream transportation and distribution increased by 21.8%, rising from 17,002 in 2023 to 20,708 tons of $CO_{2\text{-eq}}$ in 2024. This increase was primarily driven by the improved accuracy in tracking CO_2 emissions from logistics partners, addressing data gaps compared to the previous year. However, we remain confident in our ability to stay on course toward our decarbonization targets. We will continue investing in sustainable solutions, including optimizing shipment planning, selecting lower-carbon transportation methods, and favoring lower-impact systems, such as rail, whenever feasible. Additionally, we are prioritizing the use of sustainable fuels, such as biodiesel, for our marine and road transport routes. Tests conducted in 2024 on four marine routes and across road routes in Italy have shown promising results in this direction. For short-haul road transportation, our focus will be on integrating electric vehicles and modernizing fleets with the latest low-emission technologies.

Following the business combination of Dufry and Autogrill, Avolta has been working throughout 2023 and into 2024 to establish new company-wide baselines for Scope 1 and 2 emissions. In 2024, the company also expanded Scope 3 emissions calculations to include additional key categories, such as Purchased Goods and Services, Upstream Transportation and Distribution, and Waste Generated in Operations, covering both retail and F&B activities. This initiative aims to establish a comprehensive measurement of Scope 3 emissions, allowing for a detailed assessment of the Company's overall emissions profile and develop a new emission reduction plan for the full company's scope. In light of these developments, Avolta plans to restate its Scope 1, 2, and 3 emission reduction targets in 2025.

4.2 Integrating sustainability and climate-related metrics in remuneration

Since 2022, sustainability and climate-related performance target metrics have been integrated into the remuneration schemes of the Global Executive Committee and senior management to align long-term incentives (LTI) with the company's sustainability objectives. For more information, please also refer to pages 314 – 317 of the Remuneration Report 2024.