

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2021

WE SUPPORT



DUFRY

WorldClass.WorldWide.

STATEMENT OF THE CHIEF EXECUTIVE OFFICER

In 2021, we have seen a gradual recovery of travel resulting in an improved business performance. As uncertainty remains and the visibility of the pandemic's evolution is still low, we have continued to focus on safeguarding the resilience of the company by further strengthening our liquidity and financial position, as well as by preparing the organization for the new business environment and the recovery phase. In particular, the implementation of the shop-by-shop reopening initiative reaching 80% of shops reopened by year-end 2021, has allowed us to call back to work several thousands of employees from furlough and recruit new colleagues.

Our commitment to advancing the development of our Environmental, Social and Governance (ESG) strategy has continued throughout 2021 and has crystallized into a series of initiatives that lay a firm foundation for the sustainable development of our company.

As a signatory member of the UN Global Compact, we have worked towards ensuring that the Ten Principles are embedded in the Group's business strategy and integrated into the day-to-day operation of our company. This includes our continuous fight against bribery and corruption, the collaboration with our partners to protect human rights and labor standards, as well as the initiatives to reduce our environmental impact.

In 2021, we have implemented a significant number of initiatives, which have enabled us to make steady progress within our ESG commitment. These include a set of Environmental Management Guidelines, defining the environment as a key element of the company's decision-making process and as a way of ensuring the application of the precautionary principle. Other environment-oriented initiatives carried out in 2021 have seen the phasing-out of plastic carrier bags in a number of Dufry operations as well as the implementation of a sustainable product identification initiative in 128

airports across the world to support our customers in their responsible product choices. Most importantly, Dufry has established emission reduction targets, following the Science Based Targets Initiative's criteria, which outline our engagement to reduce our environmental footprint. Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of de-carbonization required to meet the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

Moreover, we have further evolved our diversity and inclusion strategy. Besides appointing a Chief Diversity & Inclusion Officer to our Global Executive Committee, there are a number of important achievements worth mentioning. Amongst others, we have completed our first diversity & inclusion survey, which reached 70% of our global headcounts and we have achieved the recertification of the Equal Salary Certification in Switzerland, which we had first achieved in 2019. Moreover, we have widened the reach of our internal communication tool Beekeeper, which now connects over 80% of our employees and we have updated our Global Human Resources Policy, which is now publicly available in our website and outlines our unnegotiable commitment with respect to the protection of human rights, working conditions, health & safety and equal opportunities.

We are currently working on a number of ongoing initiatives that will be ongoing over the coming years, which will allow us to continuously drive our commitment towards conducting business in a responsible way. Detailed information on these initiatives is available in this Progress Report as well as in Dufry's 2021 Annual Report.



Julián Díaz González
Group CEO, Dufry

Principle	Our Vision	Specific Measures
HUMAN RIGHTS & LABOR		
<p>Principle 1: Businesses should support and respect the protection of international human rights.</p> <p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>Dufry’s commitment to Human Rights is addressed in the Dufry Code of Conduct and the Dufry Supplier Code of Conduct. Both of these codes are built on the basis of globally recognized principles – like those established by the International Labor Organization (ILO) and the United Nations – and set the expected behavior of both Dufry employees and its suppliers when it comes to the protection of Human Rights and Labor Practices. Both of the codes are publicly available at the company’s website www.dufry.com.</p> <p>Dufry also has strong internal compliance bodies and mechanisms to ensure that its employees are educated in the matter and to control the existing codes and policies regarding the protection of Human Rights.</p> <p>More details are available in the Trusted Partner chapter of Dufry’s 2021 ESG Report.</p>	<ul style="list-style-type: none"> ✓ During 2021, we have conducted a recertification process of our Supplier Code of Conduct. In this occasion, we have more than tripled the number of suppliers from each of the product categories, reaching over 117 suppliers (2019: 37 suppliers) that represent 56 % of our procurement budget (compared to 44 % of the previous certification). By close of 2021, suppliers representing 45 % of the total procurement volume (COGS) had accepted or acknowledged the Supplier Code of Conduct (2019: 38 %). On top of monitoring suppliers to ensure compliance with the principles established in Dufry’s Supplier Code of Conduct, we will continue to reach additional suppliers going forward. Following the three-years-cycle approach, the next complete recertification is planned for 2024.
<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<p>Dufry respects legally recognized unions and internal forums created to represent its employees’ interests as well as the right of its employees to collective bargaining. In this regard, the company has a policy tailored to each location, subject to the specific laws and regulations.</p> <p>More information is available under the Freedom of Association section of the Employee Experience chapter of Dufry’s 2021 ESG Report.</p>	
<p>Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.</p> <p>Principle 5: Businesses should uphold the effective abolition of child labor.</p> <p>Principle 6: Businesses should uphold the elimination of discrimination with respect to employment and occupational activities.</p>	<p>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 occurs at any location. All this principles are covered in Dufry’s HR Policy, available on the corporate website www.dufry.com.</p> <p>Additional information is available in Dufry’s Code of Conduct, Dufry’s Supplier Code of Conduct and the Employee Experience chapter of Dufry’s 2021 ESG Report, all disclosed on the company website.</p>	<ul style="list-style-type: none"> ✓ Global HR Policy updated with respect to overall remuneration system and working conditions. Policy is now publicly available on the corporate website. ✓ We have appointed a Chief Diversity & Inclusion Officer the group’s Global Executive Committee, who reports to Dufry’s Chief Executive Officer. ✓ We have conducted a Diversity & Inclusion survey covering 70 % of global our global employee base to identify opportunities to further evolve Diversity & Inclusion engagement and targeted initiatives. ✓ We have progressed with the roll-out of the employee communication tool – Beekeeper – to connect with non-desktop staff, reaching over 80 % of our headcounts. ✓ Recertification of Equal Salary Certification in Switzerland successfully completed.

Principle

Our Vision

Specific Measures

ENVIRONMENTAL PROTECTION

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Dufry follows a consistent process to assess its operations from an environmental perspective, to identify the current and future environmental impacts of its activities and to promote initiatives that respect the environmental balance.

- ✓ During 2021, Dufry has defined emissions reduction target following the SBTi criteria:
 - To reach Climate Neutrality for scopes 1+2 by 2025
 - To considerably reduce scope 3 emissions by engaging with 50% SBTi-committed suppliers by 2027 and by reducing carbon intensity of logistic partners by 28% by 2030.

Principle 8:

Businesses should under-take initiatives to promote greater environmental responsibility.

Moreover, Dufry has established Environmental Management Guidelines applicable to all group entities which define environmentally acceptable practices. Additionally, the company undertakes initiatives geared to reduce the environmental impact of its operations and engages with other stakeholders – such as suppliers and airport partners – to collaborate in achieving this goal.

- ✓ We have continued with our plan to phase-out plastic carrier bags and replace them with more sustainable options in 15 countries.
- ✓ We have developed Dufry’s Environmental Management Guidelines to ensure that application of the precautionary principle and placing the environment at the center of decision-making process.

Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies.

More information is available in the Protecting Environment chapter of Dufry’s 2021 ESG Report.

- ✓ We have piloted a Sustainable Product identification initiative in 171 shops across 128 airports, highlighting those products that are aligned with customers’ personal values and which fulfill defined sustainability criteria, and so helping our customer make more sustainable product choices.

ANTI-CORRUPTION

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

As stipulated in Dufry’s Code of Conduct and Supplier Code of Conduct, Dufry has a zero tolerance policy towards bribery and corruption. In this regard, the company has established strong control and education bodies to ensure all of its employees understand the company’s position and guarantee compliance with the principles established in the Dufry Code of Conduct.

- ✓ During 2020 and 2021, over 950 managers at all levels of the organization and from across all the regions have completed formal comprehensive training on compliance. The rest of the employees not included in the managers list do also receive compliance training. In 2021, this training reached over 14,500 employees on average via online compliance update trainings and communications campaigns.

More information is available in the Trusted Partner chapter of Dufry’s 2021 ESG Report.

