

SUSTAINABILITY REPORT 2018 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 and in 2017 with the preparation of the first Sustainability Report following international standards. Dufry has again aligned its Sustainability Report, with the guidelines of the Global Reporting Initiative (GRI) Standards on its Core Option. Reporting in accordance with this international standard permits a more transparent and comparable approach to information and facilitates the tracking of sustainability performance indicators.

For 2018, Dufry has selected the same set of GRI indicators as those selected in 2017 to meet the GRI Standards: Core Option, and which included additional indicators and topics to those listed and recommended in the Core option to reflect the specific company approach and strategy. Dufry 2018 Sustainability Report applies the 2016 version of the GRI Standards; where noted "2016*" in this annex and in the GRI Index, it refers to the Standards issue date, not the date of the information presented.

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, 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 31st December 2018.

For easier tracking, a list of the whole set of indicators in the GRI Index is 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 Group website or in this annex document.

Scope

As Dufry operates stores in 65 different countries, 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 Europe
- Division 3 – Eastern Europe, Middle East, Asia & Australia
- Division 4 – Latin America
- Division 5 – North America

More information about each of the Divisions and countries included may be found on pages 46-67 of the annual report.

As we did for the 2017 report, for some specific indicators, the information is limited to Dufry's most significant operations (by revenue and/or relevance to the business), which have been group as follows:

- Northern Europe (UK and Switzerland)
- Southern Europe (Spain and Greece)
- North America (United States and Canada)
- Latin America (Brazil, Mexico and Argentina)
- Middle East & Asia (Sharjah and Australia)

The sample selected responds to criteria on quality of data available and represents over 71% 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

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	8,860	5,555	4,122	7,585	10,230	36,606
Male	133	3,163	1,733	1,663	3,034	3,223	12,949
Female	121	5,697	3,822	2,459	4,551	7,007	23,657
Number of Nationalities	39	47	101	45	40	8	132

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	MEA
BREAKDOWN BY EMPLOYEE TYPE					
Headcounts	4,967	5,968	10,230	4,183	697
Male	1,645	2,061	3,223	1,818	269
Full time	1,208	1,692	2,768	1,745	213
Part time	437	369	455	73	56
Female	3,322	3,907	7,007	2,365	428
Full time	1,496	2,874	5,843	2,253	192
Part time	1,826	1,033	1,164	112	236

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	MEA
BREAKDOWN BY CONTRACT TYPE					
Headcounts	4,967	5,968	10,230	4,183	697
Male	1,645	2,061	3,223	1,818	269
Permanent	1,616	1,133	3,210	1,817	242
Temporary	29	928	13	1	27
Female	3,322	3,907	7,007	2,365	428
Permanent	3,248	2,346	6,981	2,363	360
Temporary	74	1,561	26	2	68

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	MEA
BREAKDOWN BY AGE GROUP					
Headcounts	4,967	5,968	10,230	4,183	697
Male	1,645	2,061	3,223	1,818	269
< 30 years	400	527	1,103	721	79
30 - 50 years	862	1,188	1,293	981	161
> 50 years	383	346	827	116	29
Female	3,322	3,907	7,007	2,365	428
< 30 years	833	892	2,214	972	127
30 - 50 years	1,524	2,437	2,876	1,274	238
> 50 years	965	578	1,917	119	63

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	MEA
BREAKDOWN BY PROFESSIONAL LEVEL					
Headcounts	4,967	5,968	10,230	4,183	697
Male	1,645	2,061	3,223	1,818	269
Office managers	63	87	115	35	3
Office staff	201	134	69	274	62
Sales & Operations managers	115	67	361	487	6
Sales & Operations staff	1,266	1,773	2,678	1,022	198
Female	3,322	3,907	7,007	2,365	428
Office managers	24	61	70	6	2
Office staff	268	255	126	181	65
Sales & Operations managers	116	42	486	603	12
Sales & Operations staff	2,914	3,549	6,325	1,575	349

Note: These tables provide additional information to that available in the Annual Report, page 92, 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 2016*

	HQ	DIVISION 1	DIVISION 2	DIVISION 3	DIVISION 4	DIVISION 5	TOTAL
IN %							
Headcounts	100%	81%	12%	10%	47%	39%	44%

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

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	MEA
RATIO (1.00 = MINIMUM WAGE)					
Male	1.01	1.16	1.30	1.57	1.00
Female	1.01	1.16	1.30	1.57	1.00

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. Likewise, we have not identified a benchmark for Sharjah. Hence, both operations have been omitted for the calculation of the Northern European and MEA-groups.

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

It is not possible to determine 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 89 of the 2018 Annual Report, Dufry has retail shops in 22 of the 44 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	MEA
IN %					
Locally hired	74.52%	93.94%	100%	92.61%	66.86%

204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS

The food, confectionery and catering category (which represent 18% of Dufry 2018 global sales) has by large the largest proportion of their global procurement budget spent on local providers, with approximately 60%. This is followed by the Wine & Spirits (16% of the 2018 global sales), with 20% of their budget spent on local brands, and the Luxury category (13% of 2018 global sales), with 19% of their budget spent on local providers. Tobacco goods (12% of the 2018 global sales) accounts for 2.5% while Perfume and Cosmetics (32% of the 2018 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	MEA
HEADCOUNTS					
New Hires	1,350	1,260	1,069	1,179	258
Male	446	535	372	471	73
< 30 years	234	284	228	330	38
30 - 50 years	165	224	113	133	29
> 50 years	47	27	31	8	6
Female	904	725	697	708	185
< 30 years	513	436	447	476	75
30 - 50 years	294	262	178	224	79
> 50 years	97	27	72	8	31
IN %					
New Hires	27%	21%	10%	28%	37%
Male	27%	26%	12%	26%	27%
< 30 years	59%	54%	21%	46%	48%
30 - 50 years	19%	19%	9%	14%	18%
> 50 years	12%	8%	4%	7%	21%
Female	27%	19%	10%	30%	43%
< 30 years	62%	49%	20%	49%	59%
30 - 50 years	19%	11%	6%	18%	33%
> 50 years	10%	5%	4%	7%	49%
HEADCOUNTS					
Employee turnover	1,338	618	415	1,235	146
Male	457	250	172	442	68
< 30 years	226	86	288	237	26
30 - 50 years	184	133	120	195	32
> 50 years	47	31	42	9	10
Female	881	368	243	794	78
< 30 years	491	188	588	473	30
30 - 50 years	280	159	267	311	41
> 50 years	110	21	84	9	7
IN %					
Employee turnover	27%	10%	4%	30%	21%
Male	28%	12%	5%	24%	25%
< 30 years	57%	16%	26%	33%	33%
30 - 50 years	21%	11%	9%	20%	20%
> 50 years	12%	9%	5%	8%	34%
Female	27%	9%	3%	34%	18%
< 30 years	59%	21%	27%	49%	24%
30 - 50 years	18%	7%	9%	24%	17%
> 50 years	11%	4%	4%	8%	11%

402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	MEA
IN WEEKS					
Minimum notice period	5 Weeks	2 Weeks*	8 Weeks	4 Weeks	n/a

*there is no such a requirement for Greece and Australia.

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

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	MEA
IN %					
Staff represented in H&S committees	88%	65%	n/a	2%	2%

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. There is not such a committee in the North America sample.

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	MEA
ABSOLUTE / IN %					
Male					
Fatalities	0	0	0	1	0
Injury rate	0.09%	0.02%	0.00%	0.03%	0.00%
Occupational disease rate (ODR)	0	0	0.00%	0	0
Lost day rate / LDR	0.01%	0.00%	0.00%	5.30%	0.00%
Absentee rate (AR)	1.09%	4.51%	0.00%	1.55%	0.42%
Female					
Fatalities	0	1	2	0	0
Injury rate	0.15%	0.01%	0.00%	0.20%	0.00%
Occupational disease rate (ODR)	0	0	0.00%	0	0
Lost day rate / LDR	0.00%	0.00%	0.00%	5.12%	0.12%
Absentee rate (AR)	2.44%	5.48%	0.00%	2.47%	0.50%

404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	MEA
HOURS OF TRAINING					
Total average	11.8	21.8	17.1	22.8	55.2
Male					
Office managers	15.4	31.4	9.8	5.7	-
Office staff	18.5	19.7	8.0	5.1	29.4
Sales & Operations managers	45.0	12.4	32.3	44.7	110.3
Sales & Operations staff	9.1	21.8	16.0	15.6	86.7
Female					
Office managers	15.1	32.7	9.8	6.9	-
Office staff	17.4	22.4	8.0	10.2	12.8
Sales & Operations managers	47.8	12.7	32.3	46.3	95.3
Sales & Operations staff	9.1	21.7	16.0	16.8	48.3

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

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	MEA
IN %					
Total	99%	81%	100%	100%	89%
Male	99%	86%	100%	100%	81%
Office managers	92%	98%	100%	100%	36%
Office staff	92%	95%	100%	100%	61%
Sales & Operations managers	100%	94%	100%	100%	67%
Sales & Operations staff	100%	84%	100%	100%	88%
Female	99%	78%	100%	100%	95%
Office managers	91%	100%	100%	100%	3%
Office staff	93%	93%	100%	100%	92%
Sales & Operations managers	100%	95%	100%	100%	34%
Sales & Operations staff	100%	77%	100%	100%	98%

405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

	DIVISION 1	DIVISION 2	DIVISION 3	DIVISION 4	DIVISION 5
IN %					
% male	36%	34%	40%	38%	90%
% female	64%	66%	60%	62%	10%
% minority groups	1%	1%	2%	6%	N/A
% < 30 years	23%	25%	39%	9%	0%
% 30 - 50 years	61%	45%	53%	61%	70%
% > 50 years	15%	30%	7%	30%	30%

406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

	NORTHERN EUROPE	SOUTHERN EUROPE	NORTH AMERICA	LATIN AMERICA	MEA
# OF INCIDENTS					
Total number	26	0	15	0	1
Remediation plans implemented	25	0	15	0	0
Remediation plan implemented and under supervision	1	0	0	0	0
Incidents no longer subject to action	25	0	13	0	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 (93% of 2018 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.