

# SUSTAINABILITY REPORT 2017 ANNEX



**DUFRY**

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# SUSTAINABILITY REPORT ANNEX

## About the report

Following Dufry's commitment towards providing more visibility over its annual non-financial performance, and building on the steps taken in 2016 with the commissioning of our first Materiality Assessment to identify the sustainability topics, Dufry has prepared a Sustainability Report that is aligned with the Guidelines of the Global Reporting Initiative (GRI) and its Core Option Standard. Reporting in accordance with this international standard permits a more transparent and comparable approach to information and facilitates the tracking of sustainability performance indicators.

2017 sets the starting point for Dufry GRI reporting and, although this year's report is prepared to meet the GRI Standards: Core Option, we have disclosed additional indicators and topics to those listed and recommended in the Core option to reflect the specific company approach and strategy.

The report is divided in two main sections. The main one – included in the annual report – gives the reader a wider view of Dufry, its relationship with its main stakeholders and its vision on sustainability. The second part of the report is available in the sustainability section of the corporate website, [www.dufry.com](http://www.dufry.com), where this document is hosted and which contains information presented in several tables with quantitative indicators as per the GRI Standard indications. Both documents present data as of 31<sup>st</sup> December 2017.

For easier tracking, you may find a list of the whole set of indicators in the GRI Index also available on the website. That Index cross references GRI indicators and page numbers and serves as a guide to where the information on each topic may be found – either in the annual report, on the corporate website or in this annex document.

## Scope

As Dufry operates stores in 64 different countries, as a starting point we have opted for a varied scope of the report; for the general profile and most of the GRI indicators we have included information on the whole group. This information is either provided on an aggregated basis for the whole group or broken-down by five geographical divisions:

- Division 1 – Southern Europe & Africa
- Division 2 – UK, Central & Eastern Europe
- Division 3 – Asia, Middle East & Australia
- Division 4 – Latin America
- Division 5 – North America

More information about each of the Divisions and countries included may be found on pages 46-65 of the annual report.

For specific indicators, the information is limited to Dufry's most significant operations (by revenue and/or relevance to the business), which have been grouped as follows:

- Northern Europe (UK and Switzerland)
- Southern Europe (Spain and Greece)
- North America (United States and Canada)
- Latin America (including our operations in Brazil, Mexico and Argentina)

The sample selected responds to criteria on quality of data available and represents over 70% of the total headcount of the group.

Should you have any comments about the content of the report or want to know more about Dufry's efforts towards sustainability, please email us to [sustainability@dufry.com](mailto:sustainability@dufry.com)

## INFORMATION ON EMPLOYEES AND OTHER WORKERS (USING GRI CODING)

### 102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

	HQ	DIVISION 1	DIVISION 2	DIVISION 3	DIVISION 4	DIVISION 5	TOTAL
Headcounts	254	6,239	6,636	2,739	7,378	9,719	32,965
Male	138	2,325	2,101	1,260	2,216	3,141	11,181
Female	116	3,914	4,535	1,479	5,162	6,578	21,784
Number of Nationalities	38	74	67	48	48	13	

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	
<b>BREAKDOWN BY EMPLOYEE TYPE</b>					
Headcounts		5,277	3,632	9,873	4,414
Male		1,758	1,207	3,192	1,890
Full time		1,326	1,059	2,742	1,816
Part time		432	148	450	74
Female		3,519	2,425	6,681	2,524
Full time		1,663	1,823	5,584	2,368
Part time		1,856	602	1,097	156

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	
<b>BREAKDOWN BY CONTRACT TYPE</b>					
Headcounts		5,277	3,632	9,873	4,414
Male		1,758	1,207	3,192	1,890
Permanent		1,736	1,013	3,192	1,887
Temporary		22	194	-	3
Female		3,519	2,425	6,681	2,524
Permanent		3,453	2,040	6,681	2,514
Temporary		66	385	-	10

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	
<b>BREAKDOWN BY AGE GROUP</b>					
Headcounts		5,277	3,632	9,873	4,414
Male		1,758	1,207	3,192	1,890
< 30 years		475	157	1,107	735
30 - 50 years		899	832	1,267	1,037
> 50 years		384	218	818	118
Female		3,519	2,425	6,681	2,524
< 30 years		946	317	2,015	1,073
30 - 50 years		1,628	1,772	2,874	1,334
> 50 years		945	336	1,792	117

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	
<b>BREAKDOWN BY PROFESSIONAL LEVEL</b>					
Headcounts		5,277	3,632	9,873	4,414
Male		1,758	1,207	3,192	1,890
Office managers		215	188	143	310
Office staff		52	8	87	32
Sales & Operations managers		138	66	355	151
Sales & Operations staff		1,353	945	2,607	1,397
Female		3,519	2,425	6,681	2,524
Office managers		176	242	131	215
Office staff		150	54	171	31
Sales & Operations managers		129	40	455	114
Sales & Operations staff		3,064	2,089	5,924	2,164

Note: These tables provide additional information to that available in the Annual Report, page 89, including: breakdown of headcounts of relevant operations by gender, employee type, employee contract, age and professional level. For more consistent tracking, headcounts from the Distribution Centres have been re-assigned to the divisions where these are located

### 102-41 PERCENTAGE OF EMPLOYEES COVERED BY A COLLECTIVE BARGAINING AGREEMENT

	HQ	DIVISION 1	DIVISION 2	DIVISION 3	DIVISION 4	DIVISION 5	TOTAL
<b>IN %</b>							
Headcounts	100%	77%	55%	9%	53%	39%	51%

## 202-1 RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA
RATIO (1.00 = MINIMUM WAGE)				
Male	1.18	1.16	1.30	1.44
Female	1.18	1.16	1.30	1.44

Note: In the Canton of Basel (Switzerland) where Dufry's HQ is located, there are different levels of minimum wages that depend on skills and experience. Hence, Basel has been omitted for the calculation of the Northern European group.

## 201-2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

It is not possible to determine whether if the changes in existing rules initiated by climate change will involve changes to business processes associated with significant costs. Global regulation that could massively affect the predicted growth of international air traffic (with expected annual growth rates of 4-5% until 2035) is rather unlikely due to the fact that it would necessarily need to be accompanied by restrictions for individual countries.

Stricter regulatory requirements due to climate change could eventually be an opportunity for some of our operations. As indicated in page 86 of the 2017 Annual Report, Dufry has retail shops in 20 of the 37 carbon neutral airports.

## 202-2 PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

At Dufry, we believe talent has no nationality. Our operations and offices however are very much linked to where they are based and this is reflected in the composition of our staff at all professional levels. As a general practice, and where possible, Dufry incorporates members of the local communities to its management team as this gives a better understanding and, as a result, a better running of the operations.

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA
IN %				
Locally hired	84.23%	97.27%	100%	62.65%

## 204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS

The food, confectionery and catering category (which represent 17% of Dufry 2017 global sales) has by large the largest proportion of their global procurement budget spent on local providers, with approximately 67%. This is followed by the Luxury category (14% of 2017 global sales), with 21% of their budget spent on local providers; and Wine & Spirits (16% of the 2017 global sales), with 20% of their budget spent on local brands. Tobacco goods (11% of the 2017 global sales) accounts for 2% while Perfume and Cosmetics (32% of the 2017 global sales) spends approximately 1.5% on local providers.

**401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER**

Note that Southern European airports have a very marked seasonal pattern and traffic. Over the summer season – from April until October – these airports concentrate over 80 % of the annual traffic. Staff is hence reinforced over each summer period. Wherever possible, Dufry employs the same staff year after year. However, these seasonal employment contracts are accounted as new hires in the table below and therefore also impact the turnover figures. A similar pattern is observed in some of the airports included in the Latin American sample.

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA
<b>HEADCOUNTS</b>				
New Hires	1,770	1,974	6,269	999
Male	612	606	2,111	410
< 30 years	340	279	1,332	287
30 – 50 years	222	293	595	113
> 50 years	50	34	184	10
Female	1,158	1,368	4,158	589
< 30 years	624	561	2,596	384
30 – 50 years	397	728	1,214	197
> 50 years	137	79	348	8
<b>IN %</b>				
New Hires	34%	54%	63%	23%
Male	35%	50%	66%	22%
< 30 years	72%	178%	120%	39%
30 – 50 years	25%	35%	47%	11%
> 50 years	13%	16%	22%	8%
Female	33%	56%	62%	23%
< 30 years	66%	177%	129%	36%
30 – 50 years	24%	41%	42%	15%
> 50 years	14%	24%	19%	7%
<b>HEADCOUNTS</b>				
Employee turnover	1,617	1,833	963	855
Male	553	504	281	386
< 30 years	231	119	443	232
30 – 50 years	274	292	1,508	145
> 50 years	48	93	49	9
Female	1,065	1,330	683	469
< 30 years	501	312	403	254
30 – 50 years	428	873	316	207
> 50 years	135	145	1,846	8
<b>IN %</b>				
Employee turnover	31%	50%	10%	19%
Male	31%	42%	9%	20%
< 30 years	49%	76%	40%	32%
30 – 50 years	30%	35%	119%	14%
> 50 years	13%	43%	6%	8%
Female	30%	55%	10%	19%
< 30 years	53%	98%	20%	24%
30 – 50 years	26%	49%	11%	16%
> 50 years	14%	43%	103%	7%

**402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES**

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA
<b>IN WEEKS</b>				
Minimum notice period	5 Weeks	2 Weeks*	8 Weeks	5 Weeks

\*there is no such a requirement for Greece

#### 403-1 WORKERS REPRESENTATION IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA
IN %				
Staff represented in H&S committees	80%	70%	5%	48%

Health & Safety applicable legislation changes from one country to another. And while in operations like Spain or the UK, 100% of the staff is covered by a joint management-worker committee, in others, like Greece or Brazil, the work done by this committee is outsourced and covered by a third-party company.

#### 403-2 TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA
ABSOLUTE / IN %				
Male				
Fatalities	0	0	0	1
Injury rate	3.09%	0.11%	0.01%	1.59%
Occupational disease rate (ODR)	0%	0%	0%	0.53%
Lost day rate / LDR	1.70%	0.05%	0.01%	1.01%
Absentee rate (AR)	2.11%	3.58%	0.00%	1.10%
Female				
Fatalities	0	1	0	0
Injury rate	5.80%	0.10%	0.01%	2.17%
Occupational disease rate (ODR)	0%	0%	0%	0.04%
Lost day rate / LDR	1.65%	0.05%	0.05%	4.12%
Absentee rate (AR)	2.11%	4.00%	0.00%	1.89%

#### 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA
HOURS OF TRAINING				
Total average	5.2	30.8	5.2	21.4
Male				
Office managers	13.1	18.0	0.3	3.0
Office staff	3.2	21.3	-	1.5
Sales & Operations managers	6.9	16.6	10.3	39.5
Sales & Operations staff	5.5	28.0	5.6	22.3
Female				
Office managers	12.9	20.3	0.4	7.3
Office staff	3.2	12.9	-	2.1
Sales & Operations managers	18.8	16.5	14.7	43.2
Sales & Operations staff	3.6	35.6	4.5	23.1

#### 404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA
IN %				
Total	100%	96%	100%	95%
Male	100%	97%	100%	96%
Office managers	100%	94%	100%	98%
Office staff	100%	100%	100%	93%
Sales & Operations managers	100%	99%	100%	92%
Sales & Operations staff	100%	97%	100%	96%
Female	100%	96%	100%	94%
Office managers	100%	93%	100%	94%
Office staff	100%	100%	100%	94%
Sales & Operations managers	100%	98%	100%	100%
Sales & Operations staff	100%	96%	100%	93%

#### 405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

	DIVISION 1	DIVISION 2	DIVISION 3	DIVISION 4	DIVISION 5
IN %					
% male	37%	48%	46%	33%	90%
% female	63%	36%	54%	67%	10%
% minority groups	1%	5%	1%	16%	N/A
% < 30 years	15%	3%	49%	30%	0%
% 30 - 50 years	63%	61%	45%	55%	30%
% > 50 years	14%	21%	6%	15%	70%

#### 406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA
# OF INCIDENTS				
Total number	6	0	15	1
Remediation plans implemented	3	0	0	0
Remediation plan implemented and under supervision	0	0	0	0
Incidents no longer subject to action	4	0	13	1

#### 410-1 SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES

Dufry does not employ in-house security personnel of its own. This is largely due to the fact that its retail stores are overwhelmingly located in airports and on cruise lines (94% of 2017 global sales), where security is already strict and generally provided by the airport authority or cruise line itself. To the extent that security personnel are required and are contracted, Dufry expects its security service contractors to act in a manner consistent with local and national laws as well as with applicable human rights standards. Dufry outsources this service to trustworthy providers, regulated by local governments and with a reputable track record of services, including the respect for human rights. We have not recorded for the period any case of human rights or abuse by the security personnel hired by Dufry.

#### 416-1 ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

We are committed to ensuring that every product we sell is safe. Our procurement teams focus on preventing issues occurring by sourcing products from a reliable supply base. Dufry does not sell own-brand products.

Some of the products that Dufry sell are heavily regulated – especially alcohol and tobacco but also beauty and food. Dufry complies with all regulations and rules related to the products sold in the countries where it operates.