

ANNUAL REPORT 2021



DUFRY

WorldClass.WorldWide.

ESG ENGAGEMENT

**DUFRY DEFINES SBTI BASED
EMISSION REDUCTION
TARGETS AND IMPLEMENTS
SEVERAL NEW ESG INITIATIVES**

Discover the full story in the ESG Report

ANNUAL REPORT 2021 CONTENT

1

MANAGEMENT REPORT

Dufry at a Glance 4-5

Highlights 2021 6-7

Message from the Chairman of the Board of Directors 8-11

Statement from the Chief Executive Officer 12-16

Organizational Structure 17

Board of Directors 18-19

Global Executive Committee 20-21

Dufry Investment Case 22-23

Dufry Strategy 24-72

Dufry Regions 42-57

2

SUSTAINABILITY REPORT

ESG Report 73-109

Community Engagement 110-116

Sustainability Report 2021 Annex 282 ff

GRI Content Index 2021 282 ff

UN Global Compact Communication Progress Report 282 ff

3

FINANCIAL REPORT

Report from the Chief Financial Officer 118-123

Financial Statements 125-230

Consolidated Financial Statements 126-215

Financial Statements Dufry AG 216-230

Alternative Performance Measures 231-234

4

GOVERNANCE REPORT

Corporate Governance 235-259

Remuneration Report 260-277

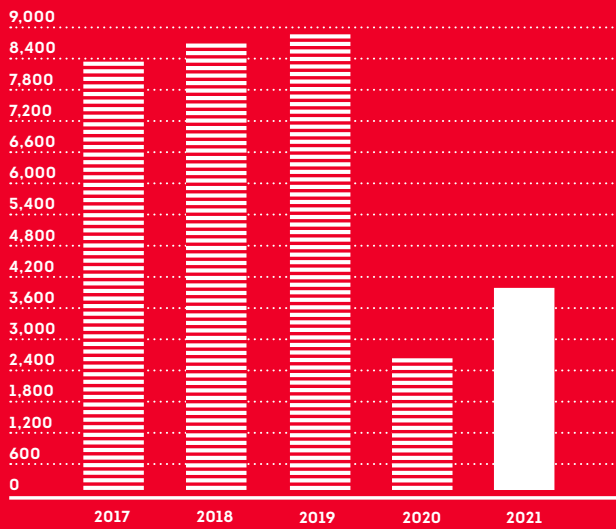
Information for Investors and Media 280-281

Address Details of Headquarters 281

DUFYR AT A GLANCE

TURNOVER

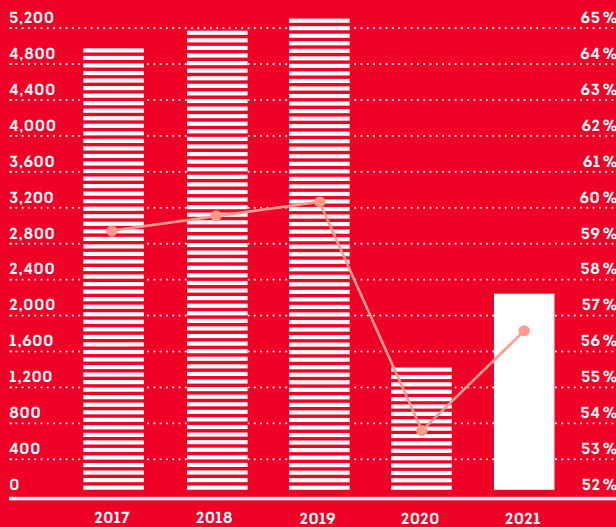
IN MILLIONS OF CHF



GROSS PROFIT

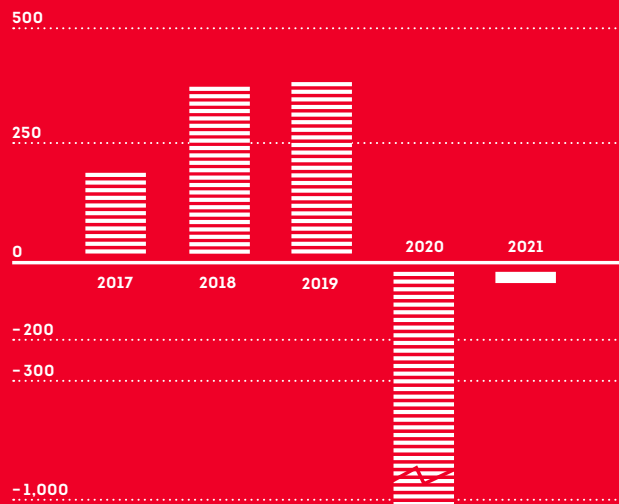
IN MILLIONS OF CHF

MARGIN

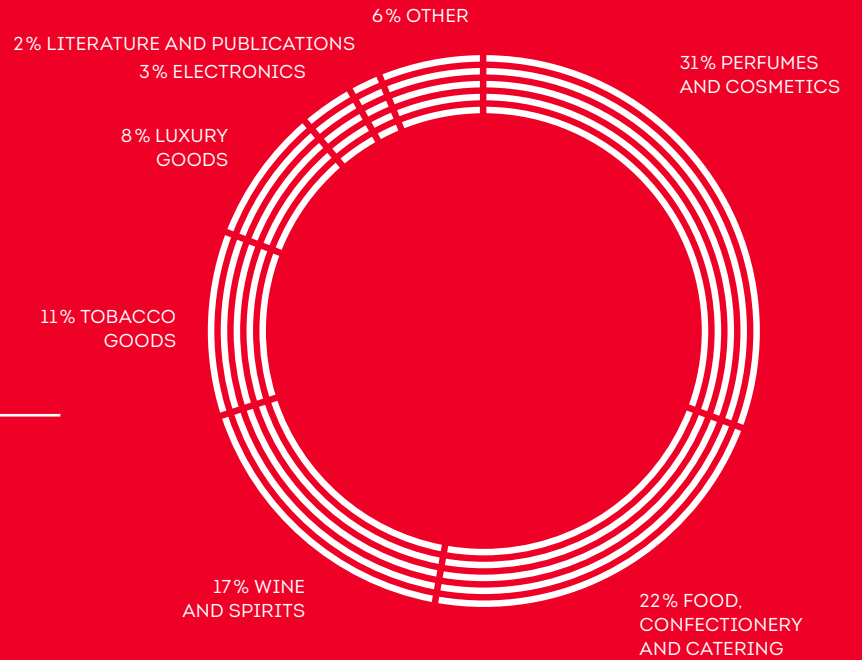


EQUITY FREE CASH FLOW

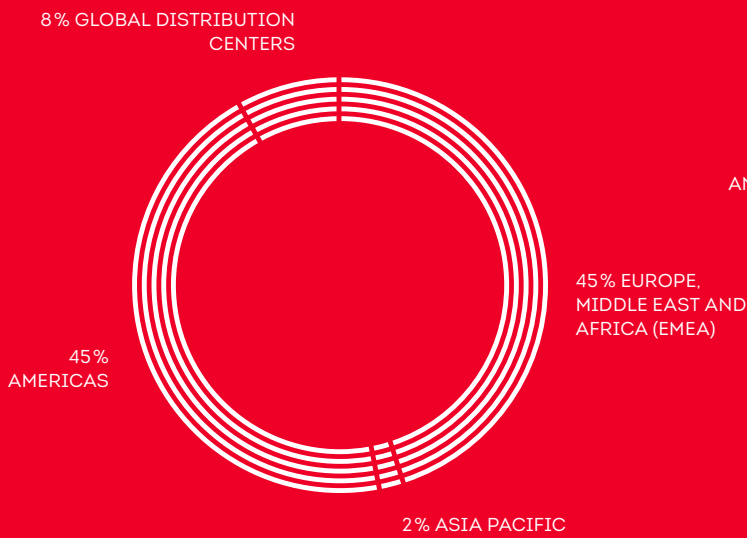
IN MILLIONS OF CHF



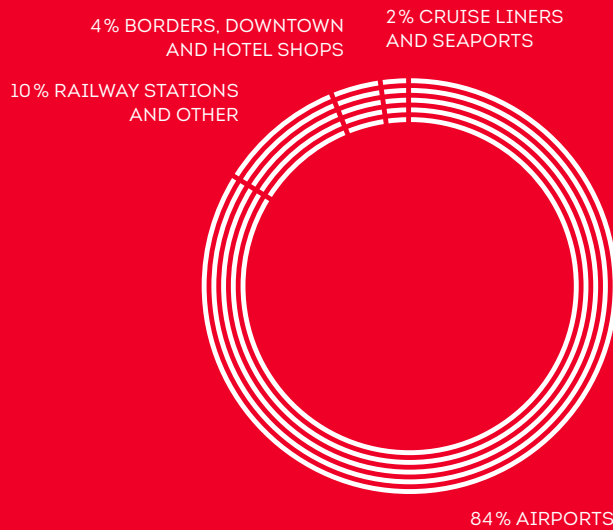
NET SALES BY PRODUCT CATEGORY 2021



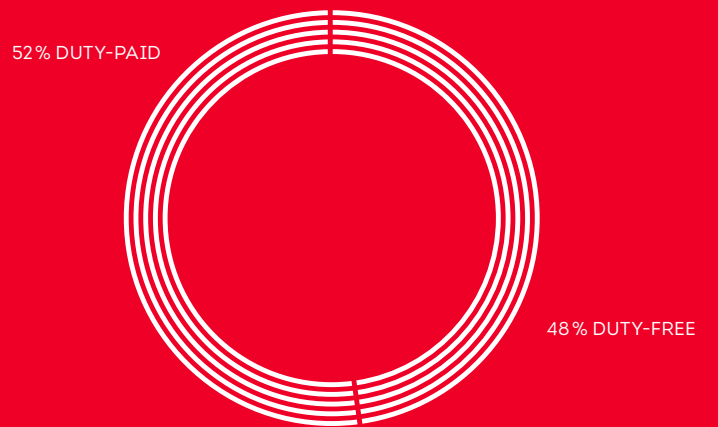
NET SALES BY REGION 2021



NET SALES BY CHANNEL 2021



NET SALES BY MARKET SECTOR 2021



HIGHLIGHTS 2021

STRONG CASH CONVERSION

Dufry significantly over-achieved its EFCF expectation and targets for FY 2021, reaching levels similar to 2019 in the second half of 2021 already despite lower turnover levels, and with this proves its strong cash conversion capability going forward.

TOTAL SAVINGS OF CHF 1,919.7 MILLION REACHED

Dufry realized CHF 1,919.7 of total savings in MAG reliefs, PEX and other expenses during the 2021 business year, compared to 2019.

CHF 2,243.9 MILLION LIQUIDITY POSITION

As of December 31, 2021, Dufry had a reassuring liquidity position of CHF 2,243.9 million.

FINANCIAL POSITION CONSIDERABLY STRENGTHENED

In 2021, Dufry has considerably strengthened its financial position through a comprehensive refinancing of CHF 1.619.9 million. The company has no major maturities before 2024, and features a weighted average maturity profile of 3.9 years.

DUFRY DEFINES CO₂ EMISSION REDUCTION TARGETS

Dufry has defined SBTi-based CO₂ emission reduction targets and will become climate neutral for scopes 1+2 by 2025. Scope 3 emissions to be considerably reduced as well; (full details on pages 87 - 92).

CONCESSION PORTFOLIO EXTENDED WITH SEVERAL NEW CONTRACTS

Dufry has successfully strengthened its concession portfolio with important new contracts such as among others the ten-year contract at Martinique International Airport, and the five-year concession at Cayenne International Airport.

DUFRY LAUNCHES SUSTAINABLE PRODUCT IDENTIFICATION SYSTEM

To help customers shop considerately, Dufry has launched its sustainable product identification initiative across 171 shops in 128 airports globally.

HUDSON NONSTOP PROVIDES CUSTOMERS WITH CONTACTLESS SHOPPING EXPERIENCE

The new shop format Hudson Nonstop combines Hudson's proven shopping experience with Amazon's Just Walk Out technology. Customer's just tap their credit cards, pick-up their favorite products and exit the shop without queuing at the tills.

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

DEAR SHARE- HOLDERS

The 2021 business environment for travel retail improved compared to the previous year, which will be remembered as the most difficult one seen in our industry. The initiatives we began implementing in 2020: reorganization of the company, cost control, financing, cash generation and collaboration with suppliers and landlords, proved their efficacy throughout 2021 and generated positive results.

We saw a steady recovery of travel, which varied significantly depending on regional lifting of restrictions and the type of travel – domestic or international. While markets such as the United States, the intraregional destinations in Central America, the Caribbean, and some European countries increased flight frequencies starting in the second quarter, other geographies and transcontinental connections took longer to reopen and mostly resumed in the second half of the year.

Acceleration of organic growth.

With respect to our operational performance in 2021, our turnover reached CHF 3,915.4 million, resulting in a considerable improvement in organic growth, which came in at 53.2% as compared to -69.6% in the previous year. Our focus on adapting the organization to new business requirements continues and we have progressed well, implementing defined structural adaptations, whilst closely monitoring costs at all levels. With these measures in place, we overachieved our earlier cost saving target, originally estimated to reach CHF 970.0 million but which ultimately came in at CHF 1,919.7 million at year-end. Adjusted net profit reached CHF 23.4 million, resulting in an Adjusted EPS

of CHF 0.27. Sales acceleration and tight cost management resulted in positive cash generation from May through October and an overall solid liquidity position at the end of the year amounting to CHF 2,243.9 million.

Dufrey to reach climate neutrality for scopes 1+2 by 2025.

In 2021 we raised the bar with our ESG engagement. By defining CO₂ emission reduction targets for our whole value chain and evolving our diversity & inclusion strategy, we have made important steps to anchor a sustainability culture within the company. Our initiatives with defined targets continued our positive ESG trajectory over recent years: the implementation of internationally recognized reporting standards, clearly defining our ESG strategy, becoming a signatory member of UN Global Compact and adopting formal commitments for human rights, environment, labor and anti-corruption.

2021 marks the year in which Dufrey defines Science-Based Targets (SBT) to reach climate neutrality for scopes 1+2 as well as to considerably reduce carbon intensity within scope 3. This is probably the most important milestone achieved in the year under review within our ESG engagement initiatives. We made improvements in all four of our focus areas – Customer Focus, Protecting Environment, Employee Experience and Trusted Partner – and I invite you to visit pages 73–109 of this report to discover detailed information on the progress made.

¹ For a glossary of financial terms and key performance indicators please see page 231 of this Annual Report.



In 2021, Dufry further optimized company reorganization, consolidated cost control, built financial resilience, and evolved ESG across all four areas of focus.

Juan Carlos Torres
Carretero

2,300

Dufry is a real global player operating over 2,300 shops throughout all six continents.

In the first and the second quarters of 2021, we initiated the early refinancing process of the 2023 maturities through a mixed portfolio of financial instruments. In parallel, we have extended the maturities for the remaining term loans to 2024 and achieved an extension of the covenant holiday until June 2023. The refinancing includes CHF 500 million new convertible bonds due 2026 and the early conversion of the existing CHF 350 million 2023 convertible bonds. Additionally, Dufry priced EUR 725 million Senior Notes due 2028 and CHF 300 million Senior Notes due 2026. These transactions with lending banks and bondholders underpinned the strong support from new and existing shareholders that we experienced last year. The total proceeds of all combined 2021 financial transactions amounted to CHF 1,619.9 million.

Ongoing strong support by shareholders, bondholders, and lending banks.

As per December 31, 2021 Dufry's market capitalization stood at CHF 4.099 billion. In line with the recovery of travel and vaccination levels, Dufry shares saw a strong recovery in the first quarter peaking at CHF 68.24 in March. Then, impacted by the increase of infection levels as of September, the share price adjusted downwards and then flattened, and closed the year at CHF 45.15. The average daily trading volume on all platforms was CHF 61.2 million, confirming the good liquidity of our shares. The SIX Swiss Exchange remains an important trading platform, where the average daily volume of Dufry shares reached CHF 28.8 million in 2021. Dufry's trading volumes are mainly concentrated at the SIX 46% and BATS Chi-X OTC 47% platforms. As is our tradition, we have maintained a continuous

dialogue with our shareholders and the financial community through over 1,700 contacts on roadshow or conference meetings, calls and emails – unfortunately, still mostly virtual – but we resumed in person meetings and physically attended conferences as of the second semester 2021.

At the General Meeting of Shareholders 2021, we welcomed two new independent members to the Board of Directors – Ms Eugenia M. Ulasewicz and Mr Joaquín Moya-Angeler Cabrera. They will contribute to Dufry's development with their wealth of experience earned through participation on several board committees of listed and private companies, as well as academic and nonprofit organizations. Claire Chiang, who had been a Board Member since 2016, decided not to stand for re-election. I thank Ms Chiang for her valuable contributions to Dufry, wishing her all the best for her future endeavors.

We took into consideration shareholder feedback with respect to the 2020 Remuneration Report and have actively engaged with the financial community. In this context, we reached out to investors and proxy advisors to understand and address their concerns. Subsequently, we implemented several changes in our short- and long-term incentive plans, which are reflected in this year's Remuneration Report.

Regarding the 2022 General Meeting of Shareholders, the Board of Directors resolved to propose suspending the dividend payment for the business year 2021. This allows us to focus on protecting our liquidity and further strengthening the company's financial position. The Board of Directors will consider re-initiation of dividend payments in line with the recovery. In addition, we expect attractive shareholder value generation opportunities to arise in the short- and medium-term and will thoroughly assess any investment from a value accretion perspective once the business starts to recover sustainably.

Our community engagement programs around the world continued to support and assist communities in markets in which we operate. It is now the 12th year that we have contributed to the funding of SOS Children's Villages initiatives in Brazil, Mexico and Kenya. This year, when children and families really needed extra support, we asked our customers to join our efforts by purchasing our Captain Dufrey plush bear, the profits of which were donated to SOS Children's Villages. In 2021, we and our employees were also involved in community projects in many other parts of the world such as Senegal, Greece, the United Kingdom, Switzerland, the United States, Canada and Spain.

Supporting communities in need.

We are confident that progress to recovery will continue in 2022, driven by strong leadership and dedicated teams. Despite the unknowns, we can count on improving trends in terms of increasing vaccination rates, lifted travel restrictions and the valuable lessons learned while managing the current challenges. Our priorities are continued cost controls and safeguarding the liquidity of the company, but we will accelerate sales and seize opportunities to develop our company further.

As disclosed on February 21, 2022, Julian Diaz will step down from his functions as Chief Executive Officer and will not stand for reelection as Member of the Dufrey Board of Directors at the AGM 2022. During his tenure, which started in 2004, Julian successfully executed the company's global expansion strategy of profitable and sustainable growth and earned the respect of the travel retail industry. Through a combination of organic growth as well as several transformational acquisitions, Dufrey became the leading player and the only truly global travel retailer of the industry. Julian has been the driving force of the Group's development and reliably steered the company on its remarkable path. Personally, in the name of the Board of Directors and on behalf of the whole company, I express our gratitude to Julian Diaz for his outstanding dedication and the extraordinary contributions he made to the benefit of Dufrey and all its stakeholders during his successful career in the company. Our best wishes for good health, happiness and further satisfactions accompany him for his future endeavors.

I am very pleased that we could appoint Xavier Rossinyol as new and experienced CEO who will further develop our company as of June 1, 2022. Following his first stay

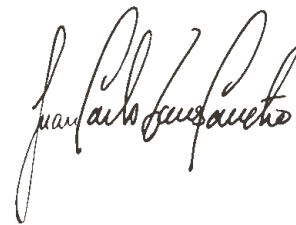
at Dufrey from 2004 to 2015, he can build on his know-how of our company and the specificities of travel retail, and rely on the additional wealth of experience gained by leading for several years, as CEO of gate-group, a global player of an adjacent industry thus getting to know well the airline and airport industries. Xavier is familiar with the expectations of the financial markets and our stakeholders and has the necessary skills and attributes to further evolve our growth strategy. We wish Xavier Rossinyol lots of success as new Dufrey Chief Executive Officer.

A grateful "Thank You" is due to all our employees and management teams, for once again proving their dedication and support. It was through their immense commitment and hard work that the company achieved our main targets. We also want to pay our respects to the colleagues we have lost and to their families, all of whom are very much in our thoughts. We continually review our efforts to provide customers and employees with safe shopping and working environments and wish our colleagues who have suffered from the virus a swift and full recovery.

In this second year of travel disruption, the exceptional support from our landlords and suppliers, with whom we closely collaborated to find mutually viable solutions, solidified partnerships. We appreciate their willingness to work jointly to overcome the crisis.

The ongoing trust of our business partners, shareholders and bondholders, reinvigorated our long-standing relationships and fostered our common vision of Dufrey as a WorldClass.WorldWide company.

Sincerely,



Juan Carlos Torres Carretero

STATEMENT OF THE CHIEF EXECUTIVE OFFICER DEAR ALL

The 2021 business year has again been demanding for all our teams and colleagues, and they have responded to the challenges with remarkable dedication and engagement to support the company. In an environment of gradual recovery for the industry and with travel resuming at different speeds in individual countries and regions, Dufrey has continued to flexibly adapt its ways of working to the ever-changing requirements. The strong motivation of our teams has allowed us to successfully implement our shop-by-shop reopening strategy and to reach a level of 80% of shops opened at the end of the year, representing a potential sales capacity of 88% as compared to 2019.

Supported by the resilient willingness of our customers to travel and their ongoing propensity to visit our stores, our turnover saw a reassuring acceleration through the course of the year and amounted to CHF 3,915.4 million in 2021 versus CHF 2,561.1 million in 2020, equal to an increase of 52.9%. Accordingly, organic growth improved as well and reached 53.2% in 2021 as compared to -69.6% in 2020.

Strong cash flow generation and solid liquidity position

Since May 2021, Dufrey has been generating positive cash flows, supported by the acceleration of the business, as well as the ongoing focus on cost management. Having implemented the initiatives already defined in 2020, such as negotiating MAG reliefs and tightly controlling personnel and other expenses, and continuously applying these in 2021 as well, has allowed us to overachieve the expected levels that were defined in early 2021 and to save CHF 1,919.7 million in total. Altogether, this resulted in a remarkable equity free cash flow (EFCF) generation in Q3 2021, which amounted to CHF 253.7 million and reached similar levels as in the record third quarter of 2019. The positive

cash flow generation trend continued throughout the second semester of 2021, reaching similar levels overall as in 2019 and allowing us to considerably overachieve our original EFCF target for the full-year 2021. Our equity free cash flow at the end of 2021 amounted to CHF -33.4 million (2020: CHF -1,027.3 million).

Strong cash flow generation capability confirmed.

Through the combination of the comprehensive cost saving and efficiency measures, the reorganization of the company and a first set of financing transactions implemented in 2020 and the several refinancing initiatives executed in the first and second quarters of 2021, we reached a very solid liquidity position at year-end of CHF 2,243.9 million. By using a mixed portfolio of financial instruments, in 2021, we generated total proceeds of CHF 1,619.9 million and we do not have any significant maturities before 2024. This is an important achievement as we confirm our position as a leading and powerful player in the travel retail industry and we are well prepared to continue focusing on further organic growth acceleration in 2022.

At the beginning of 2022, Dufrey agreed with its lending banks on an extension of the previously agreed covenant holiday until and including June 2023. The September and December 2023 testing deadlines require a 5.0x net debt / adjusted operating cash flow before the company will return to its 4.5x net debt / adjusted operating cash flow threshold in 2024.

Driving sales through new openings and refurbishments

Amongst the several refurbishment and new openings in 2021, the highlights worth mentioning were the Rio

¹ For a glossary of financial terms and key performance indicators please see page 231 of this Annual Report.



Throughout 2021, we have seen a considerable acceleration of our operational performance supported by our shop reopening strategy as well as the ongoing implementation of efficiency measures and tight collaboration with landlords and suppliers.

Julián Díaz González

470,000 m²

Dufry operates close to 470,000 m² of retail space.

Galeão Dufry Shopping Megastore (BR), several shops at Pulkovo Airport in St. Petersburg (RU), the extensive redesign at Milano Linate International Airport (IT) and the completely renewed Brookstone shop concept in the US. With the opening of the Group's first full-seated restaurant concept "Plum Market" at Dallas Fort Worth International Airport, we have not only enhanced our airport F&B footprint in the US, but also underpinned once again our diversification strategy aiming at developing alternative channels within the travel retail sector.

New openings driving sales.

At the very beginning of the year we started with the opening of the Global Duty Free Plaza at the Mova Mall in Hainan, where we collaborate with Alibaba and Hainan Development Holdings to offer customers a comprehensive assortment of around 200 renowned global brands in an attractive shopping environment, which in its final form will cover close to 39,000 m² of retail space. This is globally the largest single shop location with Dufry participation and offers customers an extensive array of online services tailored to the habits of the mainly Chinese audience. In total, Dufry opened 9,797 m² of new shops and refurbished 19,243 m² of sales space, corresponding to 2% and 4% of our total space respectively.

Extended shop digitization & automation

Besides further extending the reach of our existing online customer services, such as Reserve & Collect and Red By Dufry - now available in 48 countries and 239 locations respectively -, in the US we have launched the new Hudson Nonstop shop concept. It allows customers to enter the shop by just tapping their credit card, chose from a selection of the traditional travel convenience product assortment and leave the shop

without going to the till and without any human interaction.

Increased shop digitization.

Hudson Nonstop uses Amazon's Just Walk Out technology, which is currently in operation at Chicago Midway International Airport and at Dallas Love Field Airport. In 2021, we have also accelerated the deployment of self-check-out tills, which have been well received by our international customer base in 5 countries with over 100 units in operation across 31 shops. Both new developments are testimony to our ongoing focus to drive the company's digitalization to simplify processes and generate efficiencies.

Ongoing footprint expansion.

Securing business resilience through new concessions and contract extensions

In 2021, we also succeeded in winning several attractive new concessions and expanding important contracts across all our regions, thus adding solid contributors to the resilience of the business. Amongst the most important new wins are: the contract at Teesside International Airport (UK) for twelve years, further consolidating our footprint in the UK; the new concessions at Martinique Aimé Césaire International Airport for ten years and at Cayenne Felix Eboué International Airport in French Guiana for five years; the new wins at Sangster International Airport in Montego Bay, Jamaica, for five years and six years for the duty-free and the duty-paid concessions respectively, as well as at Salgado Filho International Airport in Porto Alegre (BR) for six years. Extensions of existing con-

tracts have been awarded at Santiago International Airport, the second largest hub for the Dominican Republic, for ten years; at Cardiff Airport (UK) for 12 years and in Cambodia covering the airports of Phnom Penh, Siem Reap and Sihanoukville for five and a half years. At the end of 2021, Dufrey's pipeline included projects covering 38,700 m² of potential additional retail space.

Listening to customers to anticipate new expectations

Throughout 2021, Dufrey has continued with its intensive market research to directly assess and identify any potential new customer behavior or expectations as a key instrument to drive sales. One of the findings identified, was the increased interest in the availability of sustainable products, which we have satisfied with our sustainable product identification initiative described below.

Customer insights are reassuring for business resilience.

Our regular customer surveys have also provided valuable and reassuring insights underpinning the resilience of the business. Above all is the confirmed willingness of customers to continue to travel as soon as restrictions are lifted, which is a reassuring indication for the industry's recovery and which has been further confirmed by the increased bookings and flights made as the year has progressed. This has also included increasing business travel and the first re-opening of cruises. Another important indication is the confirmation of the fundamental trends towards experiences, exclusive items, novelties, gifts and local products, alongside customers' ongoing interest in finding great deals through attractive discounts. In this context as compared to 2019 gifting has confirmed its importance as buying reason, while an increasing number of shoppers perceive the savings potential of our offers.

ESG strategy implementation considerably accelerated

As previously announced, in 2021 we have defined science-based-targets (SBT) to achieve climate neutrality by 2025 for scopes 1+2 and to considerably reduce carbon footprint of our scope 3 emissions by cooperating with our suppliers and logistic partners. In detail, for scope 3 we will engage with suppliers to cover 50% of our product procurement through SBT com-

mitted suppliers by 2027 and reduce carbon footprint of our upstream logistics by 28% until 2030. Besides implementing these major milestones to protect the environment, we have also launched our new sustainable product identification initiative across 128 airports and 171 shops globally helping our customers to shop considerately. We have also further evolved the substitution of plastic bags by introducing biodegradable alternatives, mainly paper in 15 countries.

Important ESG milestones implemented.

From a more internal perspective, we have also evolved our diversity & inclusion engagement, setting up a D&I Committee and performing a dedicated D&I survey to learn more about and listen to the feedback of our employees. With its global reach and covering over 70% of our staff, the survey provides representative findings on our employee's perspectives and highlights areas where we can improve further. In the context of providing equal opportunities to all our employees without any form of discrimination, we have also succeeded in obtaining the recertification of the Equal Salary Certification in Switzerland, which we first achieved in 2019. For a detailed view of all our ESG achievements in 2021, please refer to the ESG Report on pages 73–109.

Encouraging outlook for business recovery and resilience

The acceleration of passenger traffic, the increased sales levels – also supported by higher spend-per-passenger compared to before the pandemic – and the increasing vaccination levels are encouraging signs for the ongoing recovery of the industry and our business performance. While during the recent winter months, some countries had to temporarily raise regulation levels to protect health and safety, the overall trends to ease cross-country and domestic air travel continued and were gradually extended.

With the successful re-financing measures implemented in 2021, the consolidation of our company organization and the further enhanced financial and managerial flexibility to engage in strategically relevant initiatives and growth opportunities, Dufrey is well positioned to drive recovery and accelerate growth going forward. Furthermore, market research conducted by the company throughout 2021, confirms the propensity of customers to travel and their confi-

dence and willingness to shop, be it in duty-free or duty-paid travel areas. Combined with the secular passenger growth, these are reassuring indications for the fundamental resilience of the travel retail industry and the company.

As communicated on February 21, 2022, I will step down as CEO of Dufry as of May, 31, 2022 and I will not stand for reelection to the Board of Directors of Dufry at the AGM 2022. I would like to express my gratitude to all our stakeholders and particularly to the Board of Directors and to all colleagues at Dufry for the support I have received during the past eighteen years. Without the strong dedication for execution and tireless commitment of every single employee, we could not have built the leading player of our industry. I am immensely grateful for the opportunity I had to lead and contribute to the development of this great company and I wish the Dufry family a prosperous future.

Thank you

My first thought is to thank our customers, who have increasingly come back and visited our shops, despite the still demanding travel conditions. They have confirmed their appreciation of our offerings and have generated remarkable sales and thus directly supported the recovery of the company. The trust we have received from our customers from over 150 nationalities that we serve every day is very encouraging and motivates us to further refine our product assortments and services in order to offer in every single case a most memorable experience.

Secondly, I want to repeat my immense gratitude to our employees and management teams for their ongoing motivation and dedication and their extraordinary efforts in supporting the resilience and the financial strength of the company, which ultimately has created the solid base on which we can build going forward. This impressively demonstrates the strong level of employee engagement and commitment to Dufry. While we are moving on with confidence, we also want to remember the colleagues we have sadly lost and their families, while wishing any colleagues who suffered with the virus a swift and full recovery.

I also want to thank our suppliers, landlords and business partners for their continued support in our common challenge to overcome the current situation in a spirit of true partnership. We have clearly seen that the common success of all industry players in travel retail is highly dependent on strong collaboration, which we look forward to continue fostering going forward.

Last, but not least, I thank our Board of Directors and our shareholders and bondholders for their ongoing support, trust and contributions in making Dufry even more WorldClass.WorldWide.

Best regards,



Julián Díaz González

OUR ORGANIZATIONAL STRUCTURE – GLOBAL EXECUTIVE COMMITTEE

AS AT DECEMBER 31, 2021



BOARD OF DIRECTORS MEMBERS

Julián Díaz
González



Juan Carlos
Torres
Carretero



Mary J.
Steele Guilfoile



Heekyung
Jo Min



Jorge
Born



Ranjan
Sen



Eugenia M.
Ulasewicz



Steven
Tadler



Lynda
Tyler-Cagni



Joaquín
Moya-Angeler
Cabrera



Luis Maroto
Camino



GLOBAL EXECUTIVE COMMITTEE MEMBERS

Julián Díaz
González



Luis
Marin



Yves
Gerster



Eugenio
Andrades



Sarah
Branquinho



Andrea
Belardini



Pascal C.
Duclos



DUFRY'S INVESTMENT CASE

GLOBAL MARKET LEADER

Close to 20% market share in airport retail and 11% market share in travel retail across all channels pre-COVID.

2,300

UNIQUE CUSTOMER ACCESS FOR GLOBAL BRANDS

Global player, with over 2,300 shops operated in 66 countries on six continents.

Offering global brands a unique market access and window display.

COLLABORATING WITH MORE THAN 1,000 SUPPLIERS

Travel retail recognized as important channel, translating into attractive margin profile.

GLOBALLY DIVERSIFIED AND LONG-TERM CONCESSION PORTFOLIO

Most diversified travel retailer with operations on all six continents, covering 66 countries, over 420 locations.

Geographic diversification allows Dufry to capture global growth trends of the travel retail industry, which in most cases helps to mitigate potential local events.

GLOBAL "PURE PLAY" IN A LONG-TERM GROWING INDUSTRY

Company growth driven by both M&A opportunities and organic growth fueled by fundamentally increasing passenger numbers and net new concessions.

CLEARLY DEFINED ESG STRATEGY

Dufry's ESG strategy defines clear environmental targets to reduce CO₂ emissions allowing to reach climate neutrality by 2025 for scopes 1+2, as well as to considerably reduce scope 3 emissions.

6 YEARS

6 years of remaining average concession lifetime, across a highly diversified portfolio.

Dufry has strong relationships with landlords and airport authorities and is a reliable partner delivering outstanding results for landlords through a vast offering of unique shop concepts and commercial initiatives.

CAPTIVE AND AFFLUENT CUSTOMER BASE ENHANCED THROUGH DIGITALIZATION

Travel retail and Dufry benefit from a growing captive customer base with above average spending power.

The ongoing digitalization of the business allows to considerably increase customer touchpoints and engagement, thus benefitting customer conversion and spending.

STRONG RELATIONSHIPS WITH CAPITAL MARKET

Dufry's shareholders, bondholders and bank partners continued to strongly support the company, with total capital raised through equity-linked investors of ~CHF 1.9 billion, including convertible bonds issued in 2020 and 2021, as well as through the debt refinancing including CHF 1.1 billion senior notes and loans of CHF 500 million in 2021.

GROWTH OPPORTUNITIES IN ASIA AND F&B

In 2021, Dufry further extended its Food & Beverages operations in the US, adding its first full-service restaurant, among other offerings, while also engaging in growth opportunities in Asia – for example by participating in the Global Duty Free Plaza at the Mova Mall in Hainan's capital city Haikou.

STRONG EQUITY FREE CASH FLOW GENERATION CAPABILITY

In 2021, Dufry has – despite the challenging business environment – confirmed its long-term track record of how the low capital intensity of the business allows for strong cash generation and fast deleveraging. The strong cash conversion continues to be supported by the organization and successful implementation of significant structural savings.

OUR STRATEGY LONG-TERM SUSTAINABLE AND PROFITABLE GROWTH

For a glossary of financial terms and key performance indicators please see page 231 of this Annual Report.

Dufrey's strategy focusses on long-term sustainable and profitable growth by building both on organic growth and acquisitions – as documented by the remarkable track-record of the company's rapid expansion in the past 15 years. Implementation of the strategy follows an approach of diversification by, among others, geography, channel and customs-regime. This allows to best capitalize on the resilient growth opportunities of the travel retail industry – despite the short-term impact of the COVID-19 pandemic – and to mitigate business related risks (see Risks & Opportunities in the Sustainability Report 2021 Annex on pages 282ff). In 2019, under normal market conditions, Dufrey had a market share of 11% in travel retail overall, and close to 20% in airport travel retail, which accounted for 84% of our business.

Creating value for all our stakeholders

Dufrey clearly focusses its activities on travel retail and aims at best serving the captive customer audience, which is typical for the industry. Travel retail is the melting pot of three very important industries: retail, travel and leisure locations, and represents one of the most important market places for consumer goods brands. Dufrey's expertise and services align the different expectations of our stakeholders and aim at generating value for all our stakeholders.

For customers, we create unrivalled shopping experiences; for suppliers, we build the marketplace to personally engage with travelers and sell their products to affluent and fast-growing customer groups; for landlords, we provide commercial know-how to best capitalize on their travel or leisure locations; for shareholders, we create long-term value through generating cash and profits, and for employees and local communities, we offer job opportunities to support wealth creation.

Our customers enjoy memorable shopping experiences, which we constantly improve by developing best-in-class retail formats and shops, as well as by implementing innovative cross-channel marketing initiatives and extending our online services, allowing us to increase customer engagement. Our sales representatives receive travelers with a friendly smile, introduce them to the world of travel retail and provide them with detailed product information – increasingly supported by digital technology.

Listening to customers to evolve shopping experiences.

Demographics play a big role in our business and changes in customer profiles and preferences can occur rapidly. For this reason, Dufrey sets high priority on consumer intelligence, extrapolated from internal operational information, regular customer field surveys and external research. This permanent listening to customers is the base to continuously fine-tune our offering, not only matching but exceeding expectations of our clients. In 2021, Dufrey has considerably increased its customer dialogue with dedicated surveys and as one of the results has introduced the «sustainable product identification initiative», which helps customers to find the most sustainable offers in our broad assortments (see page 83 for a more detailed description).

Besides offering customers great promotions, novelties and exclusive products they are always looking for, an unparalleled sense of place is, for Dufrey, a key element of an attractive customer shopping experience. This includes local product offerings, as customers

love to complete their travel experience by bringing home memories, as well as internationally recognized brands that are well known and much liked. Our shops combine the famous assortments of global brands and high-quality products with a special local touch, which differentiates our shops worldwide and wherever they may be – at airports, seaports, ships, railway stations as well as in downtown or border locations – and irrespective of whether they are duty-free or duty-paid. For an overview of our main retail concepts please refer to pages 30 – 41 of this report.

For suppliers we offer access to the largest footprint in the resiliently attractive travel retail channel, through more than 2,300 of our shops in over 420 locations in 66 countries, further supported by our growing number of digital platforms. Our shops offer suppliers an unrivalled worldwide opportunity to promote their brands and products, reaching an affluent consumer segment and allowing them to purchase their products at our various locations and travel retail online channels.

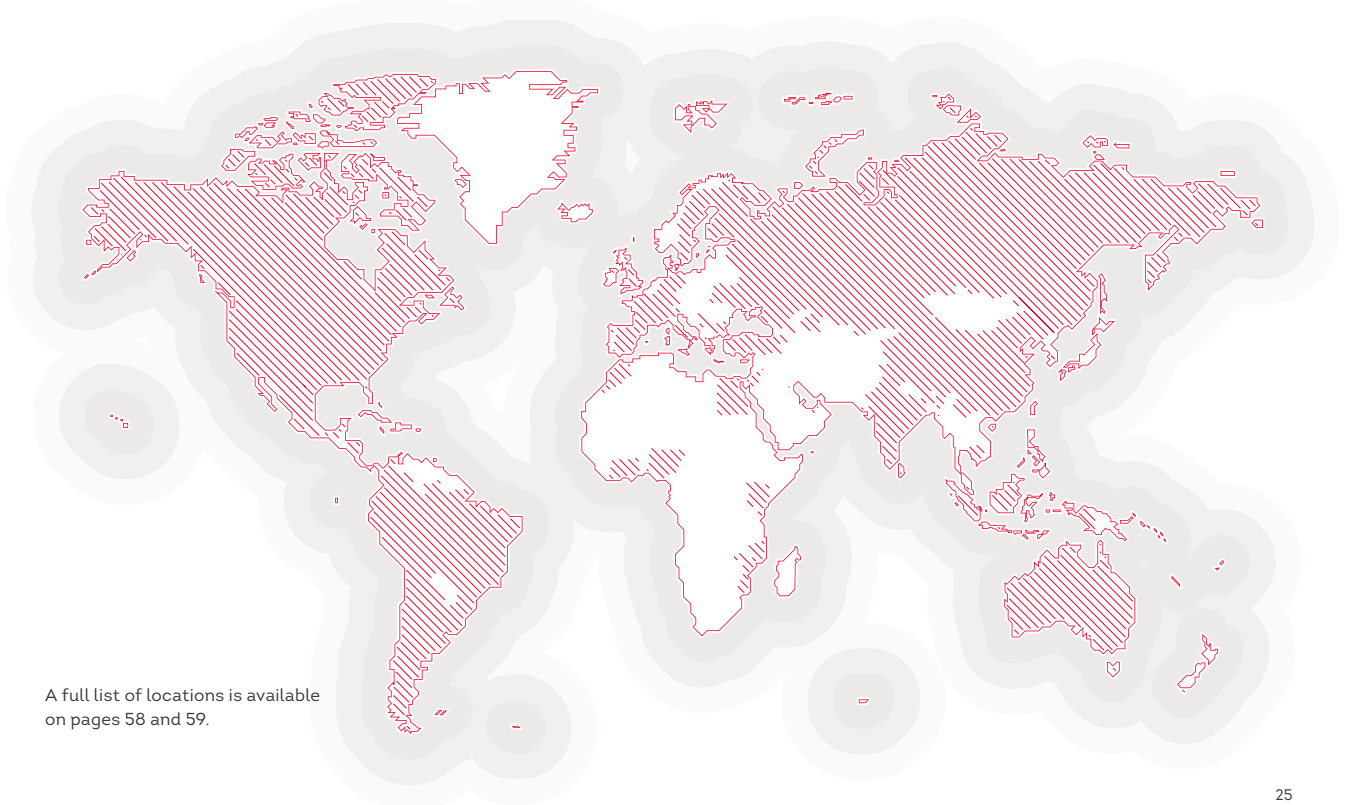
In recent years, we have seen an increasing importance in novelties, exclusive products and limited editions to attract customers to our shops. In 2021, this

long-term trend was complemented by the interest in sustainable products and was reconfirmed despite some short-term category shifts towards convenience products during the recovery phase, which saw faster acceleration within domestic and intra-regional travel. Dufry traditionally works closely with brands to offer customers a unique product selection and brand experiences, which make the channel even more attractive.

Novelties, sustainable products and exclusivities.

Landlords are interested in generating the highest productivity and maximizing their revenues from their retail spaces. To this purpose, Dufry offers them a full range of retail concepts adapted and customized to any specific location, complemented by the most comprehensive portfolio of global and local brands. Landlords are thus enabled to offer their travelers attractive commercial spaces and online services, resulting in increased revenues from non-aeronautical sources

GLOBAL PRESENCE



A full list of locations is available on pages 58 and 59.

and further optimizing their overall business performance.

For shareholders, Dufry offers an attractive investment opportunity to participate in an ever-growing industry and a company focused on profitable growth and strong cash generation. Despite the current challenging business environment, travel retail is a structurally resilient industry with a proven track-record of growth. For further information on our equity story as one of the world's leading global travel retailers, please refer to the section Investors on page 68.

Creating value for landlords and shareholders.

Diversification maximizes opportunities and mitigates risks

Diversification has always been a fundamental element of our strategy as it considerably minimizes risks and offers consistent growth opportunities. In our understanding, diversification includes aspects such as geographies, market sectors and channels as well as, ever increasingly, also digitalization and online platforms.

Geographic diversification is the best way to benefit from the ever-growing number of travelers worldwide, as we can leverage the captive audiences in our locations. Our global presence allows us to evaluate thoroughly the opportunities of new projects in any location by capitalizing on the expertise of our local teams. Their understanding of the local market characteristics forms the foundation for a close collaboration with landlords and other local business partners, to effectively develop new businesses.

Our wide geographic footprint in 66 countries and the fine-meshed network of locations and shops is also a unique marketing asset we can offer our brand partners. It allows them to engage directly with a growing number of customers and access to any given mature or emerging market. Today, Dufry is not only the global market leader in travel retail, but also by far the most diversified player in the industry.

Furthermore, geographic diversification considerably mitigates risks generated by external impacts in single markets or regions. This has been widely proven in 2021, when we could accelerate the recovery benefiting from the early opening of domestic and intra-

regional travelling e.g. with flights in the US or within the EU. Furthermore, Dufry has also limited exposure to single contracts, as illustrated by the share of individual concessions in the Group. With the largest concession accounting for less than 4% of our business, and with the ten biggest representing less than 22% of 2021 sales.

Diversification by channel and sector widens the scope of the company providing access to all kinds of customer groups and their specific behaviors. In this context, being present in train stations, border shops and downtown locations such as hotels, casinos, leisure resorts and shopping plazas or malls as well as in the cruise and ferry businesses represents further potential and growth opportunities.

Within the duty-free sector, the airport channel is expected to continue to be the largest and fastest growing part of our business. In a more normalized travel environment, the cruise ship and ferry businesses continue to offer opportunities as well, and first operators are already resuming cruises. Cruise lines offer an attractive channel to engage with customers during a longer time period and ferries have been quite resilient even throughout the current crisis. We also have a positive view on the potential of duty-free border shops – currently mostly in South America – and downtown duty-free shopping in selected markets, mainly in Asia, where this type of operation is particularly popular, due to specific local regulations. The most recent example here is our participation in the Global Duty Free Plaza of Haikou's Mova Mall in Hainan.

Diversification is key: by geography, by channel, by sector – and digitally.

The duty-paid sector also has considerable development potential in airports, since the expected growth of domestic passengers – including intra-EU travel – is similar to that for international travelers. All along 2021, this sector has temporarily gained over-proportional importance as domestic travel and flying – due to less travel restrictions – has picked up faster in the recovery phase than international travel. What makes this sector also interesting is the even higher fragmentation than duty-free, thus offering attractive new expansion opportunities.

Following the opening of the ANECDOTE concept store at The Circle of Zurich Airport in late 2020, the newest retail format launched by Dufry Group in 2021 is "Hudson Evolve". Evolve blends the specialty brand experience with the accessibility of travel essentials and convenience products to create an immersive, customer-centric shopping destination featuring a selection of national and global brands. The first Evolve store is located at the Nashville International Airport. Dufry also continues to expand its successful duty-paid retail concepts, Hudson and Dufry Shopping which are already implemented in several markets and have potential for further deployment (see also section Retail Concepts on pages 30 – 41 of this report).

Worth mentioning with respect to channel diversification is the ongoing expansion of our airport food & beverage business in our North American operation. The most recent development of this strategy already pursued over the past few years is the opening of the first ever full-service restaurant and bar, "Plum Market" at Dallas Fort Worth International Airport. The 220 m² restaurant features over 80 seats and offers an open concourse dining experience that includes a designated area for table service, a grab and go marketplace with self-checkout capabilities, and a full-service bar.

CO₂ emission reduction targets defined.

Increased ESG engagement

In 2021, Dufry has considerably increased its ESG engagement with several initiatives, which are fully aligned and integrated in the company's strategy. Above all, Dufry has defined SBTi-based (Science Based Targets initiative) CO₂ reduction targets allowing the company to reach climate neutrality for scopes 1+2 emissions by 2025 and to considerably reduce scope 3 emissions by 2027 and 2030 respectively with dedicated initiatives (see details in the ESG Report on pages 90 – 91). Moreover, the company has executed the re-certification process of the Dufry Supplier Code of Conduct further extending the reach and covering a larger share of its procurement volume (see details in the ESG Report on page 84) and strengthened its diversity & inclusion program with several initiatives (see ESG Report on pages 96 – 97).

Evolution of customer-facing and process-oriented digitalization

For Dufry, digitalization remains a key strategic focus area to diversify and extend customer engagement, to accelerate online sales, but also to simplify and in-

crease efficiency of internal processes and procedures. From an organizational perspective, digitalization paves the way for implementing new working methods and shorten time-to-market and decision-making processes. Equally, it opens new opportunities from a customer facing standpoint allowing to considerably increase customer contact-points cross-channel, cross-geographies and cross-sector by interacting with customers from when they plan their trip to the moment when they return home. The collaboration with Alibaba, among other partners, announced in early 2021 will further accelerate our digital initiatives and shows how these types of partnerships will shape the future of travel retail.

Growing digitalization opportunities.

Dufry is convinced about the possibilities and opportunities these new technologies offer and has continued evolving and deploying its digital platforms, to engage more frequently with customers and to provide them with additional services, with the ultimate goal of driving sales. Testimony to this evolution is among others the launch of the new Hudson Nonstop stores, which combine the signature Hudson shopping experience with Amazon's Just Walk Out technology. The first two Hudson Nonstop shops, opened at the Dallas Love Field Airport and at the Chicago Midway International Airport, allow travelers to enter the store by just inserting or tapping a credit card, to pick up their products and quickly exit avoiding checkout lines.

Normally customers come to our stores while they are waiting to board their plane or train, or while they enjoy their stay on a ferry, a cruise liner, in a casino or a hotel. They like strolling through the attractive retail spaces and take away memorable shopping experiences. While sales often are generated by impulse decisions and / or immediate needs, which protect travel retail from the direct competition of online platforms, we want to attract more customers to our stores and provide a superior customer experience to create additional value through a more efficient business. Thus, the use of digital and online technology is changing our business in three major areas: how we engage with our customers, how we sell products, and how we organize our processes internally and in the value chain.

Specifically, this means that we will be further increasing personalized digital communication with customers at home, along their whole journey and, particularly, when they are at the airports close to our shops.

We are also digitalizing the shops to increase conversion rates and to simplify in-store processes, focusing on areas such as product consultations, payments, locations-specific promotions etc. Finally, we will further improve customer service and individualize product offers for specific customer profiles, based on advanced research and data analytics facilitated by digital tools. In this regard, in 2021, we have both simplified our Customer Service online-platform and introduced new services, such as the sustainable product identification initiative (see pages 85 and 83 respectively).

Financial discipline focusing on returns

Dufry has always fostered a disciplined financial approach to all its projects, be they organic or acquisitions. We carefully analyze every project or significant investment with detailed projections and with a focus on minimum return requirements. This includes a careful assessment of the initial investment needed to build and set up the stores as well as the cost structure, profitability and cash flow generation of the business once it is operational and over time. This culture of giving importance to returns and cost control has allowed us to grow our business profitably and capture opportunities in many different markets and in our recent history contributed to safeguard the resilience of the company.

As part of our financial risk management, we minimize business risks by implementing a highly variable cost structure. These defensive characteristics help to protect the business in case of downturns, which under normal conditions tend to be local and temporary, thus providing a solid and resilient profile. The outbreak and spread of the COVID-19 pandemic during the past two years and the company's ability to react fast with the adaptation of the company and cost structure to the new market challenges, is an impactful example and impressively confirms the highly variable degree of our cost structure.

Confirmed cash flow generation capability.

Dufry's typically strong cash generation capacity is a combination of the company's usually solid profitability and the low capital intensity of our business. Pre-pandemic and based on the 2019 business performance, Dufry would expect to further improve its cash generation capacity in line with top-line growth. Post full recovery and going forward, we are confident that our cash generation capability will continue to be one

of the key drivers of our strategy implementation, and will even accelerate based on the structural measures taken. Recent proof of this is the level of Equity Free Cash Flow generated in the third quarter 2021 – which is traditionally the most important quarter and which reached higher levels than in the pre-pandemic years 2017 and 2018 and got very close to the record level of 2019. EFCF for the second half 2021 came in as well at similar levels as in 2019 despite a significantly lower sales level.

Organic growth complemented by acquisitions

Dufry's fundamental growth strategy continues to be characterized by a combination of organic growth as well as M&A opportunities. Although, the current COVID-19 pandemic might slightly delay some expansion projects from a landlords' perspective in the short-term, travel retail remains a resilient industry on a mid- to long-term horizon, and we expect to see further growth and partnership opportunities materializing in line with the acceleration of the recovery.

Unique advantage of captive audience.

With respect to organic growth, the travel retail industry has the unique advantage of benefitting from a secular increase of travelers around the world and offers the great opportunity to directly engaging with them. This characteristic clearly differentiates travel retail from any other retail channel and will remain valid also post recovery. Therefore, organic growth will continue to be an important driver of Dufry's development.

We will focus on driving sales through implementing best-in-class shop concepts in duty-free and duty-paid, by further deploying our digital strategy and by evolving the proven marketing and promotional activities we have used and fine-tuned over the years. Besides benefitting from additional passengers, we plan to further increase our retail space – be it through expansion in existing locations or by winning new contracts in airports and alternative channels and with a specific focus on growth acceleration in Asia. The opening of the Global Duty Free Plaza at the Mova Mall in Hainan's capital city Haikou and the concession renewal in Cambodia covering three important international airports underpin this strategy. Specific to the US market, the scope of alternative channels also includes Food & Beverage shops, as this segment is of great importance for North America and represents a synergy potential for our existing travel retail footprint.

At Dufry, we traditionally maintain a sizeable project pipeline, allowing us to grow our retail space in different channels, regions and sectors.

Dufry currently generates about 48% of its revenues in duty-free and 52% in duty-paid operations, with both sectors continuing to offer further, substantial growth opportunities. The current split is influenced by a slightly over proportional weight of duty-paid due to the faster recovery and acceleration of domestic and intra-regional passengers. A return to the traditional higher share of duty-free is to be expected in line with the recovery of transcontinental and international traffic.

Long-term passenger growth remains a key driver in travel retail.

Travel retail remains a relatively fragmented industry, with the top 10 players controlling just over half of the market and the remaining market consisting of small and medium-sized operators, despite the consolidation seen in travel retail over the last years. Along with the recovery of the business, we expect to be able to continue capitalizing on M&A, with a focus on Asia and on F&B or by complementing our presence in other existing markets.

The organizational adaptations made at the beginning of 2021 mainly by consolidating the former Northern and Southern American regions into the new region The Americas has well contributed to further simplifying our organization and generated the expected efficiencies. Detailed information about The Americas is available on page 52.

Strong long-term industry fundamentals despite short-term challenges

All along 2021 and across nationalities, passenger behaviors have been reassuring and have confirmed the long-term propensity and willingness to travel as soon as governmental restrictions were lifted. This is an encouraging and important indication that the fundamental resilience of travel retail is unchallenged and that the industry maintains its attractiveness as a growing retail channel featuring its own growth dynamics, which are not comparable with high street retail.

Whilst visibility on the travel pattern recovery remains low, there is currently a clear trend of recovery across all channels with the expectation of a return to 2019

passenger levels by the end of 2023 or at the beginning of 2024. This expectation is based on latest estimates from ACI, IATA, ICAO and Air4Cast. Pre-pandemic, external industry specialists such as Air4Cast estimated global passenger numbers to grow by around 4% per annum, which translates to a potential of over 300 million new customers for the industry every year. Growth expectations are different per region as is normal in the industry, and Dufry expects to see growth in relation to its respective geographical exposure and passenger mix. This underlying growth potential and the related sales impacts can be further increased by developing innovative commercial concepts with landlords and brands, as well as through Dufry's own acceleration of its digitalization initiatives, driving change in the way travel retail evolves. We believe that being the global market leader also means being at the forefront of this development.

GENERAL TRAVEL RETAIL SHOPS

The general travel retail shop is the most commonly used concept at Dufry, covering the full range of categories, such as perfumes & cosmetics, food & confectionery, wines & spirits, watches & jewelry, fashion & leather, tobacco goods, souvenirs and electronics and others.

General travel retail shops carry a large product assortment and are typically located in central areas with high passenger flow, mostly in airports, but can also be in seaports and other locations. In airports, both departure and arrival areas can be fitted with this shop concept. In the duty-free segment, these shops can be identified by carrying the name of several retail brands in our portfolio, including Dufry, Nuance, World Duty Free, and Hellenic Duty Free among others, or a name combination linking to the specific location, such as Zurich Duty-Free or Stockholm Duty-Free. As of December 31, 2021, Dufry operated 921 general travel retail shops.

In 2017, Dufry introduced the new generation store concept, increasing customer communication through digital technology, with the first three stores opened in Madrid (Spain), Melbourne (Australia), and Cancun (Mexico), followed by four in Zurich (Switzerland), a second one in Cancun and one in Heathrow T3 (UK) in 2018. In 2019, Dufry added 4 new generation stores: in Buenos Aires (Argentina), Amman (Jordan), Malaga and Alicante (Spain). In 2020 and 2021 the number of highly digitalized shops, which include specific elements of the new generation store, was increased to 50.





DUFRY SHOPPING

Dufry shopping offers domestic passengers a similar shopping experience to the one offered to international travelers in a classic general travel retail duty-free shop, but in a duty-paid environment instead, with a wide assortment of different product categories and including a similar brand variety. In this context, Dufry Shopping fulfills more of a convenience aspect as there are a number of countries where domestic travelers account for the majority of passengers, specifically in large countries such as among others China, the United States and Brazil, where this concept can offer additional potential.

The concept was first introduced in Brazil in 2014 and was quickly expanded to 7 other locations in the country. The concept is also present in the United States, with a Dufry Shopping store at Las Vegas McCarran International Airport, and at Malta International Airport. Further Dufry Shopping stores were opened in 2020 at Newark Liberty International and the Salt Lake City airports in the U.S. as well as at the Fortaleza and Odessa airports in Brazil and Russia respectively. In 2021, Dufry opened an additional Dufry Shopping Megastore at its Porto Alegre operation in Brazil as well as a Dufry Shopping at Guadalajara Int. Airport in Mexico.



DUFREY SHOPPING



BRAND BOUTIQUES

Dufry is a partner of choice for global brands to showcase their products in dedicated retail spaces and to mirror their high-street image. To best meet each location's traveler profile, we design these shops as standalone boutiques or integrate them as a shop-in-shop in our general travel retail stores. Brand boutiques exist in both duty-free and duty-paid areas and enhance the traveler's experience, allowing the creation of an exciting shopping mall environment.

As of December 31, 2021, Dufry operated 214 brand boutiques, such as: Armani, Burberry, Bally, Bottega Veneta, Bvlgari, Cartier, Chloe, Coach, Ermenegildo Zegna, Gucci, Hermès, Hugo Boss, Jo Malone London, Lacoste, LaPrairie, Lindt, MAC, MCM, Michael Kors, Montblanc, Omega, Polo Ralph Lauren, Salvatore Ferragamo, Swatch, Swarovski, Tod's, Tumi, Versace, Victoria's Secret and others. See also a selection of brands on page 65.



VICTORIA'S SECRET



CONVENIENCE STORES

Our convenience stores offer a wide product assortment that passengers may want or need when traveling. The range includes soft drinks, confectionery, packaged food, travel accessories, electronics, personal items, souvenirs, newspapers, magazines and books. Within this concept, we use different brands according to the passenger profile and the location. North America is home to most of our convenience stores, with more than 684 shops. In addition, we operate 121 Hudson convenience stores outside North America.

“Hudson” is our most important brand in the convenience segment with strong customer recognition and it is highly valued by passengers. As “The Traveler’s Best Friend”, our goal with Hudson is to provide passengers with anything they may need during their journey. Hudson is a successful, very flexible concept operated at airports within international and domestic areas, as well as in other channels such as railway stations and other transit locations. Hudson shops are carefully designed and facilitate orientation through whimsical, color-coded signage to attract customers’ attention to four distinct selling areas: Media, Marketplace, Essentials and Destination.

The newest innovation in 2021 is the Hudson Nonstop shop which, leveraging Amazon’s just-walk-out and Amazon One technologies, allows travelers to enter the store with their credit card or through palm recognition, pick up their travel items, eliminating the need to wait in checkout lines or stopping to pay in-store.





snacks

fresh grab & go

SPECIALIZED SHOPS

Specialized shops and theme stores are shop concepts that offer products from a variety of different brands, belonging to one specific product category or which convey a sense of place. We often use this concept for products such as watches & jewelry, sunglasses, electronics, spirits, food and destination products, in locations where we see potential for a shop to carry a broad product range relating to one specific theme. These shops can be located in airports, seaports and on-board cruise liners, as well as in hotels or downtown locations.

Examples of the shop concept names include "Colombian Emeralds International", a dedicated watches & jewelry format used in the Caribbean market; "Kids Works" with its wide selection of toys, dolls, games, books and apparel for children and "Tech on the Go", focusing on the needs of the tech-oriented traveler offering electronics and accessories. Further examples are "Sun Catcher" for sunglasses; "World of Whiskies" and "Tequileria" for a selection of finest single malt or blend whiskies and tequilas; "Master of Time" for luxury watches and jewelries; "Temptation" and "Timebox" for fashion watches and accessories; "Sound & Vision" for multi-brand electronics; "Travel Star" for luggage and travel essential products and finally "Atelier", a women's leather accessories store.

As of December 31, 2021, Dufry operated 509 shops under the Specialized Shops / Theme Stores concept.



WORLD OF WHISKIES

AMERICAN WHISKEY

KENTUCKY
AMERICAN WHISKEY



TENNESSEE WHISKEY

TENNESSEE



COGNAC

Hennessy

RÉMY MA



Whisky of the Month



Twin Packs



ONLINE CHANNELS & SERVICES

Dufry has been connecting its physical stores with digital applications and customer services for many years and continues to develop new digital touchpoints to engage with customers along the whole travel journey.

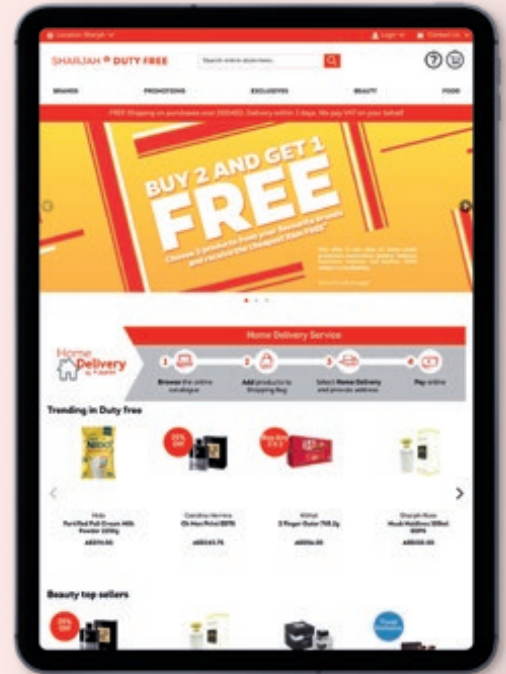
Starting from when a trip is planned, customers can reserve their most wanted products through Reserve & Collect and just collect their goods and pay at departure or arrival. Our New Generation Stores, welcome travelers in different languages during the day, which are aligned with the flight schedules to suit the respective nationalities, and clearly highlight the latest travel retail exclusives or novelties. Dufry customers benefit globally from attractive and unique airport-specific services through our Red By Dufry customer loyalty program. When approaching airports or other locations where Dufry operates shops, Red By Dufry identifies the customer and sends them the latest updates on the locally available promotions – an easy and convenient way to earn and redeem benefits globally in the Dufry shops or through our partners.

Forum by Dufry is the company's own social media channel, where our brand partners can feature their novelties, special editions and stories related to their products, thus having direct access to their customers. Forum interlinks all Dufry online channels.

Increased digital customer experience services and mini-Apps are in use in selected operations in Hainan, where Dufry participates in the Global Duty Free Plaza Stores. They support local shopping behaviors and are integrated in popular Apps such as Alipay and WeChat. Functionality and services offered are in line with local duty-free sales regulations; e.g. the possibility of home-delivery, thus offering a comprehensive shopping, payment and service experience for online and offline use.

RESERVE & COLLECT

Reserve & Collect is available globally in 170 locations across 46 countries and can be accessed through the dedicated website: <https://www.shopdutyfree.com/en/>



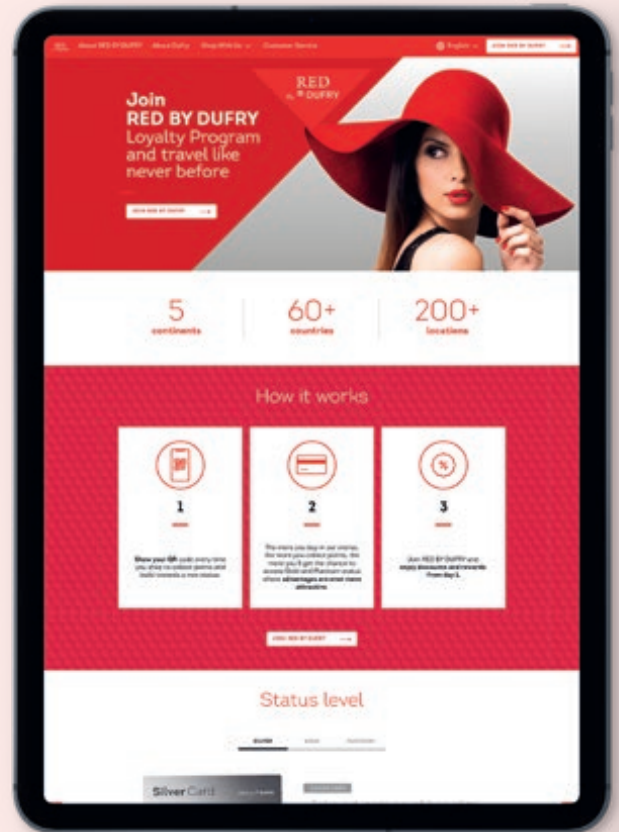
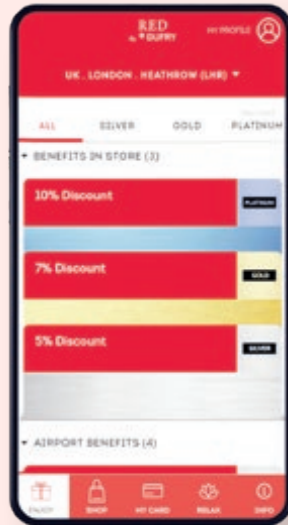
FORUM BY DUFRY

Forum by Dufry can be visited at <https://forum.shopdutyfree.com/en> and connects brand partners and customers in an aspirational environment and gives access to all Dufry online services.



RED BY DUFRY

The Group's customer retention program Red By Dufry is implemented in 48 countries covering 239 locations. A complete overview and the respective information is available here: www.redbydufry.com



DUFRY MINI APPS

Along with the Mini-Apps currently in use at the Global Duty Free Plaza in Hainan for the Chinese customers, Dufry will develop similar applications going forward to support customers in other geographies, offering them easy to use digital and online shopping experiences and customer engagement features.



EUROPE, MIDDLE EAST AND AFRICA

 UK & GERMANY

**GERMANY
UNITED KINGDOM**

 SOUTHERN EUROPE

**ITALY / MALTA
PORTUGAL / SPAIN**

 MEDITERRANEAN, EASTERN EUROPE & MIDDLE EAST

**ARMENIA / BULGARIA / GREECE
INDIA / JORDAN / KUWAIT
SERBIA / SRI LANKA / TURKEY
UKRAINE / UNITED ARAB EMIRATES**

 CENTRAL & NORTH EUROPE, RUSSIA & AFRICA

**CAPE VERDE / COTE D'IVOIRE / EGYPT
FINLAND / FRANCE / GHANA
KAZAKHSTAN / KENYA / MOROCCO
MOZAMBIQUE / NIGERIA
RUSSIA / SWEDEN / SWITZERLAND**

Dufry's largest region saw reassuring recovery acceleration

The largest Dufry region, which includes 32 countries, saw a gradual recovery acceleration over the course of the summer months, which persisted also along the second half of the year. While the recovery was still characterized by a specific country-by-country evolution depending on the individual lifting of travel restrictions, the overall trend of business acceleration and shop opening continued positively. This allowed this region to considerably improve its performance organically representing 39.4% of 2019 pre-pandemic levels.

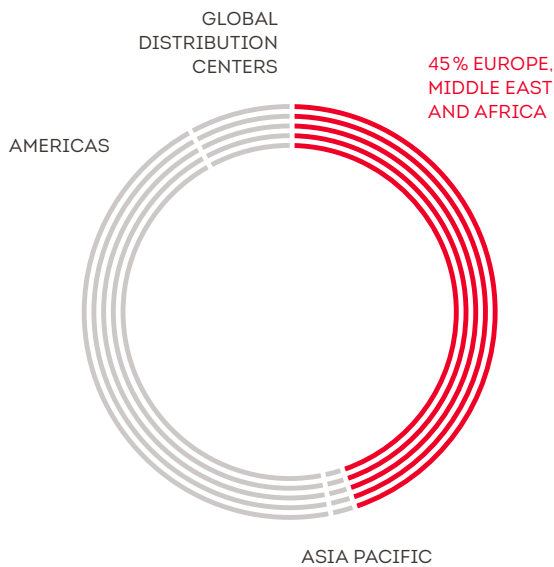
In 2021, turnover in the region reached CHF 1,723.8 million as compared to CHF 1,144.5 million in 2020. In detail, the region saw good acceleration of the recovery in the Mediterranean headed by Turkey and Greece, while also Eastern Europe, Russia, the Middle East and Africa benefitted from the growing leisure demand and more flexible travel protocols. Similar improvement trends were seen in France, Portugal, Italy, Spain and Switzerland, while specifically in the UK the up-

take started only in the third quarter along with eased travel protocols.

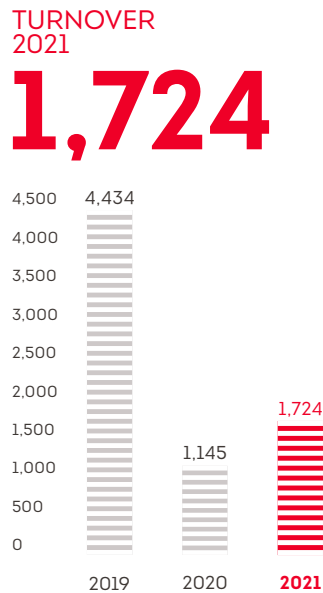
The region continued to expand its footprint with concession wins and expansions in existing locations also in 2021 such as the new twelve-year concession contract at the Teesside International Airport and the twelve-year extension of the Cardiff International Airport concession both in the UK. This region also celebrated the win of the new five-year concession at the Cayenne International Airport in French Guiana.

In the region, Dufry opened gross new retail space of 6,048 m², among others, at the Odessa International Airport (Ukraine) and the Pulkovo Airport in St. Petersburg (Russia), where besides the opening of new shops, the existing retail area underwent a considerable refurbishment improving both passenger flows and shopping experience. With respect to refurbishments, the region renewed in total 9,207 m² of commercial space including the shops of the Linate International Airport operation in Milano, Italy.

PORTION OF TURNOVER 2021



TURNOVER (IN MILLIONS OF CHF)



KEY REPORTED DATA 2021





1



1

1 MANCHESTER
Dufry completed a major refurbishment of its main walk-through store at Manchester Airport Terminal 2.



2



3



3

2 ALICANTE | ALICANTE-ELCHE MIGUEL HERNÁNDEZ
Dufry transformed the retail space of one of Spain's major tourism hotspots.

3 MILAN | LINATE
Dufry completed the refurbishment of 1,610 m² of retail space in Milan's city airport.



4



5



6

4 BELGRADE | NIKOLA TESLA AIRPORT
Dufry has completed a major upgrade of its 876 m² walk-through store and Kapital F&B outlet, in Belgrade.

5 ANTALYA | ANTALYA AIRPORT
Located in Terminal 1 of Antalya, the Kids Store product offer combines toys and confectionery.

6 ST. PETERSBURG | PULKOVO AIRPORT
Dufry and RegStaer inaugurated a fully refurbished 2,670 m² duty-free walk-through store and a 235 m² KIDS shop at Pulkovo Airport.



7

8



7 KOS ISLAND | KOS INT. AIRPORT
The totally refurbished space in the Kos Island airport stores reserves its central space to Greek products.

8 BANGALORE | BENGALURU AIRPORT
Located at International Arrivals and Departures, Dufre's stores in Bangalore offer an unparalleled selection of local and global brands.



**ASIA
PACIFIC**

**AUSTRALIA
CAMBODIA
CHINA
INDONESIA
MALAYSIA
SINGAPORE
SOUTH KOREA**

Asia-Pacific still largely impacted by travel restrictions

Travelling in Asia-Pacific has remained widely impacted throughout the whole year by more severe travel restriction strategies implemented by most governments in the region. Exceptions were made for some domestic travel destinations, such as for example within China and towards Hainan, which however could not provide the needed recovery levels, as Dufry's business in the region is mainly focused on international travel.

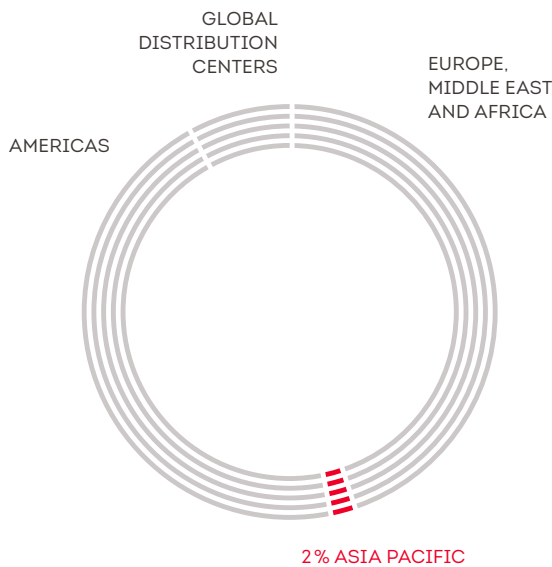
Despite the challenging business environment, also this region provided some remarkable steps of footprint expansion and contract extensions. Above all, Dufry could celebrate its participation in the opening of the Global Duty Free Plaza at the Mova Mall in Hainan's capital city Haikou. The mall complex, expected to be fully completed in early 2022, is the result of the joint-ventures with Alibaba and Hainan Development Holding, and will be the largest single retail area with Dufry

participation globally. Once fully operational, it will cover around 39,000 m² of retail space, of which the vast majority was already opened in 2021. Customers currently enjoy a seamless shopping experience with over 200 renowned global brands covering the full range of the typical duty-free core categories – on completion, the array of brands will be further expanded – and can rely on a comprehensive spectrum of online services including home-delivery services.

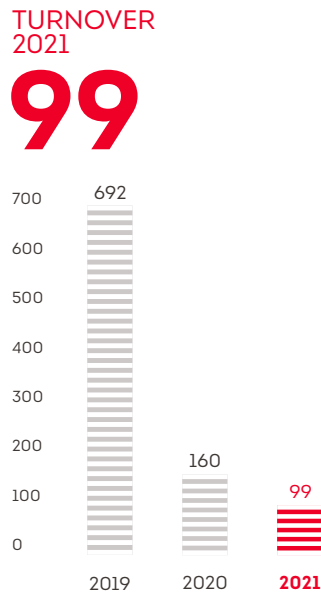
The second highlight was the five-year extension of the concession in Cambodia, which covers the contracts at the Phnom Pen, Siem Reap and Sihanoukville airports, which in 2019 welcomed in total 11.6 million passengers.

In 2021, turnover in Asia-Pacific amounted to CHF 99.0 million as compared to CHF 160.0 million and organically representing 15.1% of 2019 pre-pandemic levels.

PORTION OF TURNOVER 2021



TURNOVER (IN MILLIONS OF CHF)



KEY REPORTED DATA 2021





1



2

1 MACAU | THE PARISIAN MACAO HOTEL
Temptation, the renovated 537 m² beauty store inspired by Parisian nights and the lights of the iconic Eiffel Tower.

2 BUSAN | GIMHAE INTERNATIONAL AIRPORT
The 640 m² of retail space in Gimhae Int. Airport cover all main product categories.



3

3



3 HAINAN | GLOBAL DUTY FREE PLAZA AT MOVA HALL
 Opened in January 2021, the Global Duty Free shop at Mova Hall in Haikou – with 38,920 m² of retail space – has continued to upgrade its offering in 2021.

THE AMERICAS

 NORTH AMERICA

CANADA
USA

 CENTRAL AMERICA & CARIBBEAN

CARIBBEAN
HONDURAS
MEXICO

 SOUTH AMERICA

ARGENTINA
BOLIVIA / BRAZIL
CHILE / COLOMBIA
ECUADOR
PERU / URUGUAY

The newly defined region features the highest recovery levels

At the beginning of 2021 and in the context of the simplification of the Group's organizational structure, Dufrey combined the two former regions North America and Central and South America into The Americas, thus creating the second largest business unit of the company. This important structural improvement was facilitated by the full-integration of the Hudson business after its delisting in December 2020 and is in alignment with the centralized logistics platforms, regional operations and decision-making processes.

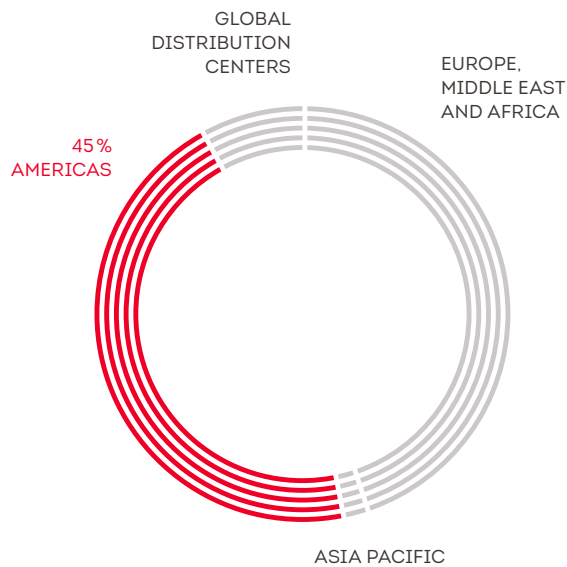
In 2021, The Americas showed the fastest recovery pattern of the Group driven by the early resumption of travel and the pickup of domestic and intraregional flights within the US as well as towards Mexican and other Central American and Caribbean destinations. In the fourth quarter we also saw the recovery starting in Brazil and Argentina along with the reopening of the US and Canada for transcontinental flights from Europe and elsewhere. Exception is still made for the cruise business, which just started to reopen first destinations towards the end of the year.

Benefitting from the overall more favorable travel protocols, the region featured a considerable improvement and reported a turnover of CHF 1,728.5 million (2020: CHF 1,141.7 million) organically representing

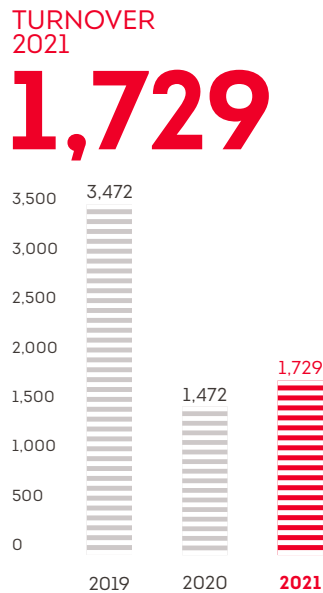
53.71% of 2019 pre-pandemic levels. The region runs operations in 206 locations across 27 countries covering a retail space of 235,994 m² across some of the World's most iconic travel and tourism destinations. As a region, The Americas is also characterized by the large variety of shops concepts offered within both duty-free and duty-paid environments and several airport F&B formats completing the portfolio.

From a business development perspective, new concession contracts were won at the Santiago International Airport in the Dominican Republic, with a ten-year contract, while the new six-year concession at the Salgado Filho International Airport in Porto Alegre further strengthens Dufrey's strong presence in Brazil. The win of new concessions was completed with a five-year duty-free and a six-year duty-paid contract at the Sangster International Airport at Montego Bay in Jamaica. Worth mentioning are also the openings of the Dufrey Shopping Megastore in Porto Alegre (BR), the six stores at the Virgin Hotels in Las Vegas as well as the new concepts of the Hudson fully-digitalized Non-stop stores at the Chicago Midway International airport and at the Dallas Love Field Airport. As a premiere, Hudson also launched its first full-seated restaurant concept "Plum Market" at Dallas Fort Worth International Airport. In total, the region added 3,750 m² of new retail space and refurbished 10,036 m² of existing sales areas.

PORTION OF TURNOVER 2021



TURNOVER (IN MILLIONS OF CHF)



KEY REPORTED DATA 2021





1



1

1 VANCOUVER | VANCOUVER INTERNATIONAL AIRPORT
 Dufry inaugurated Joe & the Juice's first Canadian location at Vancouver airport, where Dufry also operates a walkthrough store located in the International Departures area.



2

3



2 CHICAGO | CHICAGO MIDWAY INT. AIRPORT
 With 92 m², Chicago is the second and largest Hudson Nonstop store featuring Amazon's Just Walk Out technology.

3 DALLAS | DALLAS LOVE FIELD AIRPORT
 The first Hudson Nonstop store, located in Dallas, is also equipped with Amazon's palm recognition service, which permits customers to shop and pay with the palm of their hand.



4



4

4 DALLAS | DALLAS FORT WORTH AIRPORT
Plum Market, at Dallas Fort Worth, is Dufry's first-ever full-service restaurant and bar.



5



6

5 SALT LAKE CITY | SALT LAKE CITY INT. AIRPORT
Driven by consumer experiences and trend-led merchandising, Dufry and M·A·C inaugurated this innovative specialty retail concept in Salt Lake City.

6 GUADALAJARA | GUADALAJARA MIGUEL HIDALGO Y COSTILLA INT. AIRPORT
Dufry inaugurated its successful duty-paid concept in Guadalajara, Mexico.

OVER 420 LOCATIONS WORLDWIDE

EUROPE, MIDDLE EAST
 AND AFRICA

- Armenia
- Gyumri
- Yerevan
- Bulgaria
- Burgas
- Varna
- Cape Verde
- Boa Vista
- Sal
- Santiago
- Cote d'Ivoire
- Abidjan
- Egypt
- Cairo
- Finland
- Helsinki
- France
- Calais
- Cayenne
- Fort-de-France
- Nice
- Pointe-à-Pitre
- Toulouse
- Germany
- Dusseldorf
- Ghana
- Accra
- Greece
- Aktio
- Alexandroupoli
- Anchialos
- Araxos
- Athens
- Chania
- Corfu
- Doirani
- Evzonoï
- Heraklion
- Igoumenitsa
- Kafalonia
- Kakavia
- Kalamata
- Karlovasi
- Karpathos
- Kastanies
- Kastelorizo
- Katakolo
- Kavala
- Kipoi
- Kos
- Krystallopigi
- Limnos
- Mertziani
- Mykonos
- Mytilini
- Niki
- Ormenio
- Patras
- Piraeus
- Promachonas
- Rhodes
- Sagiada
- Samos
- Santorini

- Skiathos
- Symi
- Thessaloniki
- Zante
- India
- Bangalore
- Ireland
- Center Parks
- Italy
- Bergamo
- Florence
- Genoa
- Milan Linate
- Milan Malpensa
- Naples
- Piza
- Verona
- Jersey
- Saint Peter
- Jordan
- Amman
- Aqaba
- Marka
- Kazakhstan
- Astana
- Kenya
- Nairobi
- Kuwait
- Kuwait City
- Malta
- Malta
- Morocco
- Agadir
- Casablanca
- Fez
- Marrakech
- Nador
- Oujda
- Rabat
- Tanger
- Nigeria
- Lagos
- Russia
- Moscow Domodedovo
- Moscow Sheremetyevo
- Moscow Vnukovo
- St. Petersburg Pulkovo
- Serbia
- Belgrade
- Nis
- Spain
- Alicante
- Almeria
- Asturias
- Barcelona
- Bilbao
- Fuerteventura
- Gerona
- Granada
- Ibiza
- Jerez
- La Coruna
- La Palma (SPC)
- Lanzarote

- Las Palmas de Gran Canaria (LPA)
- Madrid
- Mahon
- Malaga
- Murcia
- Palma de Mallorca (PMI)
- Reus
- Santander
- Santiago de Compostela
- Sevilla
- Tenerife Norte
- Tenerife Sur
- Valencia
- Sri Lanka
- Colombo
- Sweden
- Jönköping
- Kalmar
- Karlstad
- Landvetter
- Luleå
- Norrköping
- Östersund
- Stockholm Arlanda
- Stockholm Bromma
- Sturup
- Sundsvall
- Umeå
- Visby
- Switzerland
- Basel-Mulhouse
- Zurich
- Turkey
- Antalya
- Istanbul
- Kayseri
- Ukraine
- Odessa
- United Arab Emirates
- Sharjah
- United Kingdom
- Aberdeen
- Belfast
- Birmingham
- Bournemouth
- Bristol
- Cardiff
- Doncaster
- East Midlands
- Edinburgh
- Folkestone
- Glasgow Airport
- Glasgow Prestwick
- Humber Airfield
- Leeds
- Liverpool
- London Gatwick
- London Heathrow
- London Luton
- London Southend
- London St. Pancras
- Manchester
- Newcastle
- Norwich
- Robin Hood Doncaster Sheffield Airport

- Sherwood Forest
- Center Parks
- Southampton
- Stansted
- Windsor
- Cruise and Ferry ships
- Asterion
- Blue Galaxy
- Blue Horizon
- Blue Star I, II
- Blue Star Delos
- Blue Star Diagoras
- Blue Star Naxos
- Blue Star Paros
- El Venezuelos
- Elyros
- Hellenic Spirit
- Highspeed 4
- Kriti Ship
- Nisos Chios
- Nisos Mykonos
- Nisos Rhodes
- Nisos Samos
- Olympic Champion
- Patmos
- P&O Arcadia
- P&O Aurora
- P&O Ventura
- P&O Queen Elizabeth
- P&O European Highlander
- P&O European Causeway
- P&O Norbay
- P&O Norbank
- P&O Pride of Rotterdam
- P&O Pride of Hull
- P&O Pride of Burgundy
- P&O Pride of York
- P&O Spirit of Britain
- P&O Spirit of France
- P&O Pride of Canterbury
- P&O Pride of Kent
- P&O Pride of Burgundy
- Prevelis
- Superfast I
- Superfast II
- Superfast XI

ASIA PACIFIC

- Australia
- Canberra
- Melbourne
- Perth
- Cambodia
- Phnom Penh
- Siem Reap
- Sihanoukville
- China
- Chengdu
- Hong Kong
- Macau
- Shanghai
- Indonesia
- Bali
- Malaysia
- Kuala Lumpur

Singapore	Equador	Detroit	Holland of America
● Changi	● Santiago de Guayaquil	● Fort Lauderdale Hollywood	● Koningsdam
South Korea	Grenada	● Fresno	● Holland of America
● Busan	● Grenada	● Grand Rapids	● Nieuw Amsterdam
AMERICAS	Honduras	● Greater Rochester	● Holland of America
Antigua	● Roatan	● Greenville-Spartanburg	● Nieuw Statendam
● Antigua	Jamaica	● Harrisburg	● Holland of America
● Saint Philip	● Jamaica	● Houston	● Noordam
Argentina	Mexico	● Houston George Bush	● Holland of America
● Bariloche	● Acapulco	● Houston William P. Hobby	● Oosterdam
● Buenos Aires Aeroparque	● Cancun	● Indianapolis	● Holland of America
● Buenos Aires Ezeiza	● Cozumel	● Jackson	● Volendam
● Cordoba	● Guadalajara	● Las Vegas Hard Rock Cafe	● Holland of America
● Mendoza	● Guanajuato	● Las Vegas Mc Carran	● Westerdam
● Rosario	● Ixtapa	● Las Vegas Palazzo	● Holland of America
Aruba	● Los Cabos	● Los Angeles	● Zaandam
● Oranjestad	● Mazatlan	● Lubbock	● Holland of America
Bahamas	● Mexico City	● Manchester Boston	● Zuiderdam
● Bahamas	● Monterrey	● Miami	● NCL Bliss
● Great Exuma	● Puerto Vallarta	● Minneapolis	● NCL Dawn
● Lynden Pindling International Airport	● San José del Cabo	● Mobile Bates Field	● NCL Escape
Barbados	Netherlands	● Myrtle Beach	● NCL Gem
● Barbados	● Bonaire	● Nashville	● NCL Jade
● Christ Church	Peru	● New Orleans	● NCL Jewel
● St. Michael	● Lima	● New York Empire State	● NCL Joy
Bolivia	Puerto Rico	● New York Grand Central	● NCL Pearl
● La Paz	● Ponce	● New York JFK	● NCL Sky
● Santa Cruz	● San Juan	● New York LaGuardia	● NCL Spirit
Brazil	St Kitts & Nevis	● New York Penn Station	● NCL Sun
● Belém	● St Kitts	● New York Port Authority	
● Belo Horizonte	● St Kitts Bradshaw Airport	● New York UN Gift Center	
● Brasília	St Lucia	● Newark	
● Curitiba	● St Lucia	● Newark Liberty	
● Florianopolis	St Maarten	● Newport News Williamsburg	
● Fortaleza	● St Maarten	● Norfolk	
● Goiânia	Trinidad & Tobago	● Oakland	
● Natal	● Port of Spain	● Omaha	
● Porto Alegre	Turks & Caicos Islands	● Ontario	
● Recife	● Grand Turk	● Orlando	
● Rio de Janeiro	● Turks & Caicos Islands	● Orlando Sanford	
● Rio de Janeiro Galeão	Uruguay	● Philadelphia	
● Rio de Janeiro	● Montevideo	● Phoenix Sky Harbour Airport	
● Santos Dumont	● Punta del Este	● Pittsburgh	
● Salvador	USA	● Portland	
● São Paulo Congonhas	● Albuquerque	● Raleigh	
● São Paulo Guarulhos	● Anchorage	● Richmond	
● Uruguiana	● Arkansas Clinton International Airport	● Roanoke	
Canada	● Atlanta	● Salt Lake City	
● Calgary	● Atlantic City	● San Antonio	
● Edmonton	● Baltimore-Washington	● San Diego	
● Halifax	● Birmingham	● San Francisco	
● Toronto	● Boston	● San José	
● Vancouver	● Burbank	● Seattle	
Chile	● Burlington	● St Louis	
● Santiago de Chile	● Charleston	● Stewart Newburgh	
Colombia	● Chicago	● Tampa	
● Bogota	● Chicago Midway	● Tucson International Airport	
Dominican Republic	● Chicago O'Hare	● Tulsa Airport	
● Puerto Plata	● Cleveland	● Washington DC	
● Samana	● Corpus Christi	● Washington Dulles	
● Santiago	● Dallas Fort Worth	● Washington Ronald Reagan Airport	
● Santo Domingo	● Dallas Love Field	Cruise and Ferry ships	
	● Denver	● Carnival Panorama	
	● Des Moines	● Carnival Sensation	
		● Carnival Valor	
		● Holland of America	
		● Eurodam	

CHANNELS	
●	Airports
●	Border, Downtown & Hotel Shops
●	Railway Stations & Other
●	Cruise Liners & Ferries
●	Seaports

CUSTOMERS SEEKING GREAT EXPERIENCES, NOVELTIES & EXCLUSIVITIES

All along 2021, Dufry has continued to closely engage with customers through regular online surveys to assess their expectations and identify potential changes in shopping behaviors. Above all, customers confirmed to us that they continue to seek great shopping experiences, exclusive products and novelties. Obviously, nobody rejects a “good deal and an attractive promotion” but besides the monetary incentives, the search for something special, unique and individual remains the strongest reason for customers to buy in travel retail. However, they also clearly indicated that the availability of sustainable products is of increasing importance to them, creating an opportunity for both Dufry and the brand partners to satisfy this expectation with an appealing assortment of sustainable products.

Safe shopping and working environments

Dufry has a comprehensive Global Health & Safety Protocol implemented throughout all locations, which provides both customers and employees with a safe shopping and working environment. The protocol contains basic health and safety measures defined by the company, but also allows to be enhanced with and adapted to location specific government or airport health and safety regulations. During the pandemic, the protocol has well contributed to make customers perceive airports and other travel locations as safe environments, allowing them to enjoy their trips.

Enjoying shopping in
a safe environment.

Fostering experiences and evolving the product assortments

By assessing customers' expectations, we continue fine-tuning our product assortments and service portfolio to suit the latest needs. We fulfill the current

focus on experiences with an array of initiatives, such as airport activations, tastings, beauty treatments, an attractive assortment of novelties and exclusive products, as well as a comprehensive service portfolio. Our well-trained and motivated sales representatives help travelers navigate through a large variety of prestigious brands while providing them with valuable advice and information. For us, a satisfied customer is a customer who can also trust us beyond the mere buying but equally when it comes to product and store safety as well as comprehensive after-sales services.

New sustainable
product assortment.

Helping customers to shop considerably

Customers increasingly look for sustainable assortments and Dufry supports them in identifying specific sustainable products. As we do not produce or develop products of our own, in 2021 we closely collaborated with our brand partners to identify a selection of products, which are sustainable under different aspects such as Sustainable, Plastic Free, Recyclable or Refillable, Vegan, Palm Oil-Free or Supporting Communities. These products are marked with dedicated tags and are easily identifiable in our shops or online platforms. Currently the sustainable product selection includes over 550 products from 13 global suppliers covering the main categories – food, liquor, perfumes & cosmetics – and is available in 171 shops across 128 airports, worldwide. A detailed description of this new ESG initiative is available in the ESG Report on page 83.

Engaging with customers along their whole journey

Every year, we welcome customers of more than 150 nationalities daily. Addressing them in the right language and presenting them with the right products and promotions is key to driving sales. As part of our

420

Dufry operates
in over 420 locations
in 66 countries
worldwide.

shopping experience, the New Generation Store and other highly digitalized shops we operate are cornerstones of our retail expertise and shopping experience. We currently have over 50 highly digitalized shops where the shopping environment changes its appearance depending on which nationalities are present at the airport at any given time of the day, based on flight schedules. Displays appear in different languages and show the brands that best fit the respective customer profile.

Providing the right information and helping customers understand the product characteristics in different languages is a considerable challenge as well. Therefore, we keep providing customers with extensive information, ranging from product specific data or allowances at their destination. In selected locations we also offer contactless or online payment devices which eliminate the need to go to the tills.

Reserve & Collect - pre-order at home, pick-up at the airport

Convenience is always a key sales proposition, and thus also a priority for Dufry. We believe that engaging with our customers before they enter our shops and well before they reach the airport, provides them with a great opportunity to pre-order products online before they even start their trip, and collect them conveniently once they are at the airport. Dufry's "Reserve & Collect" service is already available in 170 locations in 46 countries around the world and new locations are being added constantly - the full list is available on our website: www.shopdutyfree.com.

Red By Dufry

"Red By Dufry" is Dufry's loyalty program working primarily through a mobile application (app) and besides earning points offers exclusive advantages such as discounts at Dufry stores and specific airport benefits. Members of the program are identifiable through

the app's beacon technology once they approach the airport and receive personalized notifications on promotions and offers tailored to their preferences. This allows Dufry to increase conversion of travelers into regular customers and to attract them to the shops. Red By Dufry is live in 239 locations in 48 countries and is being continually expanded to further operations worldwide. For a full list of the locations offering Red By Dufry visit: www.redbydufry.com.

Forum - Social media for brands and travelers

Forum is Dufry's social media platform that provides stories from bloggers and influencers, as well as background information from brands in an exclusive and aspirational environment. Moreover, Forum by Dufry connects all our other digital initiatives such as Red By Dufry and Reserve & Collect, while initiating the engagement with our potential customers when they are planning their journey or even before that. Forum is designed to position Dufry shops as the place to find the latest trends and novelties for the main product categories - <https://forum.shopdutyfree.com/en>.

Simplified customer service access.

True global return guarantee

Dufry is the only global travel retailer in the industry to offer a true global return guarantee. No matter whether you purchase something in Milano, Phnom Penh, St. Petersburg, Chicago, Rio de Janeiro, Marrakesh or elsewhere in any other of our shops in the world: if there is a problem with any product that you purchased at a Dufry store, we will replace, refund or exchange your product within 60 days of purchase. In 2021, Dufry's customer service representatives, who can be reached in several languages by phone, email or online chat, attended 80,025 customers (see further details also

on page 85). To help customers in contacting our dedicated customer service team, we have further simplified the online platform for worldwide support: www.dufrey.com/en/shopping/customer-service.

Customer satisfaction & product safety

Customer satisfaction and safety is our first priority. We ensure that all products comply with health and safety regulations. Dufrey complies with legal requirements at every location in which we operate and takes a proactive approach, working with governments and regulators to clarify any concerns. Through active membership in the industry's trade associations, Dufrey helped shaping robust Codes of Conduct (e.g. UK Code of Conduct on disruptive passengers, UK Code of Conduct on VAT, ETRC Code of Conduct on Sale of Alcohol, DFWC Code of Conduct on Sale of Alcohol). Moreover, Dufrey has defined its own Supplier Code of Conduct and in 2021 shared it with its supplier community in the context of the 3-year recertification. More details are available in the ESG Report on page 84.

Responsible marketing & customer communications

When it comes to marketing and advertising initiatives, Dufrey applies the same responsible stance that it shows in all its other activities. We commit to comply with marketing and advertising regulations in customer-oriented communication in the countries where we operate. We also expect the same behavior from our suppliers when using the space that we make available in our stores and on our online channels for advertising and promotions. This also applies to product labeling, where we ask our suppliers to comply with the regulations of all the Dufrey locations where their products are sold. Given that our stores operate in an environment where we serve many nationalities speaking different languages every day, we are proactively engaging with our industry trade associations to find off-the-label solution.

Customer privacy & data protection

In line with the expansion of its online activities and the increased use of digital applications involving customer data, the management and protection of customer privacy in the processes involving the handling of client information is an area of growing importance for Dufrey. Moreover, as a requirement of customs and airport authorities as well as for contractual reasons, the customer's personal data is collected, processed and retained in accordance with the privacy statement listed on Dufrey website: www.dufrey.com/en/privacy-cookie-statement.

The company's Reserve & Collect and Red By Dufrey services, require additional personal customer infor-

mation to provide them with newsletters and marketing & advertising materials. To protect customer data and ensure it is handled correctly, Dufrey applies highest security standards securing compliance with different legal frameworks. The company operates a number of systems and security processes, including a robust cyber security system, a data protection policy as well as internal procedures and policies, which follow relevant laws and regulations. Dedicated trainings are executed on a regular basis for employees dealing with personal information.

In this context, since 2018, Dufrey has continuously reviewed and adjusted its processes to secure the alignment of our operations in accordance to the EU General Data Protection Regulation (GDPR). Specifically, this work involved expanded documentation and information requirements, privacy risk assessments and ensuring the right of individuals (customers, employees, partners and suppliers) to request access to, or to correct, delete, object to processing of their own personal data, and to request data portability. Dufrey keeps monitoring new developments of data protection regulations and will adapt accordingly where required.

Moreover, the Group also undertakes internal Data Protection Audits and intrusion tests, on top of permanently discussing and improving the protection of customers' personal data in dedicated meetings held quarterly. For any customer, employee or third party who wishes to report a grievance or who has questions regarding Dufrey's data privacy, there is a specific compliance address to contact the company, with respective inquiries being coordinated by the Compliance and the Global Internal Audit & Investigations Department: <https://app.convercent.com/en-us/LandingPage/f1db10da-6b2c-e811-80e2-000d3ab6ebad>.

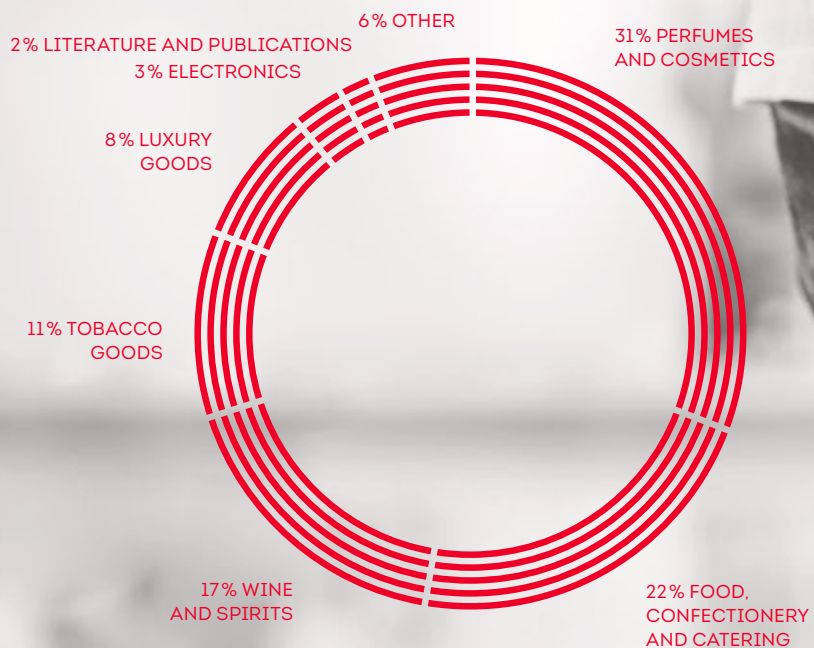
Dufrey's expertise recognized by the industry

In 2021, Dufrey's customer focus and retail excellence has been recognized by different industry partners again. A complete list of the 2021 awards is available here: www.dufrey.com/en/company/our-award.

MORE THAN 50,000

items are available
in our portfolio
for our customers
to choose from.

NET SALES BY PRODUCT CATEGORY 2021



SUPPLIERS DRIVING BRAND EQUITY THROUGH GLOBAL CUSTOMER ENGAGEMENT

Dufry is the largest truly global travel retailer offering suppliers the unique opportunity to personally engage with customer to present them with their novelties, exclusive products through a variety of off- and online shop concepts and thus drive both sales as well as brand equity. Through its network of over 2,300 shops across 66 countries, Dufry can serve the needs of both domestic and international travelers with dedicated duty-paid and duty-free retail formats. This means that under normal travel conditions – free from travel restrictions – Dufry offers brand partners a potential of over one billion personal customer contacts.

Personally meeting customers in a resilient retail channel

Along 2021, the travel recovery phase has evidenced and confirmed the propensity of our society to travel and to enjoy the attractive assortments of travel retail. This is not only true for the immediate take-up of travel as soon as restrictions are lifted but also through the above-average spending behavior seen across most locations as compared to pre-pandemic location-by-location levels. This also confirms the longstanding USP of travel retail to have access to a captive and affluent audience forming a unique face-to-face engagement platform in a safe environment. The over-proportional share of duty-paid sales seen along 2021 relates to the earlier recovery of domestic and intra-regional flights such as within the US or the EU, but duty-free sales are expected to recover their full share along with the easing of travel restrictions and the uptake of international travel.

Exclusivities, novelties and sustainable products are key sales drivers

Market research conducted on a regular basis through online surveys amongst our customers in 2021 confirmed that customers continue to search for experiences, novelties, travel exclusives and unique promotions, while they increasingly also want to buy sustainable products. This is also valid for the Dufry-exclusive products increasingly developed by brand partners in recent

years, which considerably augment and differentiate the customers' shopping experience.

Besides the proven collaboration with its brand partners through strategic initiatives, marketing campaigns, global promotions or product launches, Dufry is also revising its shop design strategy, to allow for a more flexible assortment renewal within the sales areas as well as to include sustainability aspects into its shop development. More than ever, the recovery phase has proven the need to provide customers with a renewed shopping experience inviting them to discover attractive offers in a dynamically changing environment. This expectation can only be satisfied by close collaboration with the brand partners and the joint ability to innovate. The increased spend-per-passenger seen along 2021 confirms the willingness of customers to shop in the travel retail channel and is an additional incentive for retailers and suppliers to increasingly consider and further accelerate product innovation.

Brand partners benefit from improved procurement and logistics processes

Along 2021, Dufry has further improved and simplified the procurement platform and streamlined the related processes, allowing both Dufry and the suppliers to generate efficiencies along the centralized procurement process covering the entire supply chain. Through our centralized procurement and logistic functions, we have considerably simplified the entire supply chain.

Our Global Category Managers act as key relationship managers for brands and coordinate activities with suppliers, by defining individual brand plans and agreeing on contractual parameters. They are supported by our centralized ordering process, which aggregates the orders of the different retail operations and sends a consolidated order to suppliers. Our well-proven logistics organization with three distribution centers in Uruguay, Switzerland and Hong Kong, which operate additional warehouses in Hong Kong, Runnymede (UK), Barcelona (Spain) and Miami (US), provides timely shipping of goods to our operations. The process benefits both Dufry and suppliers as it allows to order and ship larger volumes to the distribution centers, thus increasing flexibility in product allocation by shop and maximizing product availability.

Increased ESG collaboration

Dufry has further increased its ESG engagement with suppliers with several initiatives in 2021. Dufry has executed the re-certification of the Dufry Code of Conduct within its supplier community (see ESG Report on Page 84) and has launched the Sustainable Product Identification Initiative (see ESG Report on page 83) allowing customers to shop considerably.

BRAND UNIVERSE

Dufrey works with over
1,000 of the most renowned
global and local brands.

1,000



AIRPORT AUTHORITIES & LANDLORDS CREATING VALUE THROUGH BEST IN CLASS RETAIL CONCEPTS

Dufry provides landlords with best-in-class retail concepts and a detailed understanding of customer expectations and shopping behaviors to create value for landlords and maximize revenue generation from their retail spaces. The trust our landlords have placed in Dufry has allowed our company to become the market leader in travel retail, currently operating over 2,300 shops in 66 countries located in airports, seaports, railway stations, downtown areas, border crossings, cruise liners & ferries, hotels and other locations with captive audiences.

Benefitting from the widest industry experience

Dufry features a comprehensive portfolio of attractive retail concepts tailored to the individual needs of both duty-free and duty-paid environments to serve both domestic and international passengers, and which are increasingly expanded with online services and platforms. Complemented with the extensive expertise in all technical and regulatory aspects as well as sustainability management systems provided by Dufry, the landlords receive a complete package to best operate their spaces in a profitable and sustainable way. Customer insights regularly collected through dedicated surveys allow us to develop successful marketing initiatives tailored to meet the requirements of every single airport or any other shop environment. Our worldwide presence and the extensive intelligence by traveler profile are core competitive advantages and key drivers to increase sales and profitability, combined with our ongoing evolution of shop design and customer services.

Real Partnership is key for value creation

Over the many years we have been in the business, we have been advocating for the importance of close collaboration between landlords and retailers as a base for optimizing sales. During the past two years, the COVID-19 pandemic has impressively proven the im-

portance of real partnership as the prerequisite to drive success and to overcome difficult situations. This is even more true during the current recovery and going forward. By joining forces, we can create inviting and attractive commercial spaces that maximize spend from the passengers' arrival at the airport until their boarding – and if legislation allows for arrival duty-free after landing.

Attractive shops drive success and profitability.

All along 2021, Dufry has continued to evolve its store portfolio with attractive refurbishments and shop expansions to meet the latest customer expectations at the specific locations. Among others refurbishments to be highlighted are the Rio Galeão Dufry Shopping Megastore (Brazil), at the Pulkovo Airport in St. Petersburg (Russia), the extensive redesign at Milano Linate International Airport (Italy) as well as the completely renewed Brookstone shop concept in the US. It features an immersive design and an increased digitalization level and has been implemented at the Nashville International Airport, at the Norman Y. Mineta San Jose International Airport, at Seattle Tacoma International Airport as well as at the Virgin Hotels in Las Vegas. In total, Dufry refurbished 19,243 m² of retail space in 2021.

Highly digitalized shops with stunning sense-of-place

Dufry has further evolved shop digitalization to both offer new services and to increase the level of customer interaction by nationalities and languages, while continuing to offer location specific shops with highly

attractive sense-of-place designs. What started several years ago with the launch of New Generations Stores – as operated in Buenos Aires (ARG), Amman (JOR), Malaga and Alicante (ESP), Madrid (ESP), Cancun T3 and T4 (MEX), Melbourne (AUS), Zurich (CH), and London Heathrow T3 (UK) – has culminated in 2021 in the opening of the Hudson Nonstop shop which offers customers a complete contactless shopping experience.

Driving contact-less shop technology.

In late 2021, the Hudson Nonstop shop at Dallas Love Field Airport has even become the globally first travel retail shop implementing the Amazon One palm recognition technology. Amazon One allows travellers who have previously enrolled in Amazon One at select Amazon Go, Amazon Books, Amazon 4-star, Amazon Fresh, Amazon Pop Up, or Whole Foods Market stores, to simply hover their palm over the Amazon One device at the entry gates to enter this Hudson Nonstop.

Highly digitalized shops – which include applications such as Reserve & Collect and above all the loyalty program Red By Dufry – are currently in operation in over 50 locations and the implementation of the advanced technology is typically done in the context of the periodic refurbishments or when a new shop is built. This also includes the sense-of-place designs of the shops, which are an important aspect for landlords, as Dufry's shop format system provides for a high degree of customization. Dufry knows how to perfectly match local requirements with efficient retail concepts, to best serve travelers' needs and to generate value for landlords and Dufry alike. For a more detailed description of our digital strategy, please also refer to the strategy chapter on pages 27 and 40.

Long-term concession portfolio.

Securing business resilience through contract extensions

Concession contracts are a key business driver for travel retail operators, as they provide the right to sell their products and services at a given operation. In 2021, Dufry continued to win new contracts and to renew existing concession contracts, thus successfully strengthening the remaining average lifetime of its portfolio, which is currently 6 years. Within our con-

cession portfolio, 36% of our contracts have a remaining life-time of one to two years; 26% of three to five years; another 20% of between six and nine years, and the final 18% have a remaining duration of ten years or more. In average, every year Dufry renews existing contracts that generate between 10% and 15% of our sales, while at the same time adding new contracts.

131 new shops added to our first-class concession portfolio

In 2021, Dufry opened and expanded 131 new shops adding over 9,797 m² of retail space across all divisions. At December 31, 2021, the entire concession portfolio of the group included retail space of close to 470,000 m² thus strengthening our portfolio, despite some crisis-related closures we had to perform.

Dufry's concession portfolio is highly diversified and well balanced across emerging and mature markets on all six continents. This considerably reduces risks of being exposed to single markets and operations; the largest concession only accounts for less than 4% of turnover; while the 10 biggest concessions represent less than 22%.

Focusing on investment returns

During the past two years, our organization has followed its approach of financial discipline even more closely when evaluating new projects and opportunities. This methodology, successfully developed in the past, has again proven its value during the present challenging environment by contributing to optimize costs and adding flexibility to investments. Projects are analyzed individually on a commercial and financial basis. The many aspects of a project being put together include development potential and analyzing initial investment requirements, as well as the expected development of passenger numbers and profile perspectives. Through a strict evaluation of these criteria and our disciplined approach to returns, we ensure that our concession portfolio remains of the highest quality and that each concession offers attractive returns for the Group. This methodology is applied for all project types, irrespective of whether we participate in a tender process, engage in direct negotiations with landlords or perform acquisitions.

INVESTORS STRONG LONG-TERM INVESTMENT OPPORTUNITY

Since its listing in 2005, Dufry has pursued a consistent strategy focusing on profitable growth and cash generation to create value for shareholders and bondholders alike. In the first phase, the company accelerated growth mainly through acquisitions, and more recently shifted towards a more balanced growth profile including both organic growth and acquisitions, while increasing its cash conversion capability and funds available for capital allocation decisions.

Despite the temporary challenges that our industry and the company are facing due to COVID-19, we strongly believe that travel retail is a resilient industry, which will continue to benefit from the secular passenger growth trend. Industry associations expect a return to pre-Covid passenger numbers by the end of 2023 or beginning of 2024. The willingness of people to travel was also confirmed by Dufry's continued customer insights' surveys, showing clear indications of our customers' propensity to engage at the same level or even more in duty-free shopping when travelling. Travel retail is considered an integral part of the overall travel experience, and customers continue to be interested in the attractive product assortment, now also with an increasing focus on sustainable products in addition to exclusivities and novelties. Staff interactions continue to be sought after when browsing through the stores and travelers feel comfortable with the safety and security measures in the airport environment.

Pure-player in the resilient travel retail channel

The strong underlying fundamentals of travel retail – secular long-term global passenger growth fueled by a growing, more affluent population in many countries, as well as the still high fragmentation of the industry – are cornerstones of Dufry's investment case. Dufry has a track record of organic growth in line with regional passenger developments and passenger mix; growth acceleration through M&A; strong cash gener-

ation capability on the back of an attractive risk profile based on our diversification by geographies, channels and sectors. Dufry's diversified footprint supported the company even in 2020 and 2021 when facing a global pandemic, by balancing region-specific travel restrictions. Most importantly, the company's strong cash generation capability will be further supported by the successful implementation of its reorganization and the expected structural savings in a normalized environment. Dufry has already proven throughout 2021 the delivery on communicated cost savings and related translation into Equity Free Cash Flow, which in the second half of the year already nearly reached 2019 levels. Dufry expects an EFCF recovery even before returning to a 2019 turnover environment, providing a strong base for future capital allocation. For a detailed view on Dufry's investment case please refer to page 22.

Only pure-play
to invest in travel
retail.

Capital allocation

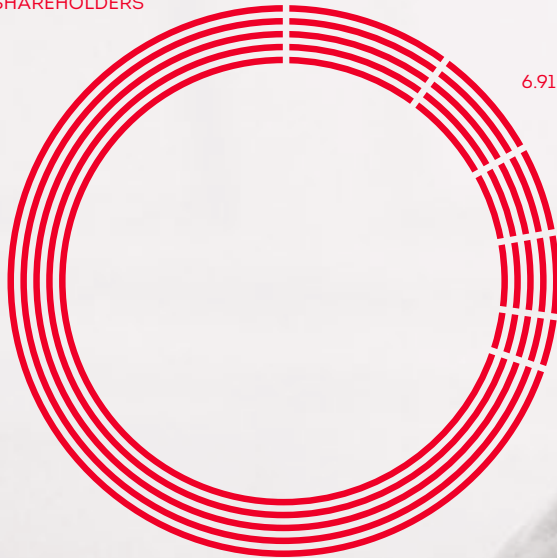
Dufry's capital allocation policy has been adapted to the current environment with the objective to protect liquidity during the recovery. Dufry targets deleveraging in line with the recovery trajectory, reaching below 5x Net Debt / Adjusted Operating Cash Flow by 2022, and a mid-term leverage level in line with pre-crisis of 2.75 – 3.25x. We expect attractive shareholder value generating opportunities for profitable growth to arise in the short- and medium-term and will thoroughly assess any investment from a value accretion point of view once the business has started to recover sustainably.

SHAREHOLDER STRUCTURE

AT DECEMBER 31, 2021

69.58% OTHER
SHAREHOLDERS

10.11% ADVENT INTERNATIONAL CORP.



6.91% QATAR HOLDING LLC

5.40% ALIBABA GROUP HOLDING LTD.

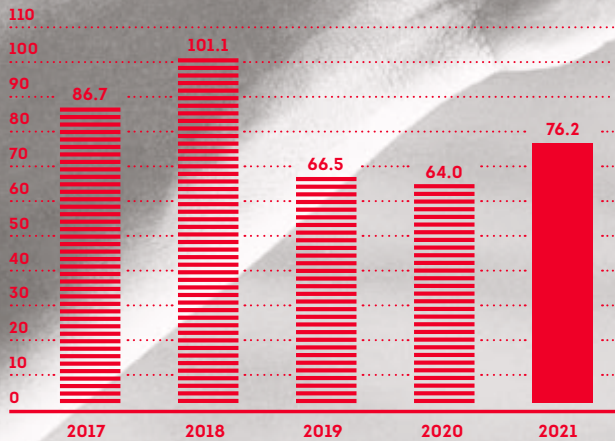
5.00% RICHEMONT

3.00% FRANKLIN RESOURCES, INC.

Note: Based on shares. For a complete overview of Shareholder disclosures please refer to page 236.

DAILY AVERAGE VOLUME

MILLIONS OF CHF



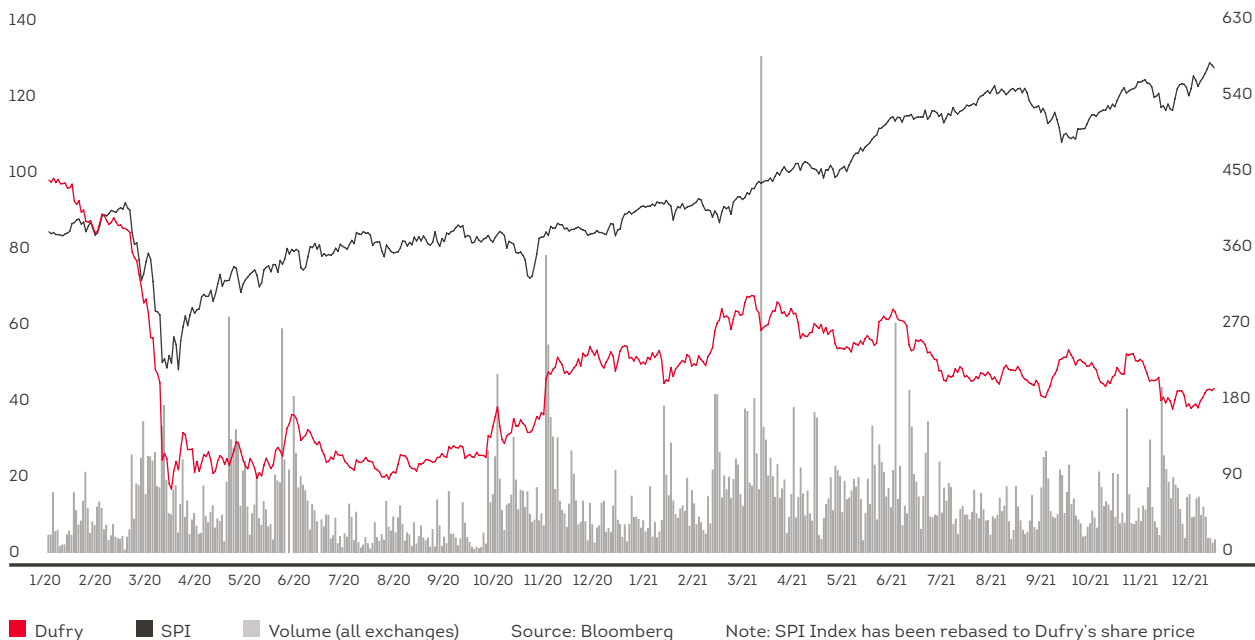
Note: Decrease in volume in 2019 due to the termination of the EU stock market equivalence to Switzerland since July 2019, where the trading of Swiss shares on EU exchanges has been prohibited as of July.



DUFRY AG SHARE PRICE AND TRADING VOLUME

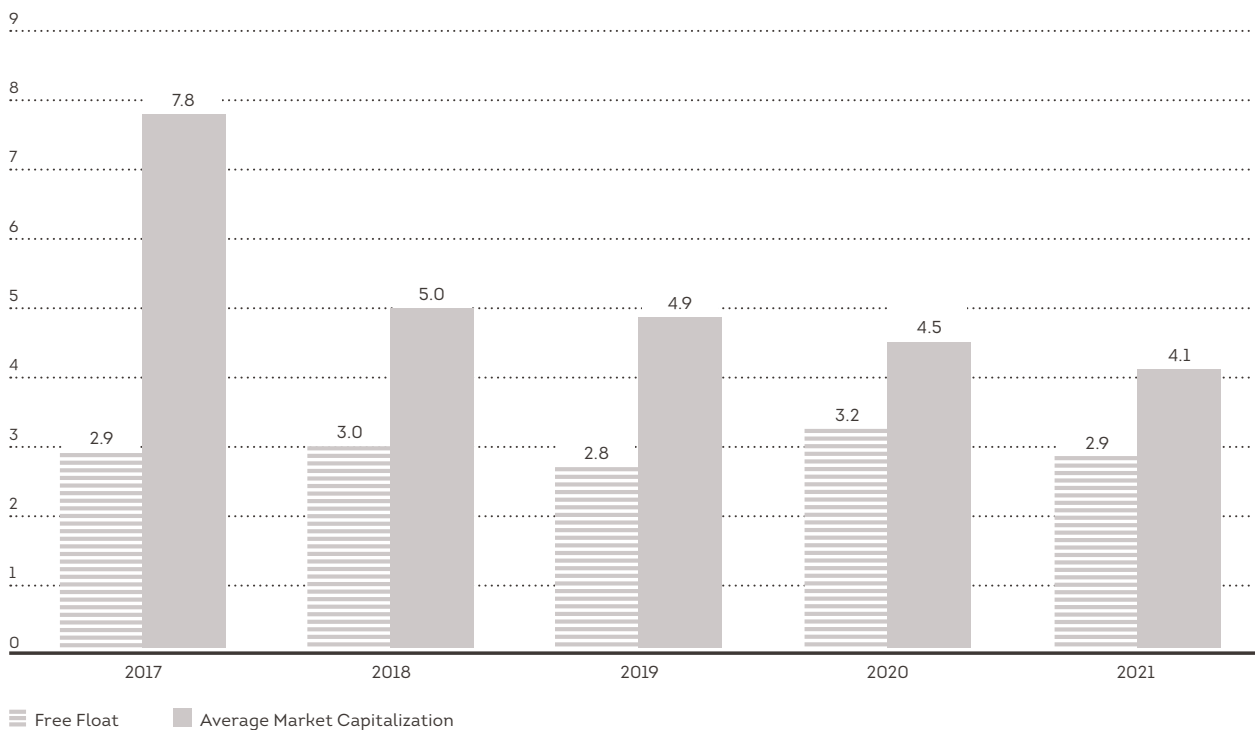
SHARE PRICE
 IN CHF

TRADING VOLUME
 MILLIONS OF CHF



MARKET CAPITALIZATION AND FREE FLOAT

BILLIONS OF CHF



In the context of the evolution of the COVID-19 pandemic and the continued limited visibility on the recovery trajectory throughout 2021, the Board of Directors has proposed to the General Meeting of Shareholders 2021 not to pay a dividend in order to safeguard the short-term liquidity of the company. Under consideration of the still lower turnover levels compared to 2019, the Board of Directors has decided to propose to the 2022 General Meeting of shareholders to suspend the dividend payment for the 2021 business year as well. The Board of Directors will consider a re-initiation of dividend payment in line with recovery.

Member of the SMI MID (SMIM) Index

With a market capitalization of CHF 4.099 billion as per December 31, 2021, Dufrey is part of the SMI MID (SMIM) Index on the SIX Swiss Exchange, which includes the 30 biggest publicly listed companies in Switzerland not already represented in the Swiss Market Index (SMI).

Included in the SXI Sustainability 25 Index®

Dufrey became a component of the [SXI Switzerland Sustainability 25 Index® Price \(SSUSTX\)](#) in September 2021. This index measures the development of Swiss companies which are considered sustainable according to a measurement framework provided by Sustainalytics, a provider of ESG research and analysis. All stocks in the index universe are screened for their sustainability score by Sustainalytics. The top 25, representing leaders within their respective global industry, are selected for inclusion in the new index.

Dufrey's share price started the year at CHF 55.6, reached a high of CHF 68.24 in March due to positive news flow on progressing of vaccination campaigns and easing of travel restrictions ahead of the summer season, with a low of CHF 40.00 in early December related to market concerns on the impact of variants on travel, in addition to global supply chain challenges and inflation developments. Dufrey's share price development was often driven by external news-flow during 2021, reflecting news and expectations regarding the pandemic. The Company's initiatives to restructure the organization, implement sustainable cost savings, strengthen the financial position and enhance liquidity have been successfully executed throughout 2020 and 2021.

Dufrey's trading volume continued to be healthy in 2021. The average daily trading volume was approximately CHF 61.2 million. The SIX Swiss Exchange remains an important trading platform, where the average daily volume of Dufrey shares reached CHF 28.8 million in

2021. Dufrey's trading volumes are mainly concentrated at the SIX 46% and BATS Chi-X OTC 47% platforms.

We continued to receive strong support from our broad shareholder base. The most important participations (>3%) as of December 31, 2021, were Advent International, Qatar Investment Authority, Alibaba Group, Richemont and Franklin Resources, representing approximately 30.4% of our share capital.

Dufrey has a free float of close to 73%, which is well balanced, with shares being held by institutional investors in the most important investor regions such as the United States, the United Kingdom, APAC, Switzerland and also across Europe.

Strong investment track-record for bondholders

Dufrey has been a well-established investment opportunity in the bond market ever since the issuance of its first Senior Notes in 2012. On the one hand, the bond market represents an important source of financing for the company, while on the other hand, our low operating leverage, as well as the strong and resilient cash flow generation capabilities, are characteristics welcomed by the fixed income market.

Long-term financing strengthened.

In Q1 2021, Dufrey has initiated the refinancing process of its debt positions with upcoming maturities until 2023. Overall, CHF 1,619.9 million have been successfully refinanced by end of April. Dufrey made use of a diversified product mix including convertible bonds, senior notes and bank debt, thereby optimizing terms in the current market environment. In detail, Dufrey issued CHF 500 million new convertible bonds due 2026 with a 0.75% coupon and CHF 87.00 conversion price, while early converting its existing CHF 350 million 2023 convertible bonds. Further, Dufrey priced EUR 725 million 3.375% Senior Notes due 2028 and CHF 300 million 3.625% Senior Notes due 2026, which were used to refinance existing bank debt. Dufrey had also concluded a comprehensive set of initiatives to strengthen its capital structure and liquidity position in the previous year 2020. With the entire refinancing, the company further strengthened its financial structure. Dufrey's Senior Notes are currently rated (B+) by Standard & Poors and (B1) by Moody's. However, we have set a longer-term target to achieve again a BB/Ba3 rating, respectively.

Dufrey also has a bank credit facility in place totaling CHF 512 million (USD 550 million) maturing in 2024. In addition, Dufrey has access to a Revolving Credit Facility of CHF 1,403 million (EUR 1,300 million), which is fully undrawn. As per end of December 2021, Dufrey had CHF 219.0 million of COVID-19 related government-backed loans. The overall maturity profile shows an average maturity of 3.9 years and a weighted average interest of 2.6%.

Fair and comprehensive market communication

Dufrey is committed to open and transparent communications with the financial market to present our equity story and investment opportunities. We pursue a constant, open dialogue with investors, analysts and the media through direct phone and email exchanges, regular roadshows and conference attendance, one-to-one meetings and dedicated investor days, either in person or virtually.

Senior management presents and discusses financial performance on a regular basis and we provide the financial community and media with in-depth reports and information through press and analyst conferences, conference calls and webcasts. In this context, Dufrey releases quarterly trading update statements for Q1 and Q3 and publishes full financial results for the half-year and full-year periods.

As part of our 2021 Investor Relations activities, senior management and the Investor Relations team invested 47 days to meeting investors directly or virtually through roadshows and conferences in Europe, North America and Asia, during which we met around 1035 investors in one-to-one or group meetings and many more in presentations. Apart from meetings, the Investor Relations team answered 662 calls and emails in 2021. This results in a total of 1,701 contacts with investors and analysts. For contact details of our Investor Relations team, please see page 281 of this Annual Report.

ENVIRONMENT SOCIAL AND GOVERNANCE REPORT 2021



DUFRY

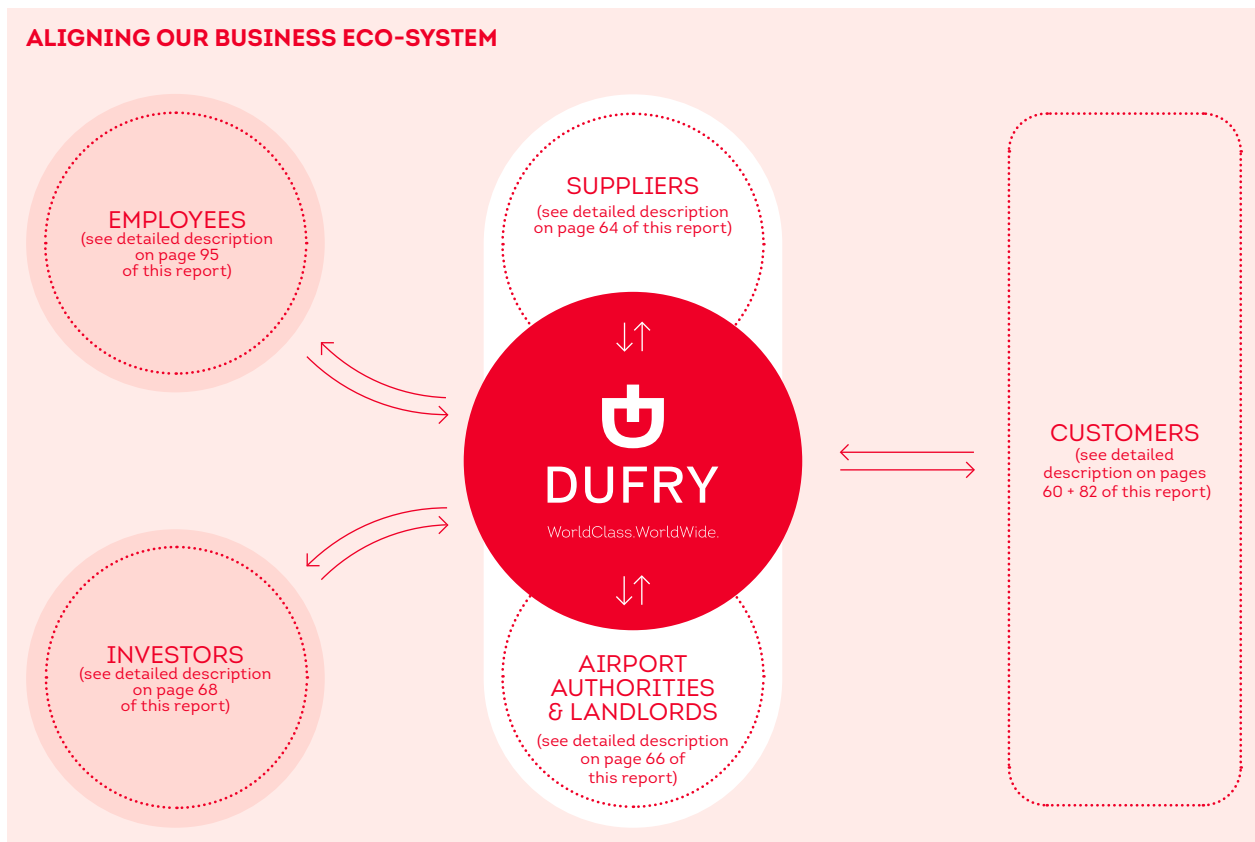
WorldClass.WorldWide.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) REPORT

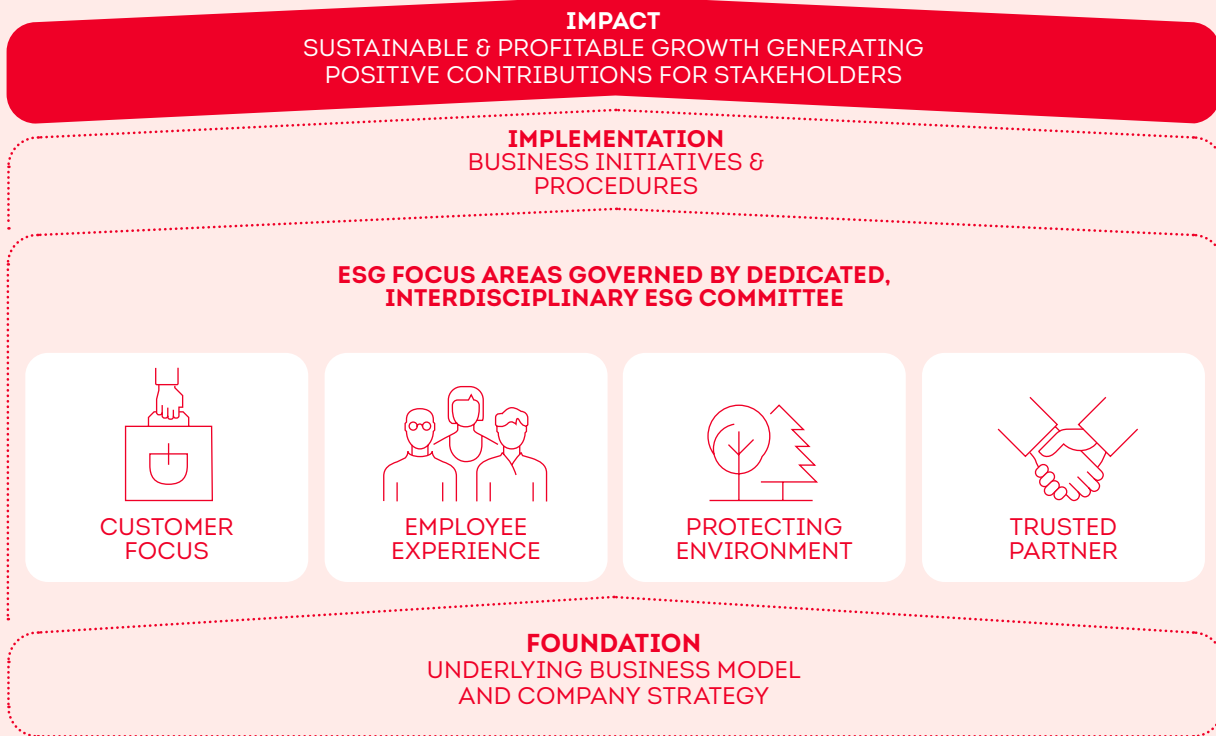
EVOLVED COMMITMENT TO SUSTAINABLE GROWTH

Dufry's four focus areas, which are Customer Focus, Employee Experience, Protecting Environment and Trusted Partner, align our eco-system with the main stakeholders and define the key topics, which are material to our business. Our ESG engagement is an inherent part of our company strategy, supervised by the Board of Directors and implemented by a dedicated ESG Committee. A detailed description of the ESG Strategy is available on the Dufry website www.dufry.com/en/sustainability.

In 2021, Dufry has – among many other improvements – further evolved its ESG commitment by developing dedicated Environmental Management Guidelines and defining SBTi-based (Science Based Target Initiative) emission reduction targets, which complement the overall ESG Strategy. The new Environmental Management Guidelines and the emission reduction targets for scopes 1 - 3 are described on the pages 87 - 91.



ESG ENGAGEMENT FULLY INTEGRATED IN COMPANY STRATEGY



**IMPLEMENTATION OF SUSTAINABILITY STRATEGY
 SUPERVISED BY HIGHEST GOVERNANCE BODY**

1. At the level of the Board of Directors, the implementation of the ESG Strategy is supervised and actively accompanied by the Lead Independent Director. The Board of Directors is informed on the ESG strategy implementation progress quarterly and receives detailed updates at least twice a year.

2. The interdisciplinary ESG Committee drives the implementation of the ESG Strategy and meets every two months. The ESG Committee is attended by CEO (Chair of the ESG Committee), CFO, CEO Operations, Chief Corporate Officer, Chief Commercial Officer, Chief Compliance Officer, General Counsel and Chief Diversity & Inclusion Officer, as well by the Global Internal Audit Director, the Global Head of Investor Relations and the Global Head Corporate Communications & Public Affairs.

3. Day-to-day implementation of Dufrey's ESG strategy is executed by the ESG Department, which is part of the Corporate Communications & Public Affairs department.



A global leading travel retailer

Dufrey is a global travel retailer operating over 2,300 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas. In 2021, we employed 19,946 employees (FTEs) across 66 countries, and we represent over 1,000 different, most renowned global and local brands in our stores. Dufrey is part of the Swiss Market Index MID (SMIM) as well as the SXI Swiss Sustainability 25 Index of the SIX Swiss Exchange and has a balanced mix of large and small shareholders.

This sustainability report has been prepared following the guidelines of the Global Reporting Initiative (GRI) Standards: Core Option, and covers our environmental, social and governance (ESG) activities, performance and approach for the year 2021 focusing on the topics we have determined to be of greatest importance for Dufrey and its stakeholders. As already started in the 2020 ESG Report, in 2021 we continued to voluntarily report information related to three additional GRI indicators: Emissions, Environmental Compliance and Public Policy. The decision to start reporting on these indicators is in response to Dufrey's commitment for greater transparency and to give stakeholders a better understanding of our ESG strategy.

Consistent implementation of ESG vision and strategy

In 2021, we have focused our ESG engagement on implementing important new initiatives in areas where we can make relevant ESG contributions. We have defined Science Based Target Initiative (SBTi)-based reduction targets for Scopes 1, 2 & 3 emissions along with the development of the Environmental Management Guidelines; we have also expanded the Risk & Opportunity disclosure, accelerated our Diversity & Inclusion engagement and, among several other new ESG initiatives, we have further evolved our Human Resources Policy. All these major developments are fully aligned with and follow the strengthening of the ESG governance structure and the revision of our ESG Strategy in 2020, which builds on the four focus areas - Customer Focus, Protecting Environment, Employee Experience and Trusted Partner. Our ESG Strategy, with the description of the focus areas and the ESG governance structure is disclosed in the sustainability section of our Group website: www.dufrey.com/en/sustainability.

For an easier comparison, we continue to embed in our ESG report the UN Sustainability Development Goals (SDGs) and include information on the respective GRI indicators and SDG goals in the corresponding sections, where Dufrey plays a role in progressing towards

specific goals, thus enabling the reader to obtain a better and more transparent understanding of our report.

In early 2020, Dufrey became a signatory member of the UN Global Compact and started to prepare a progress report, which is available, together with the GRI Index and the Sustainability Report Annex at the end of this publication. These documents supplement the information disclosed in Dufrey's Annual Report (including the Corporate Governance and Remuneration Reports embedded in the Annual Report). All these reports are also available online as individual files in the sustainability section of our corporate website: www.dufrey.com/en/sustainability.

Dufrey's materiality assessment updated

Dufrey launched its sustainability reporting in 2016 with the publication of its first materiality assessment in collaboration with an external specialized service provider. This resulted in the publication of our first Materiality Matrix, outlining the topics considered most relevant to both our stakeholders and our business. This first step towards establishing a solid sustainability reporting framework continued with the publication in 2017 of Dufrey's first Environment, Social and Governance (ESG) Report, prepared in accordance with the Global Reporting Initiative (GRI) Standards.

The initial Materiality Matrix was created through a scaled process, which began with the assessment of a number of internal and external sources such as our existing policies and regulations, publicly available materiality assessments of peers, the SASB requirements (Sustainability Accounting Standard Board) and the report of the Governance & Accountability Institute. As a next step, we gathered stakeholder feedback, mainly through various internal sources, but also through our role in trade conferences and associations, one-on-one discussions and the ongoing dialogue with shareholders and other stakeholders and through regular customer surveys.

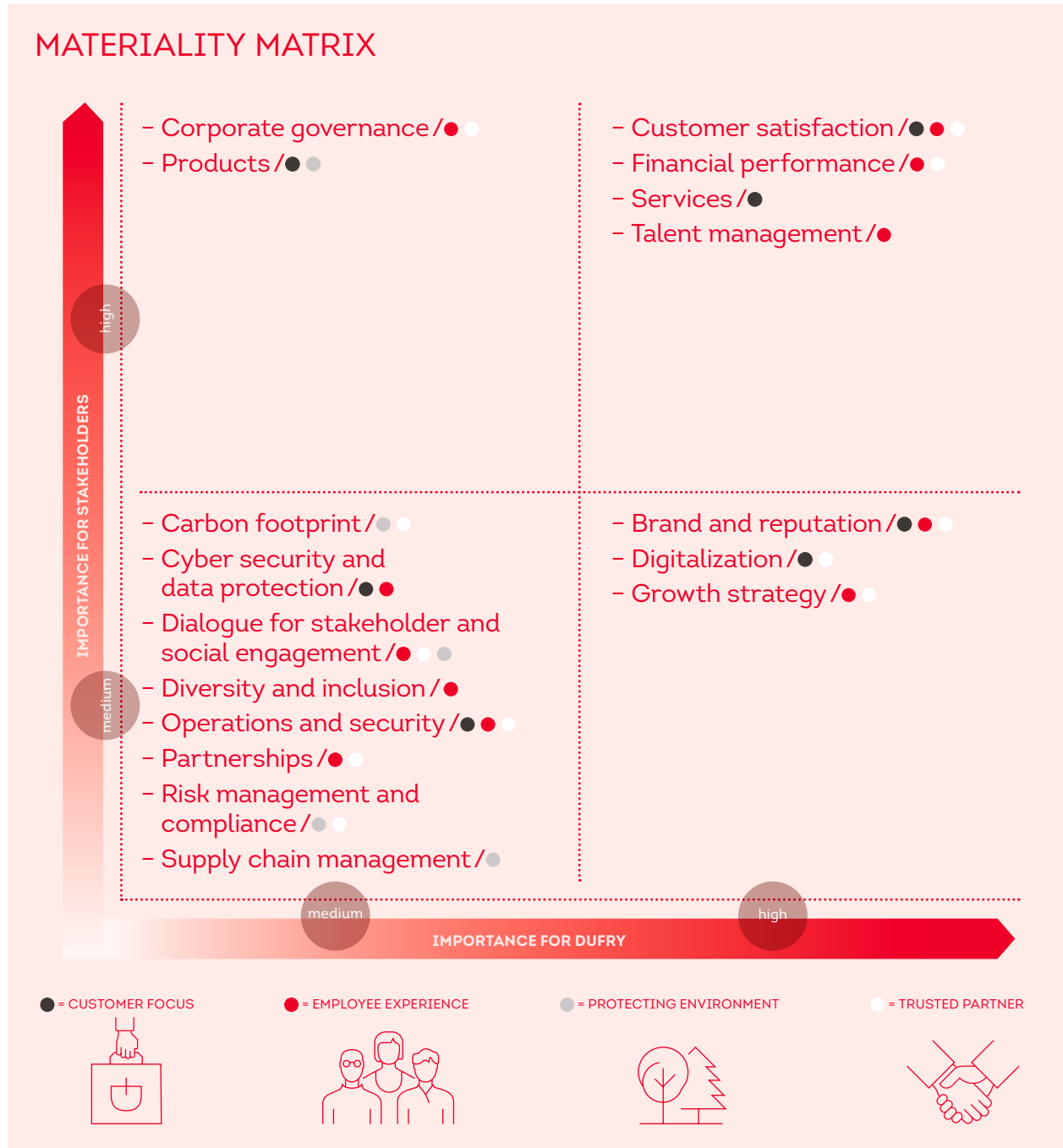
Our vision of sustainability however is not a static one, and Dufrey conducts periodic and comprehensive materiality assessments to identify our most relevant reporting topics from an ESG perspective. As compared to the initial scope of the materiality matrix, in 2019 we had added Data Protection and Cyber Security as an additional topic, while we did not add any to our materiality matrix in 2020. During the reporting year 2021, we re-assessed the scope of our matrix with formal and informal feedback from both internal and external sources, including financial and ESG analysts, business partners and industry associations. As a result of the assessment, we added "Carbon Footprint" to the

materiality matrix, building on the voluntary reporting on the scope 1, 2 & 3 emissions, which we had started to disclose in 2020.

Risk management and control

The risks and opportunities inherent to Dufry’s business consist of two groups: Financial risks - related to interest rates, exchange rates, credit risks and

liquidity risks - and non-financial risks and opportunities. While financial risks are described in the Financial Report on pages 201 - 209, a comprehensive description of the Group’s non-financial risk mapping, which has been updated in 2021, is included in the ESG Report Annex available on the corporate website: www.dufry.com/en/sustainability.



Note: Within boxes topics are listed in alphabetical order

IMPROVEMENTS CARRIED OUT DURING 2021

CUSTOMER FOCUS



SUSTAINABLE PRODUCT IDENTIFICATION INITIATIVE LAUNCHED, INCLUDING OVER 550 PRODUCTS IN 171 SHOPS ACROSS 128 AIRPORTS.

Over 2,300 Dufry employees, who are involved in the sale of alcohol products, obtained the DFWC accreditation as Responsible Retailer of Alcohol products.

New retail technology concepts – Hudson Nonstop and Automated Retail Concepts – to meet demand for contact-less shopping experience.

Global Information Security Policies aligned with the international security frameworks ISO 27000 and NIST.

EMPLOYEE EXPERIENCE



DIVERSITY & INCLUSION (D&I) SURVEY COVERING 70 % OF GLOBAL EMPLOYEE BASE EXECUTED IN 2021 TO IDENTIFY OPPORTUNITIES TO FURTHER EVOLVE D & I ENGAGEMENT AND DEVELOP TARGETED INITIATIVES.

GLOBAL HR POLICY UPDATED WITH RESPECT TO OVERALL REMUNERATION SYSTEM AND WORKING CONDITIONS.

Roll-out of employee communication tool – Beekeeper – to connect with non-desktop staff, reaching over 80 % of our headcounts.

Equal Salary Certification renewed for our Switzerland operation.

PROTECTING ENVIRONMENT



CO₂ EMISSION REDUCTION TARGETS DEFINED FOR SCOPES 1, 2 & 3 EMISSIONS.

- REACH CLIMATE NEUTRALITY FOR SCOPES 1 & 2 EMISSIONS BY 2025**
- CONSIDERABLY REDUCE SCOPE 3 EMISSIONS BY ENGAGING WITH 50 % SBTI-COMMITTED SUPPLIERS BY 2027 AND BY REDUCING CARBON FOOTPRINT OF LOGISTIC PARTNERS BY 28 % BY 2030**

PLASTIC BAGS SUBSTITUTION INITIATIVE IN PROGRESS IN 15 COUNTRIES.

Started to establish a supplier engagement program to support achievement of emission reduction target.

Developed Environmental Management Guidelines to ensure the application of the precautionary principle and place the environment at the center of our decision-making process.

TRUSTED PARTNER



INCLUDED IN SXI SUSTAINABILITY 25 INDEX OF THE SIX SWISS EXCHANGE AS OF SEPTEMBER 2021.

RECERTIFICATION OF SUPPLIER CODE OF CONDUCT REACHING 56 % OF GROUP PURCHASING VOLUME.

Participated in a number of industry & customer ESG forums and events.

OBJECTIVES

Dufry's success goes beyond commercial and financial performance and we understand that our business activities also have an impact on the communities in the countries in which we operate. Since 2019, Dufry has supported the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption, and we became a signatory member to the UN Global Compact in 2020. We regularly align our overall sustainability strategy with the 10 principles and develop relevant initiatives geared to achieving a more sustainable business, including:

CUSTOMER FOCUS



As the leading global 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, by developing attractive shopping environments.

While having accelerated the responsible retailer certification in 2021, we are committed to keep providing responsible retailer training for the sale of alcohol products to store and office staff involved in the sale of such products and also going forward for all new employees as part of their regular training offer.

Following a detailed acceptance analysis of the sustainable product identification initiative launched in 2021, we will further evolve our sustainable product assortment in line with customer's preferences and feedback provided.

EMPLOYEE EXPERIENCE



Diversity and Inclusion (D & I) will remain an area of focus for Dufry. Our global corporate initiative, first launched in 2016 as women@dufry to bring together female leaders across the business from a variety of functions and geographies, has now further evolved to provide equal opportunities without any kind of discrimination for all employees. Based on the findings identified in the D & I survey of late 2021, we will develop targeted initiatives to further support employees to better manage work, family and life-balance topics. Moreover, we will continue to evolve our training offers for all employees.

The ongoing development of fair compensation and of gender-pay gap reduction programs remained an important part of our efforts in 2021. Moreover, we have fully revised our Human Resources Policy, now disclosed in the Careers section of the group website. Leveraging on the experience gained through the reconfirmed Equal Salary Certification achieved in Switzerland in 2021, we will continue to analyze compensation plans across the group and develop remediation plans if needed.

Fostering dialogue with employees is a vital part of our strategy, based on the understanding that our staff are our most valuable asset. In 2019, we conducted a new wave of the Engagement Survey with the participation of 25,213 Dufry employees – representing 73 % of our workforce at that time. The next engagement survey is planned for 2022 providing employees with the opportunity to share their views and concerns in the current business environment and following the implementation of the new ways of working.

PROTECTING ENVIRONMENT



While we have fully revised Dufry's Sustainability Strategy in 2020, the ongoing verification of the strategy and alignment with any new requirements has continued in 2021 and remains a central focus.

Based on the CO₂ emission reduction targets defined in 2021, we will continue and further refine the assessment of our environmental impact. This will allow us to work towards reaching the defined targets, adding important information to a detailed reporting structure, and to have an even better understanding of the environmental footprint of our operations.

TRUSTED PARTNER



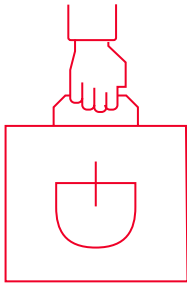
Through our shop network, we directly and indirectly support the local economies of the countries in which we operate: either by employing local staff, sourcing local products, or by paying taxes. Providing jobs and quality working conditions and opportunities, including our training and development programs, are important contributors to developing local wealth.

Continuing our plan to monitor our supply chain sustainability and include additional suppliers who have accepted the terms of our Supplier Code of Conduct in 2021, we have executed the recertification process, tripling the number of suppliers involved. Also going forward, we will continue to extend the reach of the Supplier Code of Conduct.

In 2021, we have introduced an extended overview of the risks and opportunities which impact the company, and provided indications on how Dufry mitigates or benefits from the respective developments. The Risks & Opportunities table included in the ESG Report Annex complements the financial risks overview in the Financial Report and will be updated on a regular basis.



CUSTOMER FOCUS



To succeed as a company, Dufroy must put the customer at the center of every decision we make. This has been the philosophy of the company since its foundation, and it's what has brought Dufroy to its current leadership position in the travel retail industry. Our main mission is to meet and exceed customer expectations, which we achieve through the combination of sourcing unique product choices, providing attractive shopping environments and offering special shopping experiences. Our customers' expectations however have evolved in recent years and have become more sophisticated. The traditional price-value proposition has been enhanced with additional elements, as consumers today demand higher standards of sustainability from retailers. From privacy and data protection, to responsible marketing and communication practices, or product and supply chain stewardship, there are many elements of our offer that receive special attention from Dufroy and that enable us to be a more sustainable travel retailer and our customers to shop considerably.

Creating the best shopping experience

Our corporate brand statement, WorldClass.WorldWide, reflects our ambition to create the best possible shopping environments to capture the interest of travelers and to generate attractive buying opportunities. That is the main pillar of our future growth. This best shopping experience is based on three main elements: store, product and service.

When Dufroy develops or refurbishes its stores, special attention is paid to creating a strong sense of place, thus linking the shopping environment to the individual country's cultural heritage, where the stores are located. The powerful combination of state-of-the-art store designs with local motifs and references, alongside a carefully curated selection of local products acquired from local suppliers, results in unique shopping

GRI INDICATORS:

401-1, 403-1, 404-1, 405-1, 406-1

SDGs:

5.2

8.8

12.8

16.1, 16.3, 16.10

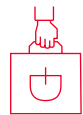
spaces that enable customers to experience a full cultural immersion in the destination with a true "sense of place". Dufroy cooperates closely with airport authorities and brand suppliers on elements including store design, passenger flows and allocation of commercial space.

Industry recognition

This collaborative work results in improved passenger services, as well as more visibility and opportunities for brands. Testament to this collaboration is the remarkable example of Heathrow Airport in London, where Dufroy operates a large proportion of the stores in all its terminals. In 2020, Dufroy's retail offer in Heathrow was once more recognized by Skytrax winning the accolade of Best Airport Shopping in the world for the eleventh consecutive year. Due to COVID-19 pandemic, Skytrax has temporarily suspended the awards and will reinstate them in 2022. This recognition is of special interest for Dufroy, as the Skytrax award survey gathers the opinion of over 13 million airport users, from 100 different nationalities, across more than 550 airports.

Delivering consistent outstanding customer service is Dufroy's main aspiration. No matter where our stores are located, the ultimate objective of Dufroy's Customer Retail Excellence program – an on-going training program for our sales staff – is to give our customers the best possible shopping experience. This program focuses on:

- Reinforcing customer service through ideal staffing levels according to store traffic and sales
- Providing employees with a clear focus and target for each shift
- Empowering teams through strong leadership
- Enhancing selling capabilities around our products, promotions and special lines/offers.



In supporting this rollout, 13 Academy Stores spread across the three main regions have been rolled out globally. Located in Stockholm, Zurich, Athens, Madrid, Marrakesh, Jordan, Toronto, New York (Newark), Cancun, São Paulo, Buenos Aires (Ezeiza), Melbourne and Bali, these stores serve to test concepts and best practices, and function as a reference for stores in other airports and geographies.

Fulfilling new consumption habits

New customer behavior trends - observed in the dedicated surveys which are regularly conducted - indicate two main requirements: an increasing need for more contactless and reduced in-person interaction and a more digital in-store engagement, as well as the availability of sustainable products. A shift in consumer behavior that is suggested to endure and increase in the long term.

As indicated in the Customer section of the Annual Report (pages 60 - 63), Dufry continues creating omnichannel strategies that blend physical and online channels to engage consumers in the channel of their choosing. Services such as Reserve & Collect and Red By Dufry, constitute an important part of our customer value proposition and are critical to drive customer engagement and loyalty.

Sustainable product identification initiative implemented

The choice by customers of more sustainable products when shopping is another trend consolidated in the last couple of years. According to research from the consultancy MIndset, 84% of travel retail and duty-free shoppers think a greater focus on sustainability by manufacturers has a positive impact on their perception of a brand, whilst 74% feel that a greater focus on sustainability increases the likelihood of them purchasing products of a certain brand.

In 2021, Dufry has implemented a Sustainable Product Identification System in 171 shops across 128 airports, highlighting those products that are aligned with customers' personal values and which fulfill defined sustainability criteria. The signage created for the purpose is simple and easy to understand and has been designed to highlight and create customer awareness of the various sustainability criteria associated with Dufry's selection of products. Over 550 products were selected for this experience, with positive response amongst customers. Dufry is currently evaluating customers' feedback and assessing a wider spread of the initiative across other locations.

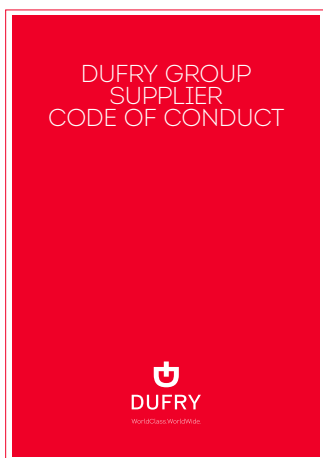




Evolved shop digitization

During 2021, Dufrey has piloted new concepts and initiatives aligned with these new emerging customer preferences. In the US, in Dallas Love Field and Chicago Midway airports, Dufrey's affiliate Hudson inaugurated two Hudson Nonstop stores. These shops are equipped with Amazon's Just Walk Out technology, a technology that allows customers to enter the store with their credit card, pick up the products they are looking for, and then exit the store, all without waiting in checkout lines or stopping to pay. Customers of these two shops have quickly adopted this new store concept and are very pleased with the full product range offered, reaffirming the investment in this technology is meeting an untapped need of travelers. This experience has been further evolved in December 2021 through the implementation of Amazon's palm recognition service, Amazon One - an absolute first deployment in the travel retail industry.

Also in the US, Hudson has piloted another contactless retailing concept with the introduction in several US airports of Automated Retail Concepts, a 24/7 shopping destination that features a wide selection of products from globally renowned and local brands, including skincare, eyewear and electronic products as well as accessories and toys.



Recertification of Supplier Code of Conduct

Dufrey does not produce any goods nor sell any white-label products. As a pure retailer, all products available on our shelves are produced by third party companies. As explained in the Trusted Partner section of this ESG report, Dufrey expects all of its suppliers to comply with the law, stipulated contract conditions and international best practices in respect of human rights and the environment, as well as health and safety and labor standards. To ensure this, Dufrey regularly updates its Supplier Code of Con-

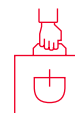
duct, available on the company's website, which stipulates the provisions required to be a supplier to Dufrey. As an additional step, since 2018 Dufrey proactively approaches its main product suppliers to secure their agreement with and /or acknowledgement of the Supplier Code of Conduct, and hence ensure the provisions included are accepted, establishing a 3-year cycle for reassessment. During 2021, Dufrey conducted a recertification process of its Supplier Code of Conduct. On this occasion, Dufrey more than tripled the number of suppliers from each of the product categories, reaching over 117 suppliers (37 suppliers in 2019) that represent 56% of the Group's 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 Dufrey's Supplier Code of Conduct, the Company will continue to reach additional suppliers going forward. Following the three-years-cycle approach, the next complete re-certification is planned for 2024.

Responsible marketing

Dufrey's responsibility goes beyond the products sold and includes its marketing practices (see Customer section of the Annual Report). Traditionally, Dufrey has played an active role in the main travel retail associations and in the self-regulation of marketing practices, especially for the sale of alcohol. Dufrey has contributed to the development of the Duty Free World Council's (DFWC) Self-Regulatory Code of Conduct for the Sale of Alcohol Products in Duty Free & Travel Retail - called Responsible Retailer of Alcohol Products. This Code of Conduct, which complements existing codes and guidelines followed by individual alcohol manufacturing companies and other bodies, is widely accepted by most travel retailers worldwide and was signed and implemented by Dufrey in late 2017.

Responsible Retailer Accreditation process implemented

The DFWC's Code of Conduct provides a unique standard for promoting responsible retailing of alcohol products in the duty-free and travel retail channels, establishing clear guidelines for commercial communications, sales of product in the travel retail and duty-free environments and for product sampling and tasting at the point of sale. The Code of Conduct is publicly available from the DFWC website www.dfworldcouncil.com.



In 2021, we took an additional step forward to obtain the DFWC Responsible Retailer accreditation. This accreditation is granted after members of our staff involved in the sale of alcohol products – both at store and office levels – are trained on the above-mentioned code through a DFWC developed training module. By the end of 2021, over 2,300 of our employees had obtained that certification. This important training has now been incorporated into Dufry's training catalogue and the company will continue to train employees involved in the sale of alcohol going forward.

Further progress in several areas

Understanding our responsibility, we have made significant progress in:

- Ensuring that products on Dufry shelves adhere to the product safety principles stipulated in the Dufry Supplier Code of Conduct
- Responsible marketing communications, both in-store and through our pre- and post-sale points of contact with customers, as well as in product warranties and refund policies
- Data protection and security of customer and company information
- Regularly gathering customer feedback, concerns and suggestions through our own field research and interviews conducted either online, or across the 50 major airports where Dufry operates, as well as through the Customer Service department, which offers direct email or telephone access to the company.



Customer service engagement

During 2021, Dufry's customer service platform has been completely updated and the global customer service team answered 80,025 inquiries (compared to 68,905 in 2020). Out of all these customer contacts, 9,846 were customer complaints, 50,306 were information requests, 16,081 were product queries, 176 were

compliments and 15 were suggestions. The remaining 3,601 queries included a variety of other requests related to pre-order and Dufry's loyalty program or post sale queries. The increase in the number of contacts is related, among other factors, to the recovery of traffic volumes across all locations and to a higher number of users of Red By Dufry services (the group's loyalty program) and the Reserve & Collect collection service.

The main causes of complaints were as follows:

- Product damages
- Red By Dufry missing points
- Billing overcharge
- Paid and not received merchandise
- Confiscation of products.

Case resolution time was, on average, less than 10 days.

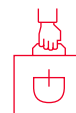
Customer privacy and data protection

Dufry is committed to safeguarding the privacy of its customers and their personal information. Dufry has implemented the necessary management and Cyber Security systems to treat any customer's personal information as confidential. This also includes securely storing personal information – such as for example name, surname, email address or loyalty card number – to prevent unauthorized access to it, along with ensuring that such personal information is only collected, used and otherwise processed for legitimate business purposes in accordance with applicable laws and well as the Privacy Notice and Dufry's Code of Conduct (both accessible in the company's website).

Dufry offers two website applications that collect some personal information from customers – the Reserve & Collect service and its loyalty program called Red By Dufry. These customer engagement channels have experienced a significant increase in registered users. Some personal information and preferences of these customers are collected during the registration process so that Dufry can provide more personalized communication and in-store experience.

Online transactions

While Dufry is undergoing a digital transformation of its business and embracing digital technology across multiple customer touchpoints, the company still doesn't handle online transactions that include payment for duty-free goods – exceptions are made for some locations, where respective customs regulations allow for this kind of service. The above-mentioned Reserve & Collect service only allows customers to reserve products and collect them at their preferred airport location at the time the customer flies. Normally



however, it is not until customers collect the products and show their boarding passes as required, that the payment is processed. This is due to customs regulations that only permit Dufry to sell duty-free products at the airport location itself.

Data protection structure and audits

Dufry's Group Data Protection Policy sets out strict requirements for the processing of personal data of customers, business partners, employees and other third parties whose personal information Dufry may have access to. It meets the requirements of the European General Data Protection Regulation (GDPR) and globally ensures compliance with the principles of national and international data protection laws in force all over the world. The policy sets a globally applicable data protection governance and regulates roles and responsibilities among our Group companies. Dufry has a Global Data Protection Coordinator (Global DPC) who reports to the Chief Compliance Officer. The data protection organization relies on a decentralized structure, with local data protection coordinators (Local DPCs) in the relevant countries. The Local DPCs bear the responsibility for data protection matters within their scope of operations.

Our employees, as well as third-parties who provide services on Dufry's behalf, are required by policy and process, as well as by contract, if applicable, to treat customer information with care and confidentiality. Our processes are designed to preclude unnecessary access to confidential information and Dufry has administrative, technical and physical safeguards that reflect this obligation. Dufry regularly reviews and enhances related procedures and policies.

The Group also undertakes internal Data Protection Audits and intrusion tests on a regular basis, while periodic meetings are held to discuss and improve the protection of customers' personal data. Anyone wishing to report a grievance or ask a question regarding Dufry's data privacy policy, or to access, delete, correct or transfer his or her personal information, can address such subject data requests to privacy@dufry.com.

In 2021, Dufry did not report any incident regarding a breach of customer privacy.

Cyber Security

Dufry is continuously monitoring, reviewing and upgrading its processes to protect its business from potential cyber security threats that ultimately could end with theft of data. At a global level, Dufry has a Global IT Security Team that is responsible for keeping IT threats away from Dufry's business, understanding

emerging threats and investing in the necessary technology to mitigate potential new risks.

In this regard, Dufry has a number of systems and security processes in place, including a robust IT security system and a number of internal policies and procedures complying with applicable laws and regulations. This is all included in the company's Global Information Security Policies which is aligned with the international security frameworks ISO 27000 and the National Institute of Standards and Technology (NIST).

Dufry performs regular tests of its systems and takes several measures to improve cyber security, prevent malware infections and avoid data breaches.

Amongst others, Dufry:

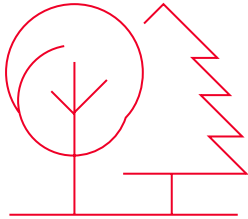
- Encrypts customer, payment and any sensitive data and limits access to it
- Keeps software up-to-date by installing updates and security patches
- Secures point of sale (POS) devices and applications
- Performs regular vulnerability testing to identify weaknesses
- Monitors all activity in Dufry's systems and data for any anomalous activity and indications of threats
- Uses (and promotes amongst its employees) secure passwords and two-factor authentication
- Runs antivirus software continuously, periodically scanning systems for malicious files
- Has introduced advanced Malware protection
- Has PCI certifications in place in most of the countries where it operates
- Has established a global security monitoring and protection system overseeing Dufry's cloud services.

Security Awareness Program

As part of the Security Awareness Program, Dufry conducts regular internal communications campaigns and both mandatory and optional training for all employees regardless of function and location. The content of this communication and training program includes relevant and individual steps towards achieving a secure IT environment, including:

- PCI DSS Awareness
- Secure Remote Working
- Phishing & Ransomware
- Password Safety
- Privacy and Data Protection
- Social Engineering
- Global Information Security Policies
- Global Policy of Acceptable Use of Technology
- Data Leak Prevention.

PROTECTING ENVIRONMENT



GRI INDICATORS:

201-2
 301-3; 302-1,3; 305-1, 2, 4; 307-1

SDGs:

3.9
 7.2, 7.3
 8.4
 12.2, 12.4
 13.1
 14.3
 15.2
 16.3

Roadmap towards environmental sustainability

Dufry is committed to conduct business in an environmentally conscious manner. Dufry regularly assesses the environmental reach of its commercial activity and works towards minimizing the impact. Due to the special nature of the travel retail industry in which Dufry operates, Dufry closely collaborates with third parties, in particular with landlords, brand suppliers and logistics providers, towards reducing the environmental impact of its business and contribute to implement circular economies where possible.

In this regard, Dufry closely collaborates with its partners to become a more sustainable business by promoting effective use of resources – especially energy – across the operations and supply chain, minimizing the generation of unnecessary waste, adopting new technologies that contribute to the reduction on environmental impacts and supporting our customers in their objective of choosing more sustainable products.

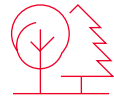
As previously indicated in this report, Dufry operates shops in highly regulated, third-party owned premises such as airports, train stations, cruise ships & ferries, as well as seaports and downtown resorts. This means that for most of the stores, a large proportion of the utility consumption, such as water or energy usage and sourcing in the shops, cannot be directly changed or influenced by Dufry, as these factors are predetermined by the landlords and the given building construction. Likewise, as a pure retailer, Dufry does not develop own product labels, does not operate any own manufacturing sites, and only sells third-party products directly sourced from its brand partners.

The company therefore concentrates its energy-saving and emission reduction efforts mainly in the areas of product sourcing, supply chain & logistics, its own office premises and in the planning of new stores or in the refurbishment efforts of existing shops. With respect to shop design, the focus is on the related construction materials, fitting equipment and lighting in accordance with several sustainability criteria.

Dufry recognizes the importance of international initiatives to promote action around environmental sustainability. In this regard, Dufry is firstly a signatory member of the UN Global Compact, adopting the commitment of taking a precautionary approach to its operations; secondly supports the UN Nations to drive awareness about the Sustainability Development Goals (SDGs), and thirdly participates in a number of industry initiatives, such as the ACI Europe Climate Task Force.

Dufry’s environmental management system

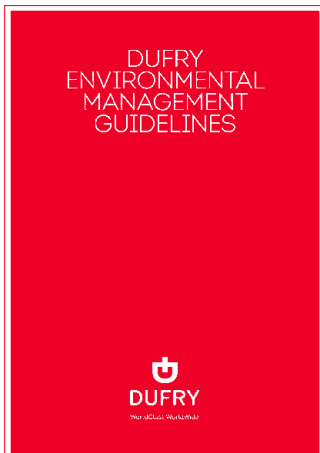
Dufry has established an environmental management system that permits the company to assess and understand its impact on the environment with a systematic and consistent approach, subsequently enabling the company to define the main lines of our goals and actions. In some areas, where we have direct and stronger possibilities to influence our footprint, we have already actioned specific initiatives to reduce our footprint, such as the replacement of plastic bags (see page 92). In other circumstances, where our business model provides less potential of directly influencing our footprint, Dufry significantly increases its stakeholder dialogue – mainly with the airports and supply chain – to explore opportunities to reduce the impact further.



As a signatory member of the UN Global Compact, Dufrey has formally adopted the precautionary approach principle to its operations. The company follows a consistent process to assess its operations from an environmental perspective, to identify current or future environmental impacts of its activities and to promote initiatives that respect the environmental balance and comply with existing environmental laws and regulations.

Dufrey's environmental management system, supervised and implemented by the ESG Committee, hence permits placing the environment at the center of decision-making through:

- The assessment of the environmental risks of its activities, facilities, products and services on a regular basis, improving and updating the mechanisms designed to prevent, mitigate or eradicate them
- Ongoing identification, assessment and mitigation of the environmental impacts of the Group's activities, facilities, products and services
- Management of risks and impacts by establishing objectives, programs and plans that promote the continuous improvement
- Environmental training of the Group's professionals.



In this regard, we regularly engage in constructive dialogue with stakeholders in the areas in which we can actively influence the environmental footprint, to assess the impact and eventually implement measures to minimize or even offset the impact. As a complement to Dufrey's Environmental Management System, in 2021 Dufrey has established a set of Environmental Management Guidelines that define the environmental principles that Dufrey follows when it comes to Climate Change and Energy Efficiency, Resource Consumption and Shop Development. These guidelines are available in the Sustainability section of Dufrey's corporate website: www.dufrey.com/en/sustainability.

Reducing resource consumption and CO₂ footprint

To better assess and understand the environmental impact of Dufrey's activity when it comes to resource consumption and emissions, we have identified five different areas of our business that permit the company to track and, in a second stage, implement the necessary measures and goals to minimize the impact. These include the third-party production of the goods sold in our stores (supply chain), goods transportations, warehouses, shops and office environments.

With respect to the types of resources used and the information collected, electricity and fuel consumption are the most material aspects of our footprint; water consumption is marginal and restricted to normal use by our employees and cleaning services within our premises.

During 2021, Dufrey has significantly increased the scope of data gathering, covering 90% of total retail space and has estimated the most important categories of scope 3 emissions. That has permitted the company to define its strategy to reduce the company's carbon footprint by establishing emission reduction targets following the SBTi criteria.

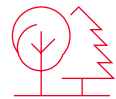
Stores

Most of the electric energy consumption of Dufrey's activity happens in the store environment. Lighting, refrigeration and air conditioning of over 2,300 stores are the largest contributors to our energy consumption and, consequently, to our CO₂ footprint. The direct influence of Dufrey on these is however limited due to the nature of our business. Dufrey stores are mostly located in third-party owned premises and in highly regulated environments, where Dufrey has little or no choice when selecting power sources.

Based on the utility invoices issued by landlords for the year 2021, we have identified emissions and resource consumption for operations covering over 90% of total retail space. By reaching such a high figure, we have been able to extrapolate the information and estimate total emissions for all of our retail space.

Distribution centers and warehouses

The second-largest contributor to Dufrey's environmental footprint is the transportation of goods. Dufrey operates three main distribution centers in Uruguay, Switzerland and Hong Kong, which operate additional warehouses in Hong Kong, Runnymede (UK), Barcelona (Spain) and Miami (USA), to provide timely shipping of goods to our operations. These main logistics centers receive major shipments from the suppliers and further distribute products to our respective



operations. Whenever possible, freight is carried by sea and we aim to consistently select the most efficient means of transport in terms of CO₂ emissions. Furthermore, the vast majority of our long-haul logistics partners are either ISO 14001 accredited and / or have strong environmental management procedures in place.

Additionally, we have over 25 local warehouses, which redistribute goods received from the central warehouses to the operations. These are located where Dufry holds several significant operations within the same country in terms of volumes transported. In general, distribution to individual stores is done by road. These road transports are mostly outsourced to national and international specialized partners, some of which have implemented their own environmental strategies. Only a minimal part of the company's transportation - mostly in the UK - is done with a Dufry-managed transportation fleet. Through the high efficiency in our logistics chain, we ensure that the environmental impact of transporting goods is kept to a minimum.

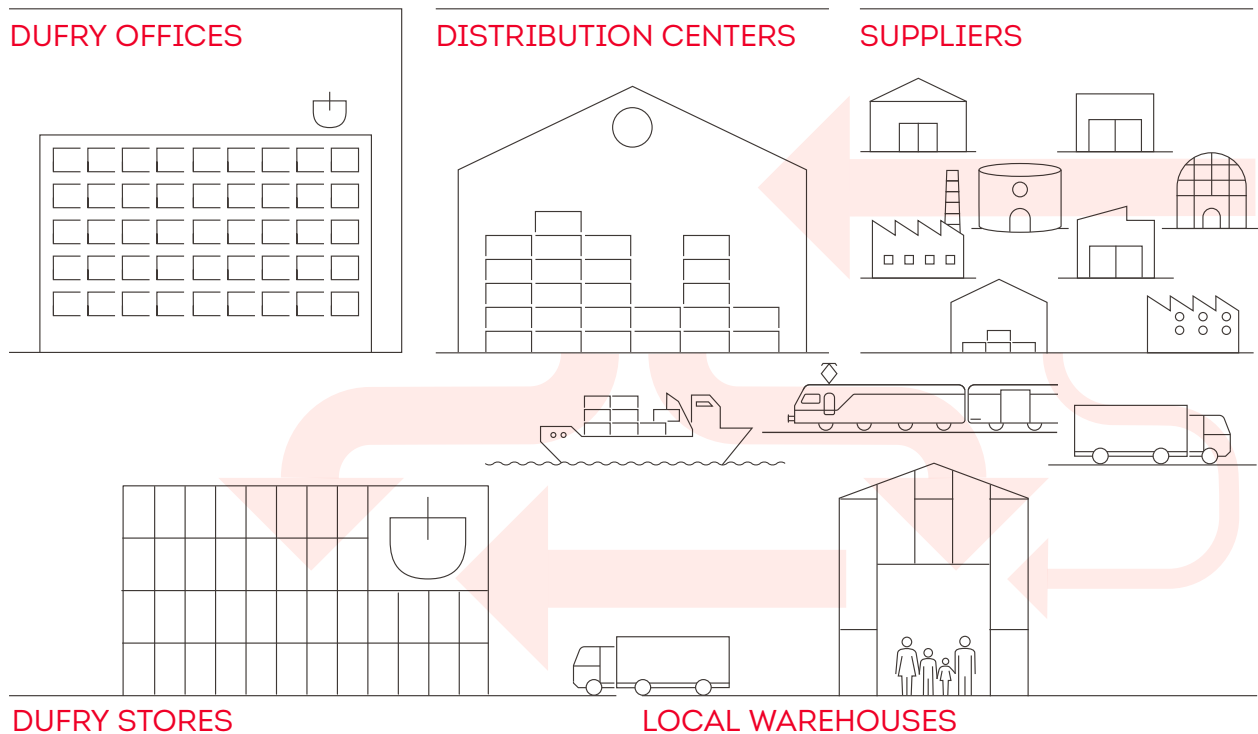
The vast majority of shipments of goods from the supplier's site to Dufry's Distribution Centers is excluded

from the assessment, as these emissions lie within the ESG responsibility of the suppliers. As part of its own emission reduction targets, Dufry engages with suppliers to discuss and encourage footprint reduction opportunities.

Office environment

Beyond stores and warehouses, Dufry has office premises in a number of operations across the world. Main ones include the Group's Headquarter offices in Basel (CH), Bedfont Lakes in Feltham (UK), Madrid (ESP), East Rutherford (US), Miami (US) and Rio de Janeiro (BR). Within these premises, energy consumption is mostly related to lighting and heating. A number of individual measures, such as automatic switch off for lighting and heating systems, presence detector activators and staff awareness campaigns, have been implemented in Dufry offices to reduce utility consumption. Additionally, we advise our employees to question the necessity of any travel and consider using alternatives to travel, such as virtual meeting systems (videoconferences, teleconferences, computer live meetings, etc.) and we promote more environmental alternatives for our employees' daily commuting, such as public transport offers.

TRANSPORTATION CYCLE & EMISSIONS MAPPING





Greenhouse Gas Protocol

Dufrey follows the Greenhouse Gas Protocol (GHGP) standards to report CO₂ emissions. This protocol is the most widely used international accounting tool for governments and businesses to understand, quantify and manage greenhouse gas emissions and classifies emissions into three scopes:

- Scope 1: Direct greenhouse gas emissions from sources owned by the company. For Dufrey, Scope 1 emissions are limited to those from the fuel used by Dufrey-managed transportation fleets and fossil fuels used mainly for heating purposes.
- Scope 2: Indirect greenhouse gas emissions from electricity use. In the case of Dufrey these include electricity consumption in stores, offices and warehouses.
- Scope 3: These are the emissions released by third parties when they provide their services to Dufrey. For Dufrey, these include mainly emissions related to purchased goods, logistics and employee travel.

Compared to other companies, Dufrey has a singular emission structure and, unlike other businesses where Scope 1, 2 and 3 emissions are in a similar order of magnitude, Dufrey's carbon footprint is vastly dominated by the carbon emissions caused by the production of its purchased goods that are sold to our customers.

Science-Based Reduction Targets defined

During 2021, Dufrey has defined science-based targets, thus recognizing the crucial role the business community can play in minimizing the climate change risk.

Dufrey's emission reduction targets are in line with the SBTi Criteria and Recommendations (Science Based Target Initiative), and will be submitted to SBTi for validation and official publication.

Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonization 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 global warming to 1.5°C.

As part of its Climate Strategy, Dufrey has established two sets of emission reduction targets, based on a comprehensive analysis of its business model and emissions profile commissioned to a third-party consultant. Dufrey has established an emission reduction strategy for Scope 1 and 2 emissions which follows SBTi's 1.5°C pathway. In addition, Dufrey wants to achieve climate neutrality of its own operations (Scope 1 & 2 emissions) by 2025. Dufrey will eliminate Scope 1 and 2 emissions through consumption reduction, use of Green Electricity and by compensating unavoidable emissions with carbon offsetting initiatives to be defined in the near future.

For Scope 3 emissions, Dufrey follows SBTi's well below 2°C pathway with two separate objectives. Through supplier engagement programs, Dufrey will commit to ensure that, by 2027, suppliers representing 50% of our procurement budget have SBTi validated emission-reduction targets. At the same time, through collaboration with its logistic partners, Dufrey will reduce

ENERGY CONSUMPTION

in MWh	2021	2020	2019
Electricity ¹	85,756	92,148	120,857
Diesel ²	243,054	185,439	691,362

GREENHOUSE GAS EMISSIONS

In tons of CO ₂ -eq.	2021	2020	2019
Scope 1 ³	935	446	1,736
Scope 2 ⁴	19,813	21,290	27,923
Scope 3 ³	3,728	1,451	5,117
Total	24,477	23,206	34,776

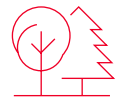
Carbon Intensity	2021	2020	2019
Tons of CO ₂ -eq./m ² of comm. space	0.0521	0.0495	0.0740

¹ The consumption levels of the 3 reporting years 2021, 2020 and 2019 are not directly comparable, as 2021 and 2020 are impacted by temporary shop closures due to the Covid-19 pandemic. Also, an increased coverage and scope extension of the data collection in additional Dufrey entities has to be taken into account (2021: 80% of sales / 2020 64% of sales / 2019: 64% of sales are covered).

² Includes consumption of Dufrey-managed goods transportation in the UK, Jordan and Morocco.

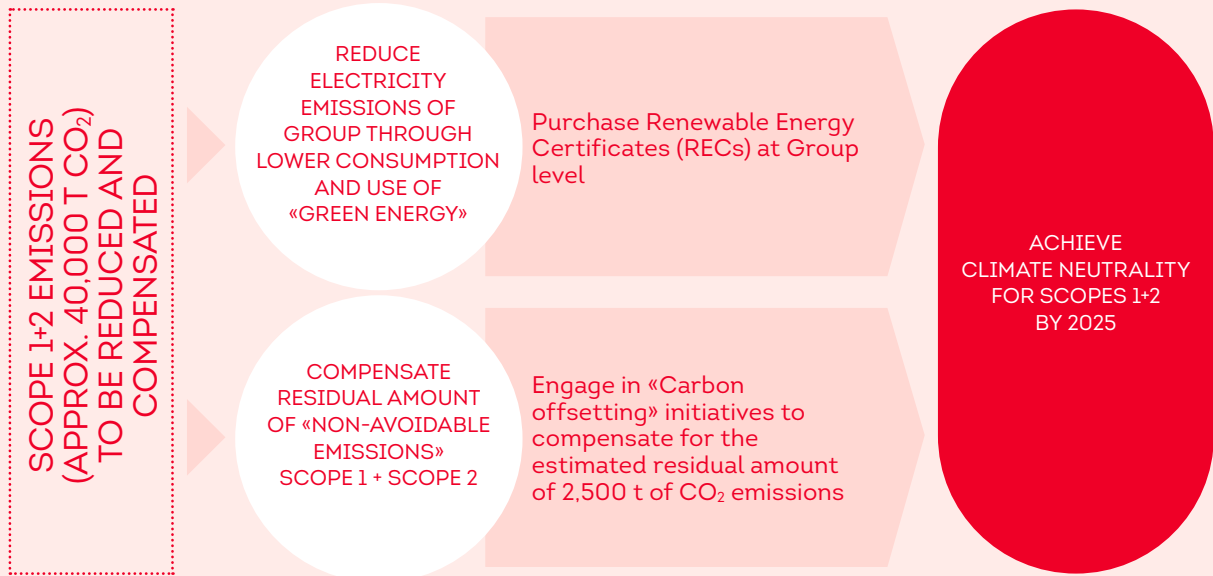
³ Scope 3 emissions includes data from logistics partners accounting for 64% of total volume of good transported globally in 2021 (2019 & 2020: 55%) as well as global employee's business flight emissions. Not included here are the product purchasing related scope 3 emissions.

⁴ Carbon intensity calculated over the total square meters of commercial surface operated by Dufrey in m² (2021: 469,581 / 2020: 469,041 / 2019: 469,990).



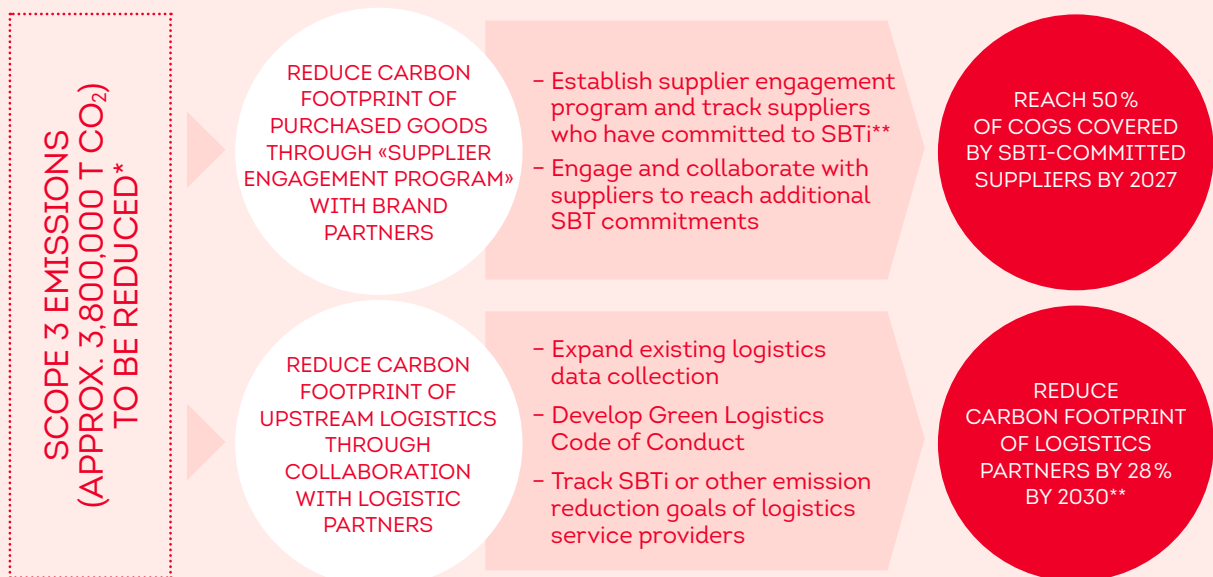
EMISSION REDUCTION STRATEGY SCOPE 1+2

The emission reduction strategy for Scope 1+2 follows the Science Based Targets initiative «1.5° C» pathway.

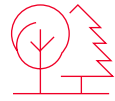


EMISSION REDUCTION STRATEGY SCOPE 3

The emission reduction strategy for Scope 3 follows the Science Based Targets initiative «well below 2° C» (WB2D) pathway.



* Result of first estimate of most significant Scope 3 emissions
** Based on 2019 emission levels



carbon footprint of logistics by 28% by 2030. Both of the initiatives combined will serve to reduce our Scope 3 carbon footprint in alignment with SBTi criteria.

Progress on move to non-plastic shopping bags

Starting in the last quarter of 2020, Dufry gradually began replacing existing plastic carrier bags at all its duty-free operations globally - which already contained more than a 70% of recycled plastic - with more environmentally friendly ones made of biodegradable and recyclable materials. The only exception for the time being is that of STEBs (Secure Tamper Evident Bags). These are necessary for certain airport purchases such as liquor or tobacco, as per the requirements of the International Civil Aviation Organization (ICAO) and regulations of certain airports. For this type of bags, Dufry is also exploring recyclable or de-

gradable alternatives that will meet ICAO's and airports' regulations. Once the substitution of the single-use plastic bags is fully completed, the company will reduce plastic usage by 7.3 tons per annum.

The plastic bag phase-out is coupled with point-of-sale communication campaigns to raise awareness and encourage customers to reduce plastic consumption and replace it with more sustainable alternatives. The company has also agreed to adopt a global price scheme for carrier bags as an additional way of raising awareness and reducing bag consumption overall.

This formal decommissioning of single-use plastic carrier bags follows other measures adopted in previous years, geared at reducing plastic consumption across our operations, such as offering more sustainable alternatives, including re-usable or jute bags.



Dufry currently offers non-plastic bags in 15 countries, and introduces paper or other biodegradable bags in additional countries as soon as existing stock of plastic bags is depleted.

Waste and recycling

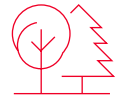
Avoiding any waste in the first place or recycling it, is an effective way to save valuable resources. In our warehouses, packaging materials, which mainly consist of cardboard, paper, plastic film and wood, as well as electronic and plastic consumables such as neon lamps and PET, are sorted into different containers and sent for recycling. The recycling process is outsourced to specialized service providers.

In the shops, waste produced by our operations is mostly packing material handled through the landlord's waste disposal system and recycled accordingly where possible. In many of our locations, we are taking measures to reduce single-use plastic film, such as replacing roll containers used to move products from warehouses to the stores. The new models, which include closures on four sides and at the top, drastically reduce consumption of the plastic film needed for the covering and the plastic shrink wrapping used with the old system.

With regard to cartons and pallets used to transport and protect products, Dufry reuses the same units as much as possible, thus consistently reducing consumption of new resources.

In our offices, the reduction of paper consumption is one of our ongoing challenges. Dufry has put in place local initiatives to reduce paper and other office material consumption, including tips to reduce paper us-





age, such as printing double sided, avoiding printing of the legal text at the bottom of emails, and encouraging people only to print when necessary. The adoption of IT solutions, such as the electronic invoice management system, is also helping to reduce the amount of paper used in the day-to-day work of our staff and contributing to the protection of resources.



Food waste

Food waste is not a material topic for Dufry for two main reasons. First, the majority of food products sold by Dufry belongs to the food & confectionery category, which all have a fairly long shelf life and are not exposed to short expiry dates. Second, with respect to the food offering in our F&B formats, we source locally and with short lead-times allowing us to flexibly adapt quantities and products to the specific needs of the individual operation.

Store development and sustainable construction

Dufry takes a sustainability approach when designing, constructing and refurbishing stores. In the design phase and the selection of materials, we choose the most environmentally friendly options and use locally sourced furniture and materials whenever possible, to reduce environmental impact. The shop design department is centrally organized at the Group level. It develops guidelines and defines several industry standards enabling us to create attractive shopping environments, while at the same time reducing energy consumption by using renewable or recycled materials. To this end, specific policies are in place to manage the use of materials: timber policy, cement and vir-

gin aggregates policy, hazardous chemicals policy, guidelines and energy targets for brand partners for the supply of branded display devices. These guidelines have to be followed by local construction teams and their respective sourcing of materials.

Following LEED principles

During the shop development and refurbishment phase, Dufry follows the principles established by leading green-building certification programs, such as the Leadership in Energy and Environmental Design (LEED) recommendations. In this regard, Dufry:

- Sustainably designs and plans new store developments and refurbishments considering all aspects, from visioning to renovation preparation, including:
 - comprehensive metering of existing energy consumption,
 - introduction of solutions to improve traffic flow, introduction of smarter construction materials (easier to clean, anti-bacterial, etc.)
- Undertakes a collaborative sustainable approach for the design process by engaging with all stakeholders involved in the process (designers, contractors, landlords, material suppliers, etc.)
- Prevents construction pollutions by protecting the site during the construction
- Reduces use of natural resources by re-using materials and equipment by giving modular and recyclable design to furniture and other mobile elements of the stores
- Encourages recycling for all users – employees, customers and other stakeholders
- Reduces energy consumption of stores and increases equipments' lifespan
- Conducts selective sourcing of materials (natural materials from sustainably managed sources and/or recyclable materials)
- Selects resource-efficient equipment and fixtures (energy efficient, water efficient, etc.)
- Prioritizes local sourcing of materials.

Dufry's biggest impact on the environment when it comes to shop development, is in relation to its energy consumption. Being a public space, airports have to provide well-lit facilities and naturally, this is a substantial part of their energy consumption. The main focus therefore is on substituting traditional lighting for more energy-efficient lighting systems (e.g. LED) on ceiling and furniture displays, and on using A- or A+-rated electronic devices (e.g. air conditioning, refrigerators) in our stores, resulting in a significant drop in the overall energy consumption.

The sustainability approach to store construction however goes beyond the environmental dimension.



Besides complying with the provisions of the Dufry Supplier Code of Conduct when selecting local construction partners, we ensure that they also comply with social and environmental regulations, hence, ensuring that the efforts initiated in our design studio also result in truly sustainable environments and spaces for our customers.

Engaging in partnerships at operations level

Dufry engages with its stakeholders to promote environmental protection practices wherever this is possible. We actively participate in sustainability committees with our airport partners, with the aim of identifying areas where we can collectively reduce the environmental footprint of our operations. In an increasing number of our operations, Dufry has a designated sustainability manager in charge of liaising with landlords and other airport stakeholders to drive sustainable practices. Either through innovative technologies, adaptation of passenger flows or rethinking the recycling processes in place, we are contributing to the common goal of making airports a more sustainable space.

Airport Carbon Accreditation

The Airport Carbon Accreditation is an Airport Council International (ACI) Europe certification program that independently assesses and recognizes the efforts of airports to manage and reduce their carbon emissions. It defines six different levels of certification: 'Mapping', 'Reduction', 'Optimization', 'Neutrality', 'Transformation' and 'Transition'.

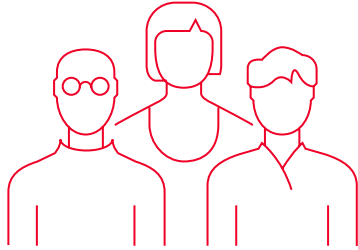
In order to achieve the Optimization accreditation (level 3 of 6) and above, airports need to actively engage with airport stakeholders, as they need to develop a more extensive carbon footprint to include specific Scope 3 emissions and the formulation of a Stakeholder Engagement Plan to promote wider airport-based emission reductions. In many cases, these plans also involve Dufry as the operator of airport stores.

In 2021, according to information from Airport Carbon Accreditation, 67 airports reached the optimization level (level 3) and 72 airports achieved carbon neutrality (level 4) and superior accreditations. Considering both of these groups, Dufry operates stores in 50 of these 139 airports, including Dallas Fort Worth, Athens, Helsinki, Stockholm Arlanda, Vancouver, Zurich, London Heathrow, London Gatwick, Abidjan and Queen Alia Airport in Amman, Jordan.

ACI Europe Climate Task Force

In 2019, Dufry joined the ACI Europe Climate Task Force as the representative of the travel retail industry. The mission of the Climate Change Task Force is to follow up on the implementation of ACI Europe's Climate Resolution from June 2019, which includes the preparation of guidance material for members, to support them in achieving the Net Zero 2050 commitment. Net Zero aims to reduce emissions under the airport's control down to zero. This is achieved by reducing energy and fuel consumption through the design of new energy-efficient infrastructure amongst other recommendations. Retailers play an important role in the airport ecosystem and Dufry, as the largest global travel retailer, contributes to the work of the task force with its vision, experience and recommendations in the regular meetings held.

EMPLOYEE EXPERIENCE



GRI INDICATORS:

401-1, 403-1, 404-1, 405-1, 406-1

407-1, 410-1, 415-1, 419-1

SDGs:

3.3, 3.5, 3.7, 3.8

4.3, 4.4, 4.5

5.1, 5.5

8.2, 8.5, 8.6, 8.8

10.3

16.7

Every Dufroy employee is an ambassador of the company. Whether in stores, offices or warehouses, all members of our staff contribute with their day-to-day work to shape the company and evolve our brand. Dufroy places high importance in building a great and unique place of work for its staff, ensuring it delivers the best in terms of fair and equal working conditions, healthy and safe working environments, attractive salaries, promotion and retention strategies, avant-garde training programs and anything that contributes to generate high engagement levels amongst our staff.

Building on our core brand values – Global, Focus, Delivery and Solid – Dufroy has developed a number of policies and procedures that ensure a consistent experience across the 66 countries in which it operates, and which represent the foundation of the future of Dufroy. The Business Operating Model (BOM) serving to standardize processes and procedures, and ONEDUFROY, harmonizing values and principles as well as streamlining the cultural integration of the Group, have fostered the setup of a true global company with the highest employee standards.

Number of headcounts increased

Dufroy had 19,946 people (FTE) working for the Group at December 31, 2021, compared to 17,795 at year-end 2020. The increase in the number of headcounts responds to the progressive re-incorporation of staff members on furlough, as well as new hires in line with travel restrictions being lifted and accompanying the gradual recovery of travel. Whilst at the end of 2021 Dufroy had reopened 80% stores representing 88% of global sales capacity, the full re-incorporation of furloughed staff will proceed in line with the recovery of passenger traffic.

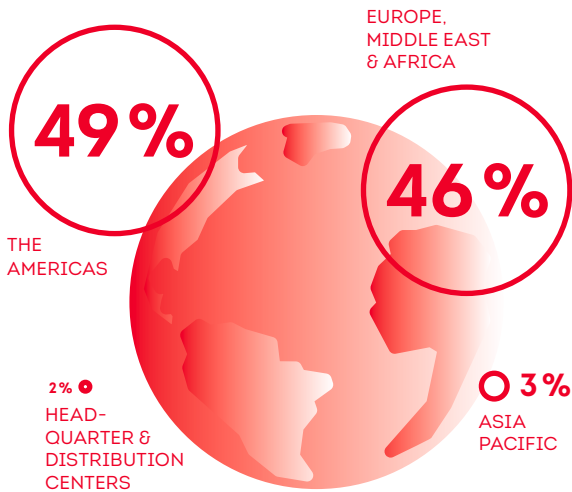
Across the 66 countries where the company is present, Dufroy generates an additional contribution to the wealth of local communities and society by offering working opportunities to third party employees and the respective generation of additional salaries and tax payments. In this context, our 2,300 plus stores are not just sales locations for our brand partners to sell their products, but also labor opportunities for over 2,200 people that work in our stores representing these brands and other service providers. From beauty advisors to IT developers, they all contribute to create a world-class shopping experience and benefit from accessing a dynamic market and unique working opportunities.

OVERVIEW EMPLOYEE STRUCTURE 2021

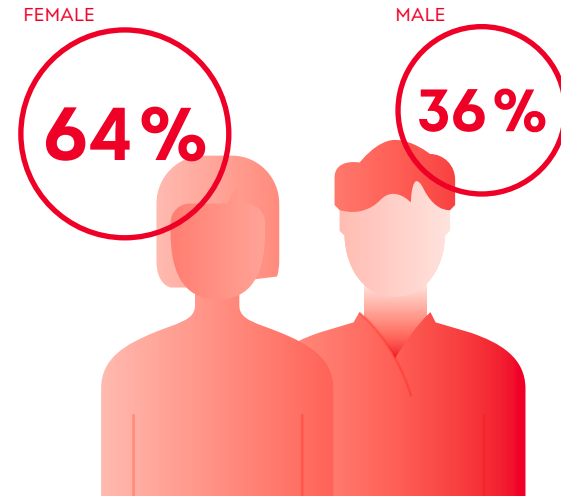
	HQ & Distribution Centers	Europe, Middle East & Africa	Asia Pacific	The Americas	Total
FTEs	497	8,767	577	10,105	19,946
Headcounts	523	10,465	749	11,118	22,855



EMPLOYEES BY REGIONS



EMPLOYEES BY GENDER



Evolution of Diversity & Inclusion

Developing a diversified workforce is a core value for Dufry and something that our company is very passionate about. Unlike traditional retailing, our industry operates in multinational and multicultural environments. Being present in 66 countries, Dufry engages on a daily basis with customers, suppliers and colleagues from more than 150 different nationalities. To succeed in this industry, it is paramount to understand cultural differences as a way of engaging and better serving our customers.

Diversity is an essential asset to – and integral part of – our company and Dufry promotes an inclusive corporate culture that understands and celebrates diversity in all its forms, be it in gender, age, race, ethnicity, culture, beliefs or creed. Our workforce comprises colleagues from more than 144 nationalities across all functions and levels of the organization. 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.

The staff in Dufry’s shops in each country are predominantly local. Our presence in 66 countries around the world makes us an important employer in many locations, with many of our operations being located in emerging markets and offering interesting career opportunities. This, in addition to bringing expertise and experience on how to operate an international business, contributes to local development and wealth.

D&I VISION STATEMENT

Our Customers are on a journey – so are we

- Dufry is committed to building an inclusive and culturally sensitive workplace for everyone, in which all our people recognize that their unique characteristics, skills and experience are respected and valued.
- Dufry employs great people from a wide variety of backgrounds and with a broad range of skills and experiences to best serve our customers and build a better and stronger company for all our stakeholders.
- Dufry recruits, rewards and promotes people based on capability and performance – regardless of gender, national origin, ethnicity, lifestyle, age, beliefs, or physical ability.

Appointment of Chief Diversity & Inclusion Officer
 In 2021, Dufry appointed a Chief Diversity & Inclusion (D&I) Officer, who is also a member of the Global Executive Committee, reporting to the Group’s CEO. In her role, the Chief D&I Officer will foster and further develop the group-wide implementation of the Dufry Diversity & Inclusion (D&I) Strategy. The mission of Dufry’s D&I initiative is identifying, understanding and eliminating barriers to ensure we deliver a consistent and truly diverse workplace for all our employees. The scope of the D&I initiative includes recruitment practices, career roadmap & development, succession planning, compensation & benefits, work-life balance



and organizational culture as well as raising employee awareness about D&I topics. The role of the Chief D&I Officer broadens the scope of existing diversity promotion forums – such as women@dufry or the Hudson Diversity & Inclusion Taskforce – to cover additional diversity and inclusion matters other than gender equality.

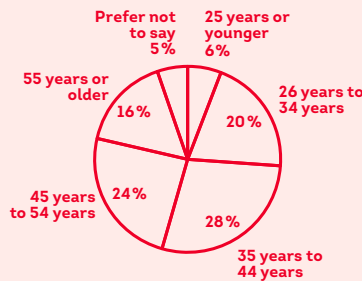
Diversity & Inclusion Survey

In the fourth quarter 2021, Dufry conducted a D&I survey, reaching over 70% of Dufry’s headcount, that served to better understand the perception of D&I amongst the group employees. This valuable input will serve Dufry to further evolve in being more inclusive and equal for all by identifying opportunities and develop targeted initiatives.

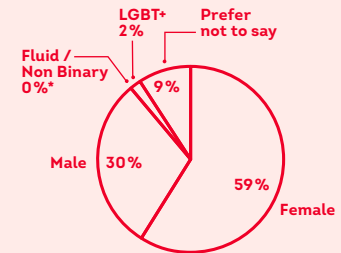
DEMOGRAPHIC INDICATIONS OF D & I SURVEY RESPONDENTS

As part of Dufry’s anonymous D&I survey conducted in 2021, employees who responded to the survey provided amongst other feedbacks the demographic indications shown here. As the survey reached out to 70% of the employee population the feedback gives a good representative picture of the company’s demographic employee structure.

AGE PROFILE OF RESPONDENTS

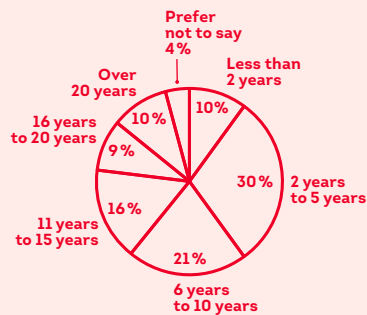


GENDER DIVERSITY

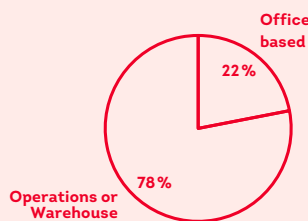


*24 Persons

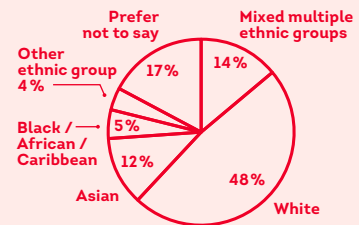
TENURE



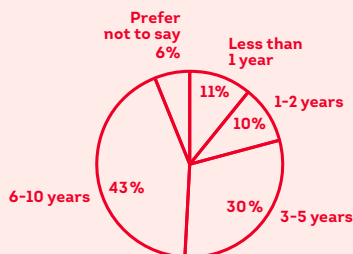
JOB FUNCTION OF RESPONDENTS



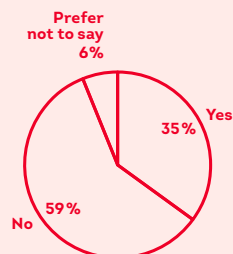
ETHNIC DIVERSITY



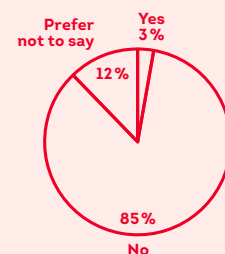
TENURE IN CURRENT JOB



CARE GIVING RESPONSIBILITIES



THOSE WHO DEFINE AS HAVING A DISABILITY





Updated Human Resources policy creating a great place to work

Making Dufry the place where our employees want to continue working involves investing time and resources to continuously assess and identify opportunities where Dufry can improve its culture, thus contributing to retaining talent and helping staff achieve their highest potential. Dufry is working relentlessly towards providing the best working conditions for our staff and gathering their feedback with regular employee surveys (see corresponding section on page 102 within this report). During 2021, Dufry has updated its HR Policy, which is now publicly available in the group's website. This Policy describes the common base, principles and guidelines, which, in terms of human resources management, are applicable to the whole Group. The policy, which has been shared and trained with employees, covers diverse topics, including:

- Selection and hiring
- Equality, Diversity and Respect for Human Rights
- Working Conditions and Labor Relations
- Health & Safety
- Remuneration and Working Time
- Career Development and Advancement
- Succession planning.



Compensation and benefits

Dufry offers its employees competitive salaries and incentives as a way of attracting and retaining talented staff. Dufry's standard compensation includes a fixed and a variable performance-based compensation that rewards the individual efforts of staff members. Variable pay is linked to individual and company objectives.

We regularly review and discuss professional development with employees and link their performance to incentives. Performance reviews are 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 regarding goals, priorities and personal development. All our staff members receive an annual performance review aimed at evaluating their performance and identifying further personal development potential for next career steps.

Our staff also enjoy additional benefits that vary from one location to another, and include medical insurance or transport allowances. In this regard, during 2021 Dufry continued with the roll-out of Emporium – a web-based shop with thousands of products from Dufry's core product categories, as well as exclusive campaigns from luxury brands at retail-discounted prices. This benefit is exclusive to staff members (Dufry and Airport Community) and includes a Friends & Family program. By the end of 2021, Emporium was available in 10 countries, including Dufry's main locations by headcounts – UK, US, Canada, Spain, Switzerland, Greece, Brazil, Mexico and Hong Kong & Macau. The company will continue with the rollout of Emporium throughout 2022.



Equal employment

As indicated in our HR Policy and in the Dufry Code of Conduct, both available on the corporate website, Dufry offers and promotes working environments where everyone receives equal treatment, regardless of gender, color, ethnicity or national origins, disability, age, marital status, sexual orientation or religion. In addition, we adhere to local legislation and regulations in all the countries in which we operate. Any form 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 Dufry across all locations,



especially (but not exclusively) in developing countries. Many locations in which the Group operates still pose challenges to the guaranteeing of equality. We monitor these countries closely to ensure we provide equal opportunities to all our staff. As explained on page 106 of this report, the company has in place whistleblower mechanisms to denounce discrimination cases if they happen.

We provide our employees with fair and competitive wages based on each 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. The remuneration structure of our employees is assessed on a regular basis to make sure there is no discrimination related to any kind of diversity.

Equal salary certification in Switzerland

Dufry became equal salary certified in Switzerland at the beginning of 2019 and has been re-certified again in 2021. This certification underscores the commitment to a fair and unbiased reward structure, which enables employees to develop and thrive in their careers. The certification process took place in three stages through statistical evaluation, on-site audits and interviews with individuals and panel groups. All phases of the certification and re-certification processes were performed at the Basel Headquarters and the Zurich airport operation and gave proof on how management systems, HR policies and processes integrate the dimensions of equal remuneration.



Health & safety

Workplace safety is a priority and an essential commitment for the company in our stores, offices and warehouses. As indicated in the HR Policy, the company ensures that all activities are carried out safely by taking all possible measures to eliminate (or at least reduce) the risks to health, safety and welfare of employees, contractors, customers, visitors and any other person who can be impacted by our operations. The majority of our workforce operates in airports, seaports, cruise ships and similar environments. As a basic pre-requisite employees have to comply and fol-

low the respective airport's, seaport's or vessel's safety rules as these environments are highly regulated. On top of this, Dufry has specific health & safety regulations for its employees, including internal policies and guidelines – both global and local – which may go beyond the legal health and safety requirements.



Dufry generally strives to achieve high occupational health & safety standards and actively encourages compliance across the whole Group. As a result, Dufry has a number of different Health & Safety regulations and procedures throughout the organization (for specific Covid-19 related initiatives see the separate paragraph below). Regardless of the specific requirements of each local legislation, there are certain principles that all these procedures adhere to, including:

- Compliance with current labor legislation on health and safety
- Reduce working-related accidents, implementing the necessary occupational risk prevention plans in its work centers, to achieve an effective identification of risks and to avoid them
- Promotion of a preventive culture, training employees to achieve the best safety standards
- Having due diligence in the coordination of activities and prevention measures with contractors, suppliers, or any third party that performs activities or is present in Dufry's work centers
- Continuous improvement, establishing objectives and goals for improvement, systematically taking into account the requirements of stakeholders, continuously assessing performance, applying the necessary corrections to achieve the proposed goals and establishing verification, auditing, and control processes to ensure that objectives are met.

Management of occupational health and safety management processes change from one location to an-



other, with a number of common guidelines that apply to all our operations, including the following:

- Dufrey operations provide topical information such as health and safety initiatives to employees, including workers who are not members of our staff but work on our premises
- Health and safety activities are regularly reviewed to ensure issues are effectively managed and improvements are made where necessary. In some of our locations, reviews include employee representation consultations (where appropriate)
- Responsibility for the governance and review of health and safety sits with local operations and HR teams
- At airport and seaport environments, close collaboration with landlord teams is maintained to ensure compliance with their own H&S regulations and management process.

COVID-19

The outbreak of COVID-19 posed an additional health and safety risk for Dufrey, as well as for the whole retail industry. In response to this challenge, Dufrey developed a global coronavirus in-store Health & Safety Protocol, which provides guidelines and recommendations to protect the health and safety of employees and their families, as well as customers, business partners and other stakeholders. This protocol establishes the main guidelines and allows flexibility to adapt them on a location-by-location basis to adhere to the landlord's and local authorities' requests. Similar protocols were developed and deployed across all Dufrey offices and warehouses. Across all locations, the company also guarantees the provision of signaling elements and protective elements - such as facemasks and sanitizing gels - as requested by local health and safety protocols.

Promoting a healthy working environment

Ensuring a safe workplace is a duty of all members of our staff. Whilst the joint work of local Health & Safety Committees and HR teams is crucial in identifying potential risks and hazards, workers are also encouraged to report to these teams any work-related hazards or hazardous situations. The same process is used for workers to remove themselves from work situations that they believe could cause injury or ill health. Work-related incidents are investigated and reported to management to ensure remediation plans (where needed) are designed and implemented, ensuring that processes are duly updated in cooperation with the Health & Safety committees.

Additionally, Health & Safety Committees undertake regular worksite analysis to identify potential risks and hazards. This analysis aims to identify existing hazards,

as well as conditions and operations in which changes might occur to create hazards. Results of these assessments are shared with the local HR teams and management.

The highest incidence of occupational accidents is, of course, among store and warehouse staff. The greatest risks to which Dufrey workers are affected include:

- Risks related to material elements, objects, products and constituent elements of machines or vehicles
- Falls at the same level
- Incidents with transport and transfer devices.

Training on health and safety is critical to promote a safe work environment. We therefore conduct induction sessions with new members of our staff and hold regular training sessions with all of our staff, both in stores and offices, ensuring understanding of the policies and procedures. If needed, this training is extended to workers who are not members of our staff but work on our premises on behalf of third-party service providers.

Airport security practices

Due to the nature of our business, most of our staff are located in airport environments, either working in stores, in airport offices and /or in airport warehouses. As part of the airport eco-system, our staff has to adhere to and follow the security principles and processes established at the specific airports 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 cases involves training courses on security measures and procedures in the airport environment.

The Dufrey employee journey

Dufrey has comprehensively mapped all stages of an employee career in our company, starting from when an employee applies for a position until the moment an employee leaves the organization. All the steps in between these two points and the experiences that the employee has is what Dufrey calls "the employee journey", and it is the company's systematic approach to identify all opportunities Dufrey has to feature a great place to work in our organization.

To simplify the assessment, Dufrey establishes four critical stages on this employee journey: recruitment, training, career progression and recognition.



Recruitment

To ensure “Fair Play” in everyone’s professional career development, Dufry’s recruitment process ensures that all applicants are treated fairly, and each applicant is given the same opportunity to be considered, so that the most suitable person can fill the position. The selection is based on the applicant’s competencies, skills, results delivered and the decisions taken regardless of: race, color, religion, sexual orientation, age, gender identity or gender expression, national origin, political orientation, disability or other discriminating factors.

Available positions are first published internally to ensure opportunity and growth of internal talent. Dufry’s recruiters review the skill pipeline of internal employees ahead of engaging with external hiring professionals. Referrals and recommended potential internal candidates are encouraged and evaluated in the same process against other potential candidates. Job offers are typically also posted on the Group’s website, www.dufry.com/careers.

To ensure fair play in the selection process, all interview evaluations by Dufry recruiters and hiring managers are reported in Dufry’s HR portal Dufry Connect. If any gaps or personal development needs of the selected candidate are identified, recruiters are instructed to incorporate that information into the new employee onboarding and development plan.

Training and education

Dufry’s training methodology follows the “Four E’s model”: Educate (Formal education), Experiences (Development), Environment (Culture of learning), and Exposure (Connections with other colleagues and professionals).

Dufry employees benefit from an extensive learning catalogue that covers programs to improve their performance in their current positions, as well as professional development programs to support career progression. Training is offered through several formats, including face-to-face as well as virtual and online training sessions on soft and hard skills. Training is open to all employees and managers at all levels and across the entire organization and all geographical locations. During 2021, and despite some training programs being interrupted, 300,523 formal training hours were provided by Dufry.

Some of Dufry’s global learning programs include the following:

- Global Welcome - Designed for office and retail staff alike, the Global Welcome is a comprehensive onboarding program for newcomers aimed at shortening the learning curve. In 2021, 218 new joiners were trained on this program.
- Dufry Growth and Dufry Leaders Growth - This program for our office staff aims at developing knowledge and skills around functions and departments and preparing mid-level managers to take the next step in their career progression. During 2021, we had 86 new enrolments to this program.
- Retail Champions program - The cornerstone of our Learning and Development strategy for retail staff, this program has been designed 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 Dufry. 443 employees, including store leaders, have benefited from this program (interrupted during business closure).
- Future Store Leaders program - A development program aimed at developing the next generation of store leaders by providing hard and soft skills required for their promotion, which in 2021 had 38 participants from Dufry’s seven largest operations.





This set of training programs is complemented with product training programs for our store teams, typically delivered by the brands and local teams.

During 2021, we continued the deployment of our online training capabilities through:

- Dufry Connect – Dufry’s HR portal, which permits establishing personalized learning programs for every employee based on their role, position and professional category
- Elucidat – Simplifying the creation of training and learning courses by our learning & development teams to reach 100% of our staff
- Coursera – An online based training platform for management roles.

The introduction of these platforms, together with the continuous rollout of sales tablets and communications tools for our non-desktop employees (further explained in the Connecting with our Employees section on page 103) is increasing the reach of both product and skills training and benefiting a higher number of employees.

Career Progression

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.

We strongly believe that talent management and succession planning are key activities for a sustainable business. Accordingly, we develop new and existing candidates for more senior management 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 who already have management experience and would be able to take over one of the senior positions in our organization. At year-end 2021, this pool of talented individuals included 38 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 over 200 “Retail Talent” employees as of year-end 2021, on whose development we will focus in order to ensure a quality store-management succession pipeline.

Dufry also established a mentoring program to support employees in taking ownership of their development and helping them maximize their potential and accelerate their leadership development. The mentoring program pairs Dufry leaders (mentors) and talented staff (mentees). Mentors use their experience and professional background to provide guidance and support to mentees on their learning journey. The first edition of this program started in 2018 and 30 mentoring peers were formed. This program is expected to be resumed during 2022 with additional mentors and mentees.

Awards and staff recognition

Employee recognition is an important way to value employee and team achievements. Every year, Dufry celebrates the One Dufry Awards, which recognize excellence and celebrate the success of our people worldwide who are dedicated to delivering.

The awards are divided in five categories:

- Best Leader Story Award recognizes individuals who have demonstrated the right behaviors and character and shown exceptional performance in Driving Employee Experience
- Best Customer Experience Award, recognizes the highest scores measured by our Mystery Shopper Survey
- Best Partnership Initiative Award, which recognizes an outstanding initiative with a supplier, business partner, landlord, inter-company or other party, that was innovative, well designed, well executed and impactful
- Best Business Growth Story Award recognizing the greatest business growth stories, including – but not limited to – a new store opening, a new airport / seaport / border / or other development, growth of a product category, a business channel, or an existing store that has delivered exceptional growth.
- Best Organic Growth Award, which recognizes the country with the strongest year-on-year organic growth.

Engaging with our employees

Understanding our staff concerns and needs is critical for Dufry. For this reason, Dufry fosters a dialogue with its employees and invests in developing the necessary tools to promote communication across all levels of the organization.

Engagement survey

To better gauge our performance both within our company and relative to our competitors, we conduct regular employee engagement surveys that serve to gain understanding of employee perception of the com-



pany and identify areas of improvement. We ensure that the surveys always involve a substantial proportion of our employees, and that they reach out across the world. The last wave of our employee engagement survey was done in 2019 with very positive results: 75% of our staff responded that they were satisfied working for Dufry (vs. the retail industry average of 63%), and 78% would recommend Dufry as a place to work. The next survey is expected to be carried out during 2022.



Freedom of association and collective bargaining

As stated in our HR Policy, Dufry respects legally recognized unions and internal forums created to represent the 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, benefits, awards and requirements related to employee's guarantees.
- Greece has a collective agreement in place ruling the main employee topics.
- In Spain, Dufry has a collective agreement in place that covers all employees, except senior management. The agreement, negotiated between the company and a committee made up of employee representatives and labor union members, outlines conditions such as salary, holiday days and health and safety in the workplace, along with other HR related matters.
- In the UK, Dufry has an employee forum - "Voice" - made up of staff representatives. This forum is a

partnership between the company's management and its employees to influence and communicate business changes.

- 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.

Connecting with our employees

During 2021, we have continued with the rollout of technologies and tools to reduce the information gap between desktop and non-desktop staff. Sales tablets, available in a growing number of our operations, are permitting a more fluid communication, especially with our sales staff and, as indicated before, expanding the learning possibilities.

Over the year, we have further progressed with the rollout of Beekeeper. This app-based solution enables employee connection, facilitates workplace engagement and increases productivity through unified communications. Through Beekeeper, we are sharing with the more unconnected members of our staff information related to our company, as well as information related to their day-to-day work environment (such as shifts, product information, events in store, etc.). The app also features tools for internal chats and communications and the sharing of information in a very similar environment to that of the most recognized social networks. Currently, Dufry has over 18,000 live users on the Beekeeper platform, reaching more than 80% of its workforce and expects to fully rollout the app globally during 2022.

Finally, Dufry also utilizes a number of other internal communication vehicles to facilitate the dissemination of corporate news and to keep our staff updated and engaged. These include the company's corporate magazine Dufry World - published in five languages four times a year - the company's intranet Dufry Gate, and regular e-newsletters that serve to communicate with our staff globally.



TRUSTED PARTNER



Dufrey is aware that the long-term sustainability of its business relies on the capacity to build, establish and maintain trusted relationships with all our stakeholders as described on page 107 of this report. That means going beyond the strict compliance of legal frameworks and leading the way in terms of sustainability. To do so, Dufrey has set up main lines of action, which include the following:

- Corporate Governance - Continuous assessment of our corporate governance structure and policies to ensure compliance with the applicable legal framework, as well as the Dufrey Code of Conduct to reflect stakeholder's needs and expectations
- Alignment of ESG and business strategies - Ensuring that critical business decisions made to drive Dufrey's sustainable and profitable growth also consider potential ESG impacts. Dufrey's ESG strategy is supervised by the Board of Directors and ensures alignment of business and sustainability strategies, as well as sustainable value creation for our stakeholders
- Compliance and control - Setting up robust internal bodies and structures that ensure education and control over compliance of codes and regulations, including internationally accepted human rights standards and a zero-tolerance policy in respect of bribery and corruption
- Stakeholder dialogue and engagement - Understanding the needs, concerns and expectations of all our stakeholders and participating in discussions about topics impacting our industry
- Wealth creation - Delivering value to our shareholders and bondholders remains a key priority for Dufrey. Furthermore, Dufrey is aware that the impact of its operations goes beyond that of revenue generation

and its activity can generate a positive impact where it operates its stores. Favoring local economies, ensuring fair salary and working conditions, sharing of expertise and partnering with local companies is part of this area of focus.

GRI INDICATORS:

102-12, 13, 16, 17, 18, 20, 22, 23, 24, 26, 28, 30, 31, 32
 201-1, 4, 204-1, 205-2, 206-1,
 407-1, 410-1, 415-1, 419-1

SDGs:

5.2, 5.3, 5.5, 5.7
 8.1, 8.2, 8.3, 8.8
 9.1, 9.4, 9.5
 16.1, 16.3, 16.5, 16.6, 16.7

A member of the SXI Sustainability 25 Index®

Dufrey became a component of the SXI Switzerland Sustainability 25 Index® Price (SSUSTX) in September 2021. This index measures the development of Swiss companies which are considered sustainable according to a measurement framework provided by Sustainalytics, a provider of ESG research and analysis. All stocks in the index universe are screened for their sustainability score by Sustainalytics. The top 25, representing leaders within their respective global industry, are selected for inclusion in the new index. The index has a fixed composition of 25 components which is reviewed annually. The index was launched by SIX Swiss Exchange (SIX) in 2014.

For Dufrey, who debuted in the SIX indices in 2005, this represents an important milestone as it reflects an endorsement of the group's efforts in terms of transparency of sustainability management and underpins the Group's ESG strategy.

ESG governance

Dufrey's top-management oversees the development and implementation of Dufrey's ESG Strategy. The highest responsibility over ESG-related decisions relies on the Board of Directors' Lead Independent Director who, among others, oversees the Group's ESG strategy development and execution, ensuring alignment with the business strategy.



Execution of the sustainability strategy is led by the Group CEO. He presides over the interdisciplinary ESG Committee, which meets every two months and is attended by several members of Dufry's Global Executive Committee team (GEC), as well as Global Heads of other relevant functions. This committee meets at least six times a year and is supported by Dufry's ESG department for the day-to-day execution of the strategy. In 2021, the ESG Committee met 6 times.

Socio-economic compliance

Having operations in 66 countries means complying with different national laws and regulations, as well as maintaining an active dialogue to foster ongoing stakeholder and social engagement. For this reason, from a global perspective, Dufry's position towards compliance necessarily needs to have a more holistic and broader approach, by also taking into account international norms and best practices, including the 10 Principles of the UN Global Compact. 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.

Governance & corporate policies

Dufry believes that active corporate governance is important to the development of the company and also a way to ensure the sustainable provision of long-term benefits for shareholders, employees and society.

Dufry's Governance system serves as a control mechanism in relation to a number of elements, including bribery and corruption, tax, executive remuneration, shareholders' voting possibilities and internal control. Most of these topics are covered in the Corporate Governance Section of this report.

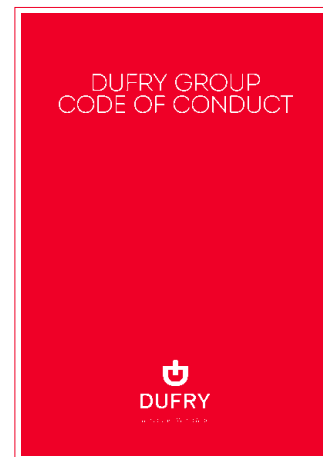
Especially relevant for the sustainability of our industry is the corruption and bribery phenomena, which can be the cause of negative economic, social and environmental impacts. From a business perspective, corruption distorts the functioning of the market and undermines governance institutions and in general, the rule of law.

In the case of Dufry, the subject of corruption is of considerable importance, 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, officers and directors to behave at all times with honesty, ethics and within the confines of applicable law and in full compliance with Dufry's Code of Conduct. Where laws, rules or customs exist that are different from the principles set out in the Code of Conduct, Dufry employees, officers and directors are required to follow whichever sets the higher standard in this regard.

Dufry also wants its employees, officers and directors to fully respect the safeguarding of integrity and fair dealing when carrying out their activities on behalf of Dufry and to promote the sustainability, diversity, decent work, human rights, zero tolerance to harassment and discrimination standards adopted by the Dufry Group as set out in the Code of Conduct.



Dufry's Code of Conduct outlines the types of conduct which are not permissible and imposes strict rules in relation to charitable contributions and sponsorships, as well as gifts, hospitality and entertainment expenses, to minimize the risk of corruption. In addition, the rules require careful due diligence to be conducted on any external partner Dufry is working with, including a procedure that must be followed to vet all new joint venture partners, consultants for business development projects, counterparts to M&A transactions and other similar counterparts.

Dufry also conducts compliance training of employees, officers and directors, as applicable on an ongoing basis. These training sessions reflect the ongoing changes introduced in our Code of Conduct. Dufry's Compliance Department regularly evaluates the content of Dufry's training on Compliance and Corporate



Policies. The efforts of the Compliance Department are fully coordinated with, and supported by, the COOs of each Region and the respective HR departments, who help identify the individuals, including new hires, who should receive the training.

Individuals who receive training have been selected based on the following criteria:

- Community heads at Headquarters (Finance, Treasury, Procurement, Business Development, Internal Audit, HR, IT, Commercial, Marketing, Customer Service)
- Local managers with exposure to business development, external partners and third-party contractors
- Managers with exposure to procurement negotiations
- Managers with exposure to government officials such as airport authorities, customs or other public authorities
- Managers with signatory power or appointed as directors or officers of a Dufrey Group subsidiary
- Investor Relations managers
- Corporate Communications and Media managers
- Members of the Legal and Governance Department
- Members of the Internal Audit Department, Loss Prevention and ERM department
- HR managers worldwide

During 2020 and 2021, over 950 managers at all levels of the organization and from across all the regions have completed this training. New employees, officers and directors are provided with a copy of the Dufrey Code of Conduct when they join the company and are required to acknowledge acceptance of its terms in writing. Additionally, Dufrey employees, officers and directors have access to all of Dufrey's compliance and corporate policies, including its Code of Conduct on Dufrey Gate for their reference.

GENERAL COMPLIANCE TRAINING

REGION	Staff trained in 2021
HQ	153
Europe, Middle East & Africa	6,583
Asia Pacific	728
Americas	7,043
Total	14,507

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. The primary training topics included harassment, discrimination, insider trading, data privacy and how to report a wrongdoing.

Dufrey properly investigates all complaints and prohibits retaliation or discrimination against any employees, officers and directors who report a concern made in good faith. Since 2018, two new Group-wide reporting channels complement the email reporting channel compliance@dufry.com: (1) a worldwide, 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 Dufrey operates; and (2) the online reporting website www.dufrey-compliance.com.

These reporting channels, run by an independent third party, ensure the integrity of such investigations by acting as a centralized contact point, through which any wrongdoing or corruption concern are reported directly to the Compliance Department, reporting to Dufrey's General Counsel and member of the Global Executive Committee, for further investigation.

Risk management and control

The risks inherent to Dufrey's business are divided into two groups: Financial risks (pages 189 - 209) - related to interest rates, exchange rates, credit risks and liquidity risks - and non-financial risks. A comprehensive description of the Group's risk mapping is available in the Sustainability Report 2021 Annex on pages 282ff.

Dufrey adopts a risk management model based on three levels. This model is applicable to all subsidiaries of the Group. The company is supported by an Enterprise Risk Management software called GRC (Governance, Risk and Compliance), which allows a comprehensive identification and management of potential risks that may affect the business.

First level - The commitment of Dufrey and all its subsidiaries with integrity and transparency begins with its own staff. Dufrey requires all its employees, officers and directors to act at all times in accordance with the provisions of the Code of Conduct. The latter describes the types of behavior not allowed, and imposes strict rules regarding the operation of the business.

In addition, the rules require each employee, officer and director to perform due diligence and carefully assess new external partners with whom Dufrey plans to work, including a procedure to be followed to examine all new minority partners, consultants for business development projects, partners for transactions & M&As and similar counterparts.

Second level - There are different governance functions across the organization including the Compli-



ance, Legal, Finance and Human Resources departments in charge of monitoring the main risks and establishing the most appropriate controls to mitigate, as well as ensuring compliance with the policies and procedures of the Group. The scope of the Compliance and Corporate Governance function is based on the following pillars:

- Review and compliance with the set of global company policies
- Establishment of the overall framework of approvals of the Group and establishing a policy of “four eyes” for validations
- Training, both for the members of the staff identified with greater exposure to risk and for the rest of the employees
- Global corporate risk management
- Creating internal communication channels to ensure the integrity of the compliance program.

Third level – The Group’s Internal Audit provides independent and objective monitoring and consulting services designed to add value and improve Dufrey’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 management procedures and the potential committing of fraud. The main risks identified in the course of internal audits are reported to senior management and the Audit Committee of the Board of Directors, and its status is updated periodically until resolution or acceptance are given by the governing bodies.



Stakeholder interaction and dialogue

Engaging with our stakeholders on a regular basis to understand their expectations, needs and concerns is part of our ongoing commitment to sustainability. We interact with our stakeholders in a number of different ways, both formal and informal. For 2021, the group of relevant stakeholders included in our materiality assessment remains valid, and includes airports and other landlords, customers, employees, investors (incl. shareholders, bondholders and lending banks), public authorities, suppliers, media and communities.

The eco-system illustration included in the ESG Strategy graphically describes the close interaction of Dufrey with its core stakeholders. Especially remarkable is the interaction with both suppliers and landlords, which permits Dufrey to provide a superior service to customers. Known in the industry as the Trinity (airport authorities & other landlords, retailers and suppliers), the tight lines and collaboration between these three groups allow for an improved dialogue and mutual understanding between landlords, retailers and suppliers, to the ultimate benefit of our customers. This interaction has remained critical and valuable during 2021 as air traffic started to be restored and the operation of our stores recovered towards normality.

Beyond the Trinity described above, our employees and investors are the other two key stakeholders contributing to our company’s success. Dufrey however, holds relationships with a larger group of stakeholders, which include:

- **Travel Retail Associations and Industry Bodies:** Dufrey is an active member of each of the relevant regional and national industry associations in the geographies in which it operates (see pages 58 – 59). We are proud to have senior staff members on the Board of some of the most respected industry bodies – ETRC (European Travel Retail Confederation), MEADFA (Middle East & Africa Duty-Free Association), IAADFS (International Association of Airport Duty-Free Stores), ASUTIL (South American Association of Free Stores), UKTRF (UK Travel Retail Forum) and the DFWC (Duty Free World Council). This gives Dufrey a voice in industry debates, ensuring that it plays a proactive role in shaping the industry’s future.
- **Government & Public Institutions** – The relationship with this group is of major importance, as they are the generators and guardians of laws and regulations that circumscribe Dufrey’s operating environment. New laws and regulations can have a significant impact on the business and Dufrey needs to be aware of any changes and be prepared to influence draft regulations and react to comply as needed.
- **Service Providers** – Understanding the relationship of Dufrey with key service providers – mainly with IT, and logistics suppliers among others – is fundamental for Dufrey to have a more holistic view of its ESG impact and to assess and eventually address improvement areas.
- **Media** – Is an important group for Dufrey as it permits the company to communicate with some of our main stakeholders. Dufrey strives to build strong and close collaborative relationships with media and our communications teams maintain direct and long-term relations with media representatives and influ-



encers and provide them with timely information on a wide range of global, regional and local topics.

- **ESG Community** - Comprised of ESG rating agencies, ESG powerhouses (such as United Nations Global Compact, GRI or SBTi), and the ESG community of the travel retail and airport industry. The relationship with this group of stakeholders permits our company to have a better understanding of the main topics of concern on a global basis and identify areas of improvement within our ESG reporting and communication.
- **Communities and Charities** - As part of its social commitment, Dufry supports many activities in communities in which it operates. Dufry has a particular focus on education, youth development and charities for children as well as general health and water related initiatives and encourages its employees to work as active members at a local level. For detailed information, please see our Community Engagement section on pages 110 - 116.



Partnerships with landlords and suppliers

The Trinity approach mentioned above is of special interest for Dufry as a way of achieving the company's ultimate objective of delivering a superior shopping experience for our customers. The pursuit of this objective however requires both joint collaboration - in the way the offer is presented to customers - and in ensuring that the responsibility towards society and the environment expected from Dufry, is also demonstrated by our partners.

ESG Trinity Cooperation

The close ties that unite the members of already mentioned Trinity have significantly extended in 2021 to ESG-related issues, especially environmental issues. From the suppliers' standpoint, Dufry has participated in a number of sustainability events and working sessions to identify ways of better engaging with customers when it comes to communicating the environmental brand values. By sharing different visions and strategies, Dufry has learnt more about suppliers' ESG proposition and that has served to fuel our pilot project on "sustainability signaling" described under the customer focus section.

On the airport front, and as indicated in the Environmental Protection focus area of the report, Dufry plays an active role in several airport's Sustainability bodies, supporting the airport efforts when driving their ESG strategy. This includes cooperation on environmental topics, where Dufry for example, as part of a multi-stakeholder group, has an active role in determining and planning for levels of energy and water consumption savings that work for the airport's reduction objectives and targeting.

Collaboration however is also extended to other dimensions of ESG. In this regard, Dufry is also involved in airport forums aimed at establishing responsible employment practices and helping building a pipeline of skills required today and in the future.

Supplier Code of Conduct

As stipulated in its Supplier Code of Conduct, 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 and labor standards. As a further step towards achieving a more sustainable supply chain, Dufry developed its Supplier's Code of Conduct already in 2017, with the purpose of ensuring that our suppliers across all product categories, have in place and apply 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.

Combined with the Corporate Governance and the Remuneration Reports, both the Supplier Code of Conduct and the Dufry Code of Conduct provide detailed insights on how Dufry assumes its responsibility concerning social, ethical and environmental standards and how we put into practice the principles of sustain-



able development in our day-to-day work. Both Codes are regularly assessed to ensure they remain relevant and reflect developments in law, regulation and professional ethics. All of them are available in the sustainability section of our website: www.dufrey.com/sustainability-dufrey.

We expect all of our suppliers and business partners to comply with the principles included in Dufrey Supplier's Code of Conduct, and ultimately to replicate these standards further down their own supply chain. As explained in page 84 (Customer Focus - Recertification of Supplier Code of Conduct), in 2021 we continued our effort to proactively share the Code with additional suppliers from all product categories, and Dufrey will continue to extend the reach to additional suppliers in 2022.

Corporate citizenship

Dufrey is aware of its responsibilities towards society. As a corporate citizen, Dufrey is expected to contribute to the production of higher standards of living, wealth and quality of life wherever the company operates, whilst maintaining profitability for shareholders. Dufrey showcases its strong corporate citizenship foundations through its undeniable commitment to ethical behavior when doing business, as described in the Community Engagement section of the Annual Report.

This is paired with Dufrey's participation in several industry initiatives geared towards safeguarding the consumer and to environmental protection. Amongst others, Dufrey has contributed to the development of several Codes of Conduct for the travel retail industry (such as the UK Code of Conduct on Disruptive Passengers and the ETRC and DFWC Codes of Conduct on Sale of Alcohol), and is a member of the ACI Climate Change Task Force. Dufrey is also a signatory member of the UN Global Compact since January 2020 and has actively promoted the adoption of the UN Sustainable Development Goals (SDG) through awareness campaigns organized in cooperation with airport landlords and the UN.

Stakeholder Value Allocation

As part of its corporate citizenship, Dufrey contributes to the economic development of the economies in countries where it operates through the payment of fair and competitive salaries, taxes and the purchase of local products and services. As a way of assessing the economic impact of our business, Dufrey annually discloses its stakeholder value allocation, which reflects the direct monetary impact of its operation over its main stakeholders.

Accrued value allocated to our employees in form of remuneration, retirement benefits, social security payments and other personnel expenses amounted to CHF 635.4 million in fiscal year 2021. CHF 250.2 million were interest expenses as payments to our bondholders and lending banks. Income taxes paid to public authorities and communities amounted to CHF 19.8 million in 2021. Due to the COVID-19 pandemic and the impacts on the industry and on Dufrey's business, the Board of Directors had proposed to the 2021 General Meeting not to pay any dividend for the fiscal year 2020, in order to protect the liquidity of the Company. As explained in the Chairman Letter on page 10 and with respect to the 2022 General Meeting of Shareholders, the Board of Directors will propose to keep the dividend payment suspended, thus continuing the strong focus on protecting the liquidity.

Additionally, Dufrey contributes every year to a comprehensive number of social initiatives, which are described in the Community Engagement section of the report.

WE SUPPORT



COMMUNITY ENGAGEMENT

The support of charitable institutions and causes, as a way of giving back to society, has been inherent in the growth and evolution of Dufry since its early years. During 2021, at global, country or location level, Dufry has lent support – either financially, or by raising awareness, or through the volunteer work of our staff – to a number of non-profit organizations and social or humanitarian initiatives. We have also continued supporting cultural events and entities.

The sponsoring and support of disadvantaged children, young people and their families, together with enabling them to have access to education, has remained the main line of action in our corporate community initiatives. At country level, similar projects have been supported and in some of these operations our employees have actively participated in the process of selecting the projects to be considered, reinforcing the engagement and motivation to collaborate with the initiatives.

Dufry's help to these causes consists of direct monetary contributions, complemented by the paramount role of our customers, who allow us to raise additional funds by buying charitable products in our stores for the benefit of different NGOs, as well as by making donations in the boxes available in some of our airport locations.

Throughout 2021, we have seen our first global charitable initiative, Captain Dufry, grow and expand to a remarkable number of Dufry operations. Through the sale of Captain Dufry, a soft toy dog in an aviator costume, Dufry helps SOS Children's Villages by donating the proceeds from the sale of this product to the organization.

Launched at the end of 2020, Captain Dufry's first year can be described as success, and we hope to see

growth continue for this initiative in the years to come.

We are also very proud of the activities carried out by our staff to aid disadvantaged communities and charitable initiatives, often during their own free time. The pandemic has brought new needs that went beyond the material dimension, and these new needs have been addressed by many of our employees, who have gone "above and beyond" in terms of the help they have given to colleagues, neighbours and anyone in need around them. Where and when possible, we have supported and funded them and made the individuals and their great work visible to the rest of their colleagues, by using our internal communication channels. This serves a two-fold purpose, helping them to obtain vital, additional support, as well as providing a way of recognizing and thanking them for their philanthropic efforts.

The initiatives and projects described below represent some of the most prominent projects we support. The progress made and the encouraging results of our ongoing support to these initiatives – the earliest Dufry supported project started in 1995 – make us feel very proud and is an incentive to strengthen our ties with them.

SOS Children's Villages supported programs in Brazil, Mexico and Kenya

It was back in 2009 when Dufry began its relationship with the international charity SOS Children Villages. What started with the sponsorship of a project focused on preventive care in Igarassu, a town located in the northeast of Brazil and one of the poorest areas in the country, has evolved into long-standing and constantly growing support reaching more geographies and involving a greater number of Dufry locations. Now, more than a decade later, the partnership

continues evolving with initiatives like Captain Dufry being added to the mix, to help raise additional and much needed funds that will help improve the living conditions of many children in need.

Dufry continued supporting the Igarassu village in Brazil and, in 2021 alone, our donation benefited nearly 500 infants, young children and teenagers with their mothers and enabled them to join family strengthening programs focused on building self-esteem, improving gender relations and preventing domestic violence. During this decade, Dufry has also lent similar support to other villages in Mexico, Russia, Kenya, Jordan and Spain.

The way SOS Children's Villages works permits families to evolve and reinforce family ties, whilst giving the necessary attention to children. Mothers are given the opportunity to leave their children in the child-care centers during the day so that they can go to work and earn a living for themselves, and opt for better work opportunities. At the same time, children in these day-care centers are included in childhood development programs.

Fathers, on the other hand, receive awareness raising support in connection with educational matters and are helped and encouraged to become more constructively involved in family responsibility, thus improving the overall quality of life for these families.

SOS Children's Villages also promotes family strengthening programs, like the Dufry-sponsored program in Nairobi, Kenya. This program seeks sustainable and innovative ways to prevent family separation and addresses the situation of those children who are at risk of losing care from their biological family.

The pillars of this program are family and community empowerment, to achieve the ultimate development of children through provision of quality care and protection. Community-based partners are strategically identified, assessed and engaged to help create a strong safety-net around the vulnerable children and youth in the community.

Beyond Dufry's global contribution to SOS Children's Villages, a number of our operations - including those in Italy, Sweden, Finland and Spain - also support the local SOS Children's Villages projects in their corresponding countries. Their contributions, big and small, help this organization in their objective of keeping families together, providing alternative care when needed, supporting young people on their path to independence, and advocating for the rights of children.

Captain Dufry - Dufry's first truly global charity initiative

During 2020, Dufry launched its first global charity initiative with the introduction of Captain Dufry, a soft toy dog wearing a Dufry scarf and aviator hat with goggles, which is sold across Dufry stores in 23 countries.

Benefits obtained from the sale of Captain Dufry are donated to charities and, for the 2021-2023 period, Dufry has agreed to donate proceeds of this initiative to SOS Children's Villages. Beyond the financial objective pursued with Captain Dufry, this initiative also serves to increase awareness of Dufry's customers towards SOS Children's Villages and their activities.



Captain Dufry is available at an accessible price and designed to be an irresistible "feel-good" purchase. This item gives our customers the perfect opportunity to buy a gift that truly makes children feel special - both their loved ones and those in need of support around the world.

The availability of Captain Dufry in stores is complemented with in-store communication and signage to build awareness. Dufry is identifying high visibility spaces across the stores where Captain Dufry is made available - including dedicated sales displays and gondolas. On top of this, Dufry customers are offered additional options to donate using the Red By Dufry app, hence, increasing the possibilities of helping this charity initiative even more.

The first year of Captain Dufrey has been a great success with almost 55,000 units sold worldwide – a figure that is expected to continue to grow over the next years.

One Water – selling bottles to provide sustainable clean water

World Duty Free continues to be one of The One Foundation's main commercial supporters, a role it has held almost since the beginning of the partnership in 2016. World Duty Free sells the charity's bottled "One Water" in all of its UK airport stores. To date, World Duty Free has raised £ 2.3 million for clean water and sanitation projects, changing in the process over 419,500 lives.

Over the last two years, the importance of this partnership has been even more in the spotlight with countries all around the world having been severely impacted by the Coronavirus pandemic, presenting enormous challenges to communities, health systems, schools and businesses. As the pandemic continues to unfold, Water, Sanitation and Hygiene (WASH) remain at the forefront of the global community's response. Safe water, sanitation and hygienic conditions are essential to protecting human health during outbreaks of infectious diseases – yet millions of people across Africa still lack access to clean water and basic sanitation services.

Through partners like World Duty Free, The One Foundation is helping to bring clean water and improved sanitation to communities through the repair of broken water points and the strengthening of water and sanitation systems across Malawi, Kenya and Rwanda. All of which is critical in the prevention and reduction of infection risks.

Awareness campaign of the United Nations' Sustainable Development Goals

The 26th United Nations Climate Change Conference of the Parties (COP26), hosted in Glasgow, Scotland, between October 31 and November 12 – was a great opportunity to, again, raise awareness about the United Nation's Agenda 2030 and its 17 Sustainable Development Goals (SDGs). Over 100 world leaders, alongside thousands of negotiators, government and business representatives as well as citizens, travelled to Glasgow for the twelve days of talks; and many used three airports where Dufrey operates duty-free stores, including Heathrow, Edinburgh and of course Glasgow.

In collaboration with the UN Geneva office, communication around the 17 SDGs was prominently displayed in store through pop up banners and screens, reminding the world that we have specific objectives

to achieve – structured under these 17 Sustainable Development Goals – and that these objectives are not achievable without individual and personal contributions.

This campaign follows others organized in previous years at the Zurich and Basel airports in Switzerland, coinciding with the World Economic Forum Annual Meeting in Davos, and with other activities around some of the world's largest airports, including Zurich, Madrid, London Heathrow, Malpensa in Milan, Mexico or Moscow.

Charity Water Project in Zurich and Basel Airports

Back in 2014, Flughafen Zurich and Dufrey embarked on a joint project under the name of "Charity Water" to raise funds for charitable causes through the sale of bottled water in the airport. For every bottle of mineral water sold at the price of CHF 2.50, which is obtained from the Adello spring in Adelboden, in the Swiss Alps, 50 centimes are donated to a charitable organization.

During the month of June 2021, Dufrey and the Zurich airport handed over a cheque worth CHF 167,676 to Kinderspital Zurich as part of the cooperation started in September 2019. Locally known as "Kispi", Kinderspital Zurich is a non-profit private institution serving children and adolescents. It is the largest university children's hospital in Switzerland and one of the leading centers for pediatric and adolescent medicine in Europe. Each year, approximately 2,300 dedicated employees are committed to care for the wellbeing of more than 100,000 young patients, from the first day of life to the age of 18.

As of June 2021, Kinderhilfe Sternschnuppe is the new beneficiary of the "Charity Water" project. This Swiss non-profit organization brings joy and excitement into the lives of children and young people living with an illness or disability. It fulfils the dearest wishes of children and gives the whole family the opportunity for exciting excursions and worry-free family activities.

RgZ Foundation – Fostering unhindered development

Dufrey also donated to Foundation RgZ, which is supporting the development, way of life and social integration of children, teenagers and adults with movement disorders, development problems and mental and/or multiple disabilities. Over 2,700 children, young people and adults are fostered, taught and supported by the 280 RgZ employees in the greater Zurich area every year.

1



1 **NGUISGUISS BAMBA | SENEGAL**
Dufry supports Fundación Senegal and their kids school Kindergarten Ladybug Ecole Maternelle.

2



2 **IGARASSU | BRAZIL**
Dufry continued to sponsor SOS Children's Village preventive care center in Igarassu, Brazil (photo credit: Livia Neves).

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

Since 1995, Dufry has been sponsoring a social promotion program in Rio de Janeiro aimed at improving the skills of young people and, hence, increasing their employability. This program features free professional education to young people from communities around Galeão Airport, including various classes and education modules such as English, computer classes, retail operations, professional orientation, teamwork, leadership, rules of etiquette, ethics and citizenship. The daily classes are attended by 16 to 20 year-old female and male students, who receive free meals, uniforms, school and educational materials, as well as transportation assistance. The commitment of Dufry with this program goes a stage further by supporting attendees in their first steps into professional life. Dufry coaches students on their career progression, alerting them to any job opportunities within Dufry's organization or with external partners and giving support on how to successfully face a recruitment process. This program is also an institution amongst Dufry employees and one of the initiatives Dufry Brazil staff feel very proud of. Our staff in Brazil act as mentors to the program's students and every year, more than 60 volunteers from both Dufry and its Brazilian partners get involved.

Over the 25 years that this program has run, it has proven to be a great success. Employability rates usually reach high levels for participating students and since Dufry started its collaboration, over 730 teenagers have benefited. Whilst during 2020 the education activity was suspended due to the pandemic, Dufry remained determined to keep supporting this program.

In 2021, following strict health and safety protocols, the program restarted in Brazil with the presence of 20 young people divided into two groups. The program started in April and ended in November, with 100% approval from all students and with no Covid cases registered in the class. The classroom and all content have been adapted to meet local health and education guidelines. Despite this challenging economic and health environment characterised by restrictions, more than 50% of the class left the program with a job in the Brazilian market.

Hudson: empowering education and supporting communities

In 2021, Hudson remained focused on inspiring the next generation of students. Through the Mario Di-Domizio Excellence in Education Scholarship Program, 10 children of Hudson team members received an ed-

ucational scholarship. Hudson has now awarded a milestone of \$150,000 in scholarships since 2017 to help its team members' children with affordable higher education opportunities.

Hudson also continued its decade-long partnership with Communities In Schools® (CIS™) to empower students to realize their greatest potential in school and beyond. With more than \$4 million donated to-date by customers in the US, Hudson and CIS are helping to keep students in school and prepare them for success, while also making schools equitable places where all students receive what they need to succeed.

Throughout the year, Hudson also launched several local fundraising initiatives to give back to the communities it serves and does business in. This included the Harlem Junior Tennis and Education Program (HJTEP) in New York; the Richmond Hospital Foundation and the Canadian Mental Health Association (CMHA) Toronto Branch in Canada; as well as a number of other important causes in its duty free locations, such as in-kind donations to shelters and participating in November for men's health issues.

Mind – for better mental health

As we come to the end of our three year partnership with Mind and its sister charities SAMH in Scotland and Inspire in Northern Ireland, we are proud to have been able to make a real difference across all four nations of the United Kingdom in the campaign for better mental health. It has never been more important to take care of mental health, with around a third of people in the UK saying their mental health has deteriorated since March 2020. One in six people have accessed mental health services for the first time during the pandemic and through our fundraising we have helped Mind, SAMH and Inspire to provide life-changing information, advice and support so that people can make their own choices and access the treatment and support that is right for them.

Despite everything, our teams have pulled together throughout this past year to help raise as much money as possible. The most remarkable event of the year being our "Active in April" campaign, where the Dufry UK team organised activities to get people moving, connecting with colleagues after furlough, as well as raising awareness and funds. We raised over £10,000 from this event and were even nominated for an award as "Outstanding Employee-Led Initiative" at the Inspire Workplace Wellbeing Awards.

The charity supported by our UK colleagues is chosen every three years based on the votes of the employees.

For the 2022 – 2025 period, Dufry UK has now chosen to partner with Children’s Cancer and Leukaemia Group, a leading children’s cancer charity and the UK’s and Ireland’s professional association for those involved in the treatment and care of children with cancer.

Fundación Aladina – supporting children with Cancer

Fundación Aladina is a Spanish NGO that provides comprehensive support to many cancer-diagnosed children and teenagers and their families. The support given includes psychological and emotional support, as well as material and financial assistance. With its donations, in 2021 Dufry again supported Aladina’s Extraordinary Special Fund, which finances the purchase of prosthesis, wigs, wheelchairs, hearing aids, physical therapy sessions, funerals, and any other expenses incurred as a result of the child’s illness.

Support to multiple projects in Greece

Hellenic Duty Free Shops continued with the on-going support to Make-A-Wish Hellas, an organization granting wishes of children with critical illnesses to transform their lives. For Make-A-Wish, a wish is an inherent part of the healing journey, as these help with the regaining of the physical and emotional strength they need to go through very serious illnesses.

Hellenic Duty Free Shops also supports the Galilee Palliative Care Center – which provides palliative medical and nursing care along with psychological, social and spiritual support to patients and their families – as well as the Skytali Hellenic Heart-Lung Transplant Association.



3

3 COMITÁN | MEXICO
SOS Children Village in Comitán, Mexico, improves education and quality of life (photo credit: Alea Horst).

Ladybug Dufre École Maternelle – Kindergarten project in Senegal

During 2021, Dufre continued supporting Formación Senegal and the Kindergarten Ladybug École Maternelle in Nguiguiss Bamba, in the Louga region of Senegal – a facility constructed and developed in 2019.

This school, 100% funded by Dufre, can host 60 children aged between 0 and 7 years old and has been placed near a training and work cooperative, also built by this NGO, which is empowering over 140 women in the region. The location of this kindergarten close to the workshop allows women to leave their children being looked after, while they build their skills and develop their professional activity. The school project financed by Dufre provides children with early stimulation techniques and essential learning for young children. This is a pioneer initiative in this area of the Sahel, where schooling – in the best case scenario – usually doesn't begin until the age of seven.

The project will be improved by providing it with a suitable floor at the school, building a perimeter to protect the children, constructing a storage area for school materials, using rainwater by means of gutters and installing solar energy to use the facility at night as a literacy school for local women.

And a long list of other local contributions

Support for the underprivileged is deeply rooted in our company. In addition to the main initiatives mentioned above there is a long list of causes and projects of all sizes that Dufre subsidiaries and employees support year after year.

From food collection initiatives for food banks, such as those carried out by our colleagues in Canada, to scholarships and school supplies, they all have a place at Dufre.

The main protagonists of many of these actions are our employees, who champion the causes and promote support for them through micro-donations, charity runs, bike rides, bake sales and more to support the many deserving projects.

Internally we give voice to these initiatives to recognize the effort and generate notoriety about them. In addition, where possible, financial support is given to these causes.

FINANCIAL REPORT 2021



DUFRY

WorldClass.WorldWide.

STRONG FINANCIAL SET UP AND SOLID CASH GENERATION DEAR ALL

2021 was another challenging and dynamic year for the whole travel sector and for Dufry. From my perspective as Dufry's CFO, it was at the same time a rewarding year with positive developments and progress on our main initiatives such as the resilient cash flow performance and strong liquidity position we were able to achieve. I am also referring to the successful execution of our CHF 1.6 billion refinancing early in the year, completing the financing measures accomplished throughout 2020 already. We have exhibited continued financial discipline and managed our costs flexibly and fully in line with business recovery. We made further progress on increasing efficiencies in the finance organization with the shared service center roll-out close to completion and by advancing on the implementation of tools for automating our processes. We have continued the close engagement with our investors, analysts, banks and rating agencies – not only virtually but by resuming physical meetings and roadshows, which was among my personal highlights.

Cash flow performance above expectations.

As mentioned, our achievements in 2021 relate to the continued cost savings and our Equity Free Cash Flow performance well-above our initial expectations at the beginning of the year. Based on forecasts of industry associations and independent data providers, Dufry applied a -40% and -55% turnover scenario versus 2019 to the full-year 2021, and provided sensitivities on concession fees, personnel and other expenses as

well as Equity Free Cash Flow to the investor community accordingly. Throughout 2021, Dufry was in a position to positively update the sensitivities based on the better than initially targeted execution on all items provided. Overall, Dufry achieved CHF 1,919.7 million in cost savings in 2021 versus the initial target of CHF 970 million at the beginning of 2021 in a -55% turnover scenario. Savings consist of CHF 1,077.8 million of MAG reliefs as well as of CHF 607.9 million of personnel and CHF 234.0 million other expenses savings compared to 2019.

Based on our tight cost and cash management, we concluded the year with an EFCF of CHF -33.4 million – versus the initially anticipated around CHF -480 million in a -55% turnover environment. We generated positive cash flows in the months May to October 2021, and reached same levels in Q3 and Q4 compared to the respective quarters in 2019. The negative cash flow was mainly coming from the first half of the year, where the impact from Covid was still more pronounced. While turnover versus 2020 improved by 52.9%, EFCF improved by 96.7% compared to 2020. Performance was supported by MAG reliefs received during 2021 as well as by variable cost savings and ongoing government support schemes, which came on top of the structural changes implemented in 2020. CAPEX of CHF 88.1 million came in below the initial estimate for the year. EFCF also benefitted from an inflow of working capital of CHF 75.7 million resulting from the relatively steep business recovery of selected regions in the second half of the year. We expect further working capital inflow in 2022 in line with sales normalization.

¹ For a glossary of financial terms and key performance indicators please see page 231 of this Annual Report.



Through our strong focus on cost control, we have underpinned and confirmed Dufry's cash generating capability, which allowed us to build a solid financial structure and a strong balance sheet.

Yves Gerster

2,244

CHF 2,243.9 million
liquidity as of December 31, 2021.

The cash flow performance during 2021 confirms the high variability of our expenses as well as the low capital intensity of our business, which allows for strong cash generation and fast deleveraging despite the challenging business environment. Our net debt as of December 31, 2021 amounts to CHF 3,079.5 million, a position below pre-crisis levels already.

Throughout 2020, Dufry effectively worked on several initiatives to strengthen its capital structure and liquidity position. Early in 2021, we concluded this set of initiatives by successfully executing the comprehensive refinancing of our debt positions with no material maturities until 2024. We made use of a diversified product mix including convertible bonds, senior notes and bank debt, thereby optimizing terms in the current market environment.

Dufry's capital structure strengthened.

In detail, Dufry issued CHF 500 million new convertible bonds due 2026 with a 0.75% coupon and CHF 87.00 conversion price, while early converting its existing CHF 350 million 2023 convertible bonds. Further, Dufry priced EUR 725 million 3.375% Senior Notes due 2028 and CHF 300 million 3.625% Senior Notes due 2026 used to refinance existing bank debt. The maturities for the remaining term loans have been extended to 2024. At the beginning of 2022, Dufry agreed with its lending banks on an extension of the previously agreed covenant holiday until and including June 2023. The September and December 2023 testing deadlines require a 5.0x net debt/adjusted operating cash flow before the company will return to its 4.5x net debt/adjusted operating cash flow threshold in 2024. We concluded 2021 with a strong financial position and an overall liquidity of CHF 2,243.9 million as of Decem-

ber 31, 2021. We are well-equipped to drive the re-opening and recovery, even in a still relatively volatile environment, while having the financial flexibility to act on selected growth opportunities during and beyond the recovery.

We have ended the year 2021 with a Group turnover of CHF 3,915.4 million organically representing 46.5% of 2019 levels. The translational FX effect versus 2019 was -2.4% mainly as a result of the USD depreciation.

Turnover recovery progressing.

Regional performance

By region, turnover in Europe, Middle East and Africa was CHF 1,723.8 million in 2021 from CHF 1,144.5 million one year ago and organically representing 39.4% of 2019 levels. EMEA saw a significant step-up in July and gradual improvement ever since based on resuming of travel within the region and transatlantic routes. Best performing were the Mediterranean, including Turkey and Greece, Eastern Europe, Russia, Middle East and Africa benefitting from leisure demand and more flexible travel protocols compared to other countries in the region. Also France, Portugal, Italy, Spain, Switzerland and the UK saw an uptake since July as vaccination campaigns were progressing and authorities were implementing more convenient intra-European as well as transatlantic travel protocols. Departure destinations with inbound travel to UK benefitted from new regulations related to Brexit and duty-free quotas. Towards the end of the year, re-imposed restrictions and limited alignment between governments around the emergence of the Omicron variant resulted in a slight slowdown.

Asia-Pacific's turnover reached CHF 99.0 million in 2021 from CHF 160 million in 2020 and organically representing 15.1% of 2019 levels. APAC is still largely impacted by the respective governments' zero-case approach, and borders for inbound and outbound travel are mostly closed. Accordingly, shops in Dufrey's Asia-Pacific locations such as Hong Kong are closed, or operating at very low levels in line with flights and passenger movements. Since the end of 2021, Australia, Cambodia, Singapore, Malaysia and Macau started to release restrictions and to allow a soft opening of travel. As soon as restrictions are further lifted, demand is expected to show a fast rebound.

The America's turnover stood at CHF 1,728.5 million in 2021 versus CHF 1,141.7 million in 2020 organically representing 53.7% of 2019 levels. North America, especially the US, performed above group average due to the higher exposure to domestic travel. Intra-regional travel from the US to Central America as well as the opening of the transatlantic route in November were also supportive. The performance was driven by Hudson convenience stores, food and beverage and other duty-paid offerings. Central America and Caribbean, including Mexico, Dominican Republic and the Caribbean Islands, were performing robustly as well, driven by intra-regional travel from the US and South America as well as international travel as more flexible travel conditions met continued demand. The cruise business, located in the region, continued to be impacted. South America started to trend upwards in the second half 2021, especially in Argentina, Colombia and Ecuador, in line with vaccination progress and an improved health situation.

Retail margin not impacted.

While Group turnover recovery expectations might have been slightly higher at the beginning of 2021, we have seen strong uptake in demand as soon as restrictions were lifted and travel could resume conveniently. This gives us confidence for the mid-term view and on our offering being an integral part of the overall travel experience. Travelers' propensity to spend increases for certain product categories and offerings. Dufrey made further progress on innovative, exclusive, and sustainable products, as well as attractive promotions and offerings in fast-recovering categories like convenience or food & beverage.

Gross profit

Gross Profit amounted to CHF 2,211.0 million in FY 2021 compared to CHF 1,377.3 million in FY 2020, reaching a 56.5% margin from 53.8% in the previous year. Margin was temporarily affected by the turnover mix, by continued short-term inventory management through wholesale as well as by higher duty and freight ratios. The main impact relates to the supply of Dufrey's Hainan collaboration in China through the Hong Kong distribution center, which has largely handed over the supply to the local JV at the beginning of 2022. Excluding this temporary impact, the retail margin even increased by 1.2% as compared to 2019, and we expect a normalization of our Gross Profit margin in line with business recovery.

Lease Expenses

Dufrey received in 2021 MAG reliefs of CHF 1,077.8 million, related to the period affected by the pandemic. MAG reliefs refer to waiving of fixed rent components and implementing variable concession schemes instead. Of the total MAG reliefs received, CHF 847.1 million were accounted as "MAG reliefs" under "lease expenses" in the 2021 P&L. The remaining part refers to de-recognition or accounting modifications, leading to lower Depreciation of Right of Use Assets and lower lease interest in 2021 and going forward.

D&A

In addition, D&A in 2021 was also impacted by impairments. Shop closures in 2020 and some ongoing volatility in regard to passenger traffic in 2021 have affected actual turnover, as well as projections. Purchase acquisition accounting required almost mechanically impairments in an unprecedented year such as 2020, overall CHF -1,193.1 million. For 2021, some additional impairments of net CHF 280.5 million have been realized due to ongoing limited visibility in some of the operations. However, those impairments mostly relate to depreciable and amortizable assets, and only represent a timing shift in this regard, resulting in lower D&A going forward. Please refer for the full overview on 2021 D&A to pages 155-156 of this report

Adjusted Operating Profit and Net Profit

Adjusted Operating Profit (adjusted EBIT) was at CHF 374.9 million in 2021 versus CHF -1,561.6 million the same period of 2020. Adjusted Net Profit to Equity Holders reached CHF 23.4 million in 2021 versus CHF -1,658.4 million in the same period last year. The respective adjusted Earnings per Share (EPS) based on 87.8 millions of weighted average shares outstanding was CHF 0.27 in the period versus CHF -28.4 in the previous year. Dufrey's adjusted key performance indicators reflect the operational performance of the respective year and exclude exceptional expenses and income such as acquisitions, divestures, impairments and amortization of acquisition-related intangible assets, which can differ significantly from year to year. With the Annual Report 2021, we have improved our disclosure around our alternative performance measures, providing additional commentary on the definition and rationale; please see pages 231-234.

Adjusted Operating Cash Flow

Adjusted operating cash flow reached CHF 147.1 million in 2021 compared to CHF -405.9 million in 2020. Adjusted operating cash flow represents one of our main KPIs, recognizing the full amount of concession fees for the period. Based on a similar concept, it can be considered as a proxy for pre-IFRS 16 EBITDA. Please see page 233 of our Annual Report for further details and full reconciliation.

Strong Stakeholder Relations.

Throughout 2021, we engaged in more than 1,700 meetings, calls and interactions with our equity and debt investors, analysts and rating agencies. We strive to continue the dialogue and close relationships, and thoroughly consider your feedback on our business and investor relations. I would also like to emphasize the progress we made within our ESG implementation strategy in all our focus areas. In particular, we defined science-based targets (SBT) to achieve climate neutrality by 2025 for scopes 1 + 2 and to considerably reduce carbon footprint of scope 3 emissions. We are continuing to evolve our ESG efforts as an integral part of our overall strategy, and are looking forward to continue to engage with you on related topics. Please visit also the ESG Report on pages 73-109.

At this point, I would like to welcome Deloitte as Dufrey's newly appointed auditor as approved by our shareholders at our AGM 2021, and thank them for their support with the 2021 Annual Report.

Well positioned for 2022.

Considering all measures taken throughout 2021, we expect to be well positioned for the re-opening and growth acceleration beyond the current crisis. We expect a further stabilization of the business in 2022 while we continue to engage in opportunities ahead of us: new or renewed concessions, channel and regional diversification, expanded product offerings, or digitalization. Visibility regarding a full recovery to 2019 turnover levels is still limited, with industry associations now estimating a full recovery of passenger numbers to a 2019 level between the end of 2023 and 2024. Nevertheless, based on our strong cash conversion capabilities and with the current liquidity position, we are confident for the years ahead.

I would like to thank our customers, shareholders, bondholders, banks, analysts, rating agencies, business partners and key advisors for their continued trust in Dufrey and their ongoing support to initiate and execute the right measures helping us to emerge stronger and be in the best position to take advantage of the opportunities we see on our way ahead.

Kind regards,



Yves Gerster

CONSOLIDATED CASHFLOW

IN MILLIONS OF CHF	2021	2020
Net cash flow from operating activities	678.2	(345.3)
Lease payments, net	(475.3)	(401.8)
Capex	(88.1)	(106.0)
Interest received	11.0	23.3
Free cash flow	125.8	(829.8)
Interest paid	(140.9)	(168.8)
Cash flow related to minorities	(24.4)	(34.7)
Proceeds from other financial assets	6.1	6.0
Equity free cash flow	(33.4)	(1,027.3)
Acquisition of Hudson shares	-	(275.4)
Financing activities, net	343.8	1,020.5
FX adjustments and other	(45.7)	39.9
Decrease / (Increase) in financial net debt	264.7	(242.3)

CONSOLIDATED INCOME STATEMENT

	2021		2020	
	IN MILLIONS OF CHF	IN %	IN MILLIONS OF CHF	IN %
CONTINUING OPERATIONS				
Turnover	3,915.4	100.0%	2,561.1	100.0%
Cost of sales	(1,704.4)	(43.5%)	(1,183.8)	(46.2%)
Gross profit	2,211.0	56.5%	1,377.3	53.8%
Lease expenses	176.4	4.5%	8.0	0.3%
Personnel expenses	(635.4)	(16.2%)	(716.0)	(28.0%)
Depreciation and amortization	(1,210.0)	(30.9%)	(1,648.8)	(64.4%)
Impairment net	(280.5)	(7.2%)	(1,193.1)	(46.6%)
Other expenses and other income, net	(327.7)	(8.4%)	(328.1)	(12.8%)
Operating profit / (loss)	(66.2)	(1.7%)	(2,500.8)	(97.6%)
Finance income, finance expenses and foreign exchange gain / (loss), net	(341.6)	(8.7%)	(370.4)	(14.5%)
Profit / (loss) before taxes	(407.8)	(10.4%)	(2,871.2)	(112.1%)
Income tax	42.6	(10.4%)	130.7	(4.6%)
Net profit / (loss)	(365.2)	(9.3%)	(2,740.5)	(107.0%)
ATTRIBUTABLE TO				
Non-controlling interests	20.2		(226.8)	
Equity holders of the parent	(385.4)		(2,513.7)	
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				
Basic earnings per share in CHF	(4.39)		(43.01)	
OTHER DUFREY KPI'S				
Adjusted operating profit	374.9		(1,561.6)	
Adjusted net profit	23.4		(1,658.4)	
Adjusted earnings per share in CHF	0.27		(28.37)	

Magic

Magic

GARDEN

I
❤️
BOSS
HUGO BOSS
M
C
R

GUCCI

HERMES

VERSACE

DOLCE & GABBANA

40%
Great Value



FINANCIAL STATEMENTS 2021 CONTENT

Consolidated Financial Statements

Consolidated statement of profit or loss	126
Consolidated statement of other comprehensive income	127
Consolidated statement of financial position	128
Consolidated statement of changes in equity	129-130
Consolidated statement of cash flows	131-132
Notes to the consolidated financial statements	133-211
Report of the statutory auditor	212-215

Financial Statements Dufry AG

Statement of profit or loss	216
Statement of financial position	217
Notes to the financial statements	218-228
Report of the statutory auditor	229-230

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2021

IN MILLIONS OF CHF	NOTE	2021	2020
Net sales	7	3,826.8	2,477.6
Advertising income		88.6	83.5
Turnover		3,915.4	2,561.1
Cost of sales		(1,704.4)	(1,183.8)
Gross profit		2,211.0	1,377.3
Lease expenses	8	176.4	8.0
Personnel expenses	9	(635.4)	(716.0)
Depreciation and amortization	10	(1,210.0)	(1,648.8)
Impairment net	10	(280.5)	(1,193.1)
Other expenses	11	(381.6)	(361.6)
Other income	12	53.9	33.4
Operating profit / (loss)		(66.2)	(2,500.8)
Finance expenses	13	(364.9)	(385.4)
Finance income	13	25.9	14.9
Foreign exchange gain / (loss)	13	(2.6)	0.1
Profit / (loss) before taxes		(407.8)	(2,871.2)
Income tax	14	42.6	130.7
Net profit / (loss)		(365.2)	(2,740.5)
ATTRIBUTABLE TO			
Non-controlling interests		20.2	(226.8)
Equity holders of the parent		(385.4)	(2,513.7)
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic earnings per share in CHF	26.3	(4.39)	(43.01)
Diluted earnings per share in CHF	26.3	(4.39)	(43.01)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

IN MILLIONS OF CHF	NOTE	2021	2020
Net profit / (loss)		(365.2)	(2,740.5)
OTHER COMPREHENSIVE INCOME			
Remeasurements of post-employment benefit plans	15	77.9	1.0
Income tax	14, 15	(11.6)	0.6
Items not being reclassified to net income in subsequent periods, net of tax		66.3	1.6
Exchange differences on translating foreign operations	15	81.3	(237.1)
Net gain / (loss) on hedge of net investment in foreign operations		(7.9)	24.2
Fair value gain / (loss) on cash flow hedging instruments	15	-	-
Share of other comprehensive income of associates	15, 20	0.2	0.2
Income tax on above positions	14, 15	-	-
Items to be reclassified to net income in subsequent periods, net of tax		73.6	(212.7)
Total other comprehensive income, net of tax		139.9	(211.1)
Total comprehensive income, net of tax		(225.3)	(2,951.6)
ATTRIBUTABLE TO			
Non-controlling interests		19.8	(244.5)
Equity holders of the parent		(245.1)	(2,707.1)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2021

IN MILLIONS OF CHF	NOTE	31.12.2021	31.12.2020
ASSETS			
Property, plant and equipment	16	329.1	453.3
Right-of-use assets	17	3,120.8	4,438.7
Intangible assets	18	1,737.3	2,196.9
Goodwill	18	2,360.0	2,369.3
Investments in associates		15.2	7.1
Deferred tax assets	31	179.9	145.5
Net defined benefit assets	33	55.0	-
Other non-current assets	21	215.3	257.2
Non-current assets		8,012.6	9,868.0
Inventories	22	692.2	659.6
Trade and credit card receivables	23	85.3	17.1
Other accounts receivable	24	371.8	315.0
Income tax assets		35.0	35.0
Cash and cash equivalents	29.1	793.5	360.3
Current assets		1,977.8	1,387.0
Total assets		9,990.4	11,255.0
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	25	956.6	839.3
Non-controlling interests	25, 27	77.9	78.7
Total equity		1,034.5	918.0
Borrowings	28	3,771.7	3,650.6
Lease obligations	29	2,558.5	4,022.9
Deferred tax liabilities	31	275.4	321.9
Provisions	32	30.9	42.5
Employee benefit obligations	33	11.5	32.6
Other non-current liabilities	30	46.7	43.5
Non-current liabilities		6,694.7	8,114.0
Trade payables		335.1	154.9
Borrowings	28	45.3	53.9
Lease obligations	29	1,077.9	1,397.5
Income tax payables		61.3	34.2
Provisions	32	88.4	49.5
Other liabilities	30	653.2	533.0
Current liabilities		2,261.2	2,223.0
Total liabilities		8,955.9	10,337.0
Total liabilities and shareholders' equity		9,990.4	11,255.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT									
IN MILLIONS OF CHF	NOTE	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Translation reserves	Retained earnings	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2021		401.3	4,249.9	(1.3)	68.4	(30.9)	(524.9)	(3,323.2)	839.3	78.7	918.0
Net profit/(loss) of the period		-	-	-	-	-	-	(385.4)	(385.4)	20.2	(365.2)
Other comprehensive income/(loss)	15	-	-	-	-	66.3	74.0	-	140.3	(0.4)	139.9
Total comprehensive income/(loss) for the period		-	-	-	-	66.3	74.0	(385.4)	(245.1)	19.8	(225.3)
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS											
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(23.0)	(23.0)
Conversion of the CHF 350 million bond	25	52.7	295.0	-	-	-	-	(26.7)	321.0	-	321.0
Related transactions costs	25	-	(2.7)	-	-	-	-	-	(2.7)	-	(2.7)
Share-based payments	25	-	-	-	-	-	-	2.0	2.0	-	2.0
Equity component of the CHF 500 million convertible bond	25	-	-	-	-	-	-	54.1	54.1	-	54.1
Interest component of the mandatory convertible notes		-	-	-	(8.1)	-	-	-	(8.1)	-	(8.1)
Total transactions with or distributions to owners		52.7	292.3	-	(8.1)	-	-	29.4	366.3	(23.0)	343.3
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES											
Put-option held by non-controlling interests		-	-	-	-	-	-	(3.2)	(3.2)	0.5	(2.7)
Other changes in participation of non-controlling interests		-	-	-	-	-	-	(0.7)	(0.7)	1.9	1.2
Changes in participation of non-controlling interests	27	-	-	-	-	-	-	(3.9)	(3.9)	2.4	(1.5)
Balance at December 31, 2021		454.0	4,542.2	(1.3)	60.3	35.4	(450.9)	(3,683.1)	956.6	77.9	1,034.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT											
IN MILLIONS OF CHF	NOTE	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Translation reserves	Retained earnings	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2020		252.8	3,475.5	(92.5)	-	(32.5)	(329.9)	(628.1)	2,645.3	462.7	3,108.0
Net Profit / (loss) of the period		-	-	-	-	-	-	(2,513.7)	(2,513.7)	(226.8)	(2,740.5)
Other comprehensive income / (loss)	15	-	-	-	-	1.6	(195.0)	-	(193.4)	(17.7)	(211.1)
Total comprehensive income / (loss) for the period		-	-	-	-	1.6	(195.0)	(2,513.7)	(2,707.1)	(244.5)	(2,951.6)
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS											
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(33.5)	(33.5)
Issuance of shares	25	148.5	809.4	-	-	-	-	-	957.9	-	957.9
Related transaction costs	25	-	(35.0)	-	-	-	-	-	(35.0)	-	(35.0)
Issuance of mandatory convertible notes	25.2	-	-	-	69.5	-	-	-	69.5	-	69.5
Related transaction costs	25.2	-	-	-	(1.1)	-	-	-	(1.1)	-	(1.1)
Sale of treasury shares		-	-	68.8	-	-	-	-	68.8	-	68.8
Share-based payments		-	-	22.4	-	-	-	(27.3)	(4.9)	(1.7)	(6.6)
Loss on sale of treasury shares	26.2	-	-	-	-	-	-	(55.1)	(55.1)	-	(55.1)
Equity component of convertible bond	26.3	-	-	-	-	-	-	28.9	28.9	-	28.9
Income tax on equity transactions	14	-	-	-	-	-	-	(0.2)	(0.2)	(0.1)	(0.3)
Total transactions with or distributions to owners		148.5	774.4	91.2	68.4	-	-	(53.7)	1,028.8	(35.3)	993.5
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES											
Put option held by non-controlling interests	27	-	-	-	-	-	-	8.0	8.0	24.3	32.3
Other changes in participation of non-controlling interests	27	-	-	-	-	-	-	(135.7)	(135.7)	(128.5)	(264.2)
Changes in participation of non-controlling interests	27	-	-	-	-	-	-	(127.7)	(127.7)	(104.2)	(231.9)
Balance at December 31, 2020		401.3	4,249.9	(1.3)	68.4	(30.9)	(524.9)	(3,323.2)	839.3	78.7	918.0

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

IN MILLIONS OF CHF	NOTE	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxes		(407.8)	(2,871.2)
ADJUSTMENTS FOR:			
Depreciation and amortization	10	1,210.0	1,648.8
Impairment net	10	280.5	1,193.1
Increase / (decrease) in allowances and provisions		48.3	32.2
Other non-cash items		(3.3)	(2.4)
Relief of lease obligations	8	(847.1)	(380.3)
Loss / (gain) on sale of non-current assets		0.2	5.2
Loss / (gain) on foreign exchange differences		2.6	-
Finance expense	13	364.9	385.4
Finance income	13	(25.9)	(14.9)
Cash flow before working capital changes		622.4	(4.1)
Decrease / (increase) in trade and other accounts receivable		(137.5)	75.8
Decrease / (increase) in inventories		(26.5)	296.3
Increase / (decrease) in trade and other accounts payable		239.6	(686.0)
Cash generated from operations		698.0	(318.0)
Income tax paid		(19.8)	(27.3)
Net cash flows from operating activities¹		678.2	(345.3)
CASH FLOW USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment	16	(74.3)	(101.1)
Purchase of intangible assets	18	(16.9)	(17.9)
Purchase of financial assets		(0.1)	(0.4)
Purchase of interest in associates		(4.9)	(0.4)
Proceeds from lease income		3.1	3.9
Repayment of loans receivable granted		4.7	1.5
Proceeds from sale of property, plant and equipment		3.1	12.5
Proceeds from sale of financial assets		1.5	4.9
Other investing activities		-	(1.1)
Interest received ²		11.0	23.2
Net cash flows used in investing activities		(72.8)	(74.9)

¹ Includes variable lease payments of CHF 586.7 (2020: 454.7) million.

² Interest received are disclosed in cash flow from investing activities (consistent to prior year).

CONSOLIDATED STATEMENT OF CASH FLOWS

(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2021

IN MILLIONS OF CHF	NOTE	2021	2020
CASH FLOW FROM FINANCING ACTIVITIES			
Transaction costs for financial instruments ³		(56.1)	(13.4)
Transaction costs for equity instruments		(2.6)	(36.1)
Proceeds from/(repayment) of 3 rd party loans	29	8.1	(1.0)
Proceeds from issue of notes	29	1,599.3	350.0
Proceeds from borrowings	29	642.9	557.2
Repayment of borrowings	29	(1,689.0)	(756.5)
Issuance of shares		–	957.9
Dividends paid to non-controlling interests		(21.1)	(33.3)
Proceeds from mandatory convertible notes	25.2	–	69.5
Proceeds from sale of treasury shares	26.3	–	13.7
Acquisition of non-controlling interests in Hudson Ltd		–	(275.4)
Contributions (paid to)/from non-controlling interests		1.6	(1.0)
Lease payments		(478.4)	(405.7)
Interest paid ⁴		(140.9)	(168.8)
Net cash flows used in financing activities		(136.2)	257.0
Currency translation on cash	29	(36.0)	(30.0)
Increase/Decrease in cash and cash equivalents		433.2	(193.2)
CASH AND CASH EQUIVALENTS AT THE			
– beginning of the period	29.1	360.3	553.5
– end of the period	29.1	793.5	360.3

³ In 2021, transaction costs for financial instruments include incentives for the conversion of a bond in shares of CHF 28.8 million (refer for further transaction details to note 29).

⁴ Interest paid are disclosed in cash flow from financing activities (consistent to prior year).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

1. CORPORATE INFORMATION

Dufrey AG (the “Company”) is a publicly listed company with headquarters in Basel, Switzerland. The Company is one of the world’s leading global travel retail companies. It operates in more than 2.300 shops worldwide. The shares of the Company are listed on the Swiss Stock Exchange (SIX) in Zurich.

The consolidated financial statements of Dufrey AG and its subsidiaries (Dufrey or the “Group”) for the year ended December 31, 2021 and the respective comparative information were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated March 3, 2022, and are subject to the approval of the Annual General meeting to be held on May 17, 2022.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of Dufrey AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets, liabilities (including derivative instruments) and defined benefit plan assets, that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at amortized cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged. The consolidated financial statements are presented in millions of Swiss Francs “CHF”. All values are rounded to the nearest one hundred thousand, except when indicated otherwise.

2.2 COVID-19 AND GOING CONCERN

During 2021, the Group has taken the following measures in response to the ongoing COVID-19 pandemic:

- The Group has materially reduced its cost structure and is continuing to manage its expenses, in particular the Group renegotiated, and it is continuing to align its lease payment commitments to the current business environment and in particular to reduce fixed lease payments;
- In March 2021, Dufry issued a new convertible bond of CHF 500 million due in 2026;
- In April 2021, CHF 350 million convertible bonds issued in 2020 and due in 2023 were converted in shares;
- In April 2021, the group issued two new senior bonds
 - EUR 725 million 3.375% Senior Notes due 2028 and
 - CHF 300 million 3.625% Senior Notes due 2026.
- With the executed refinancing, there are no material maturities before 2024. Proceeds from the offering are mainly used to refinance existing bank debt (2017 Senior Euro Term Loan Facility - EUR 500 million).

In addition, the lenders of the syndicated bank facility have agreed to extend the maturity of the 2017 Senior USD Term Loan Facility (USD 550 million).

In February 2022, Dufry received commitment letters from the same lenders in which, among other things, the lenders committed to not formally test the financial covenants for the relevant periods until and including June 30, 2023,

Dufry cannot predict extent or duration of the ongoing COVID-19 pandemic and its impact on the Group and its financial position, results of operations and cash flows. We are closely monitoring developments related to the ongoing pandemic and have taken and continue to take steps intended to mitigate the potential risks to us.

Management believes that the actions that it has taken to date are sufficient to ensure the Group's ability to continue as a going concern and has therefore prepared the consolidated financial statements on a going concern basis.

2.3 BASIS OF CONSOLIDATION

The consolidated financial statements of Dufry comprise all entities directly or indirectly controlled by Dufry (its subsidiaries) as at December 31, 2021 and December 31, 2020 respectively for the comparative information.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which Dufry obtains control, and continue to be consolidated until the date when such control is lost. The Group controls an entity when Dufry is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intra group balances, transactions, unrealized gains or losses or dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If Dufry loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- derecognizes the carrying amount of any non-controlling interest as well as derecognizes the cumulative translation differences recorded in equity,
- recognizes the fair value of the consideration received, recognizes the fair value of any investment retained as well as recognizes any surplus or deficit in the statement of profit or loss,
- recognizes any receivable from/payable to this former subsidiary.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, Dufry selects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related transaction costs are expensed and presented in other expenses. When Dufry acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Thereafter any change in the fair value of the contingent consideration not classified as equity will be recognized through the statement of profit or loss.

Dufry measures goodwill at the acquisition date as:

The fair value of the consideration transferred;

- plus the recognized amount of any non-controlling interests in the acquiree;
- plus, if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree;
- less the net recognized amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in the statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Dufry's group of cash-generating units that are expected to benefit from the combination.

Where goodwill forms part of a cash-generating unit and an operation within is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained, unless there are specific allocations identifiable.

b) Foreign currency translation

Each subsidiary in Dufrey uses its corresponding functional currency. Items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are recorded at the date of the transaction in the functional currency using the exchange rate of such date.

Monetary assets and liabilities denominated in foreign currencies are re-measured using the functional currency exchange rate at the reporting date and the difference is recorded as unrealized foreign exchange gains/losses. Exchange differences arising on the settlement or on the translation of derivative financial instruments are recognized through the statement of profit or loss, except where the hedges on net investments allow the recognition through other comprehensive income, until the respective investments are disposed of. Deferred tax related to unrealized exchange differences is accounted for accordingly. Non-monetary items are measured at historical cost in the respective functional currency.

At the reporting date, the assets and liabilities of all subsidiaries reporting in foreign currency are translated into the presentation currency of Dufrey (CHF), using the exchange rate at the reporting date. The statements of profit or loss of the subsidiaries are translated using the average exchange rates of the respective month in which the transactions occurred. The net translation differences are recognized in other comprehensive income. On disposal of a foreign entity or when control is lost, the deferred cumulative translation difference recognized within equity relating to that particular operation is recognized in the statement of profit or loss as gain or loss on sale of subsidiaries.

Goodwill, intangible assets and fair value adjustments identified during a business combination (purchase price allocation) are treated as assets and liabilities in the functional currency of such operation.

Principal foreign exchange rates applied for valuation and translation:

IN CHF	AVERAGE RATE		CLOSING RATE	
	2021	2020	31.12.2021	31.12.2020
1 USD	0.9140	0.9385	0.9122	0.8851
1 EUR	1.0811	1.0703	1.0373	1.0814
1 GBP	1.2574	1.2041	1.2345	1.2106

c) Net sales

Turnover is comprised of net sales and advertising income and is recognized from contracts with customers. The Group recognizes revenue from retail sales and the related cost of goods sold at the point in time, when it sells and hands over directly at the stores to the traveler consumables or fashion products manufactured by third parties. These transactions have to be settled by cash or credit card on delivery. Net sales are measured at fair value of the consideration received for the goods sold, excluding discounts or sales taxes.

d) Advertising income

The Group's advertising income is resulting from several distinctive marketing support activities, not affecting the retail price, performed by Dufrey after having been developed and coordinated together with our suppliers. The income is recognized in the period the advertising is performed. The compensation will be received on contractual terms. Usually Dufrey is not entitled to offset the income with trade payables related with the same supplier. An allowance on these advertising receivables is recognized to reflect the risks and uncertainties in relation with the final achievements of incentives based on thresholds, to be confirmed after the end of the respective program.

e) Cost of sales

Cost of sales are recognized when the Company sells the products and comprise the purchase price and the cost incurred until the products arrive at the warehouse, i. e. import duties, transport, purchase discounts (price-offs) as well as inventory valuation adjustments and inventory losses.

f) Lease expenses

Dufrey adopted the new temporary amendment to IFRS 16 for the full year 2021 (note 2.5). Basically the amendment allows to consider that renegotiations related to COVID-19 are not modifications, and can be recognized directly as a reduction of lease expense.

g) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Dufrey are recognized at the proceeds received, net of direct issue costs. Repurchase of Dufrey's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of Dufrey's own equity instruments.

h) Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issuance of shares or options are shown in the statement of changes in equity as transaction costs for equity instruments, net of tax.

For Dufrey shares purchased by Dufrey AG or any subsidiary, the consideration paid, including any directly attributable expenses, net of taxes, is deducted from equity until the shares are cancelled, assigned or sold. Where such ordinary shares are subsequently sold, any consideration received, net of any direct transaction expenses and income tax, is included in equity.

i) Pension and other post-employment benefit obligations

The employees of the subsidiaries are eligible for retirement, invalidity and death benefits under local social security schemes prevailing in the countries concerned and defined benefit or defined contribution plans provided through separate funds, insurance plans, or unfunded arrangements. The pension plans are either funded through regular contributions made by the employer or the employee or unfunded. The cost of providing benefits under defined benefit plans is determined using the projected unit credit method. The plan assets are valued at fair value.

Re-measurements, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognized in the statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- the date that Dufrey recognizes restructuring related costs

Net interest is calculated by applying the discount rate to the net defined benefit obligation (asset). Dufrey recognizes the following changes in the net defined benefit obligation in the statement of profit or loss:

- Service costs comprising current service costs are disclosed under "personnel expenses". Past service costs, gains and losses on curtailments and non-routine settlements are shown under "other expenses"
- Net interest expense or income under "finance expenses" or "finance income"

j) Share-based payments

Equity settled share-based payments to employees and other third parties providing services are measured at the fair value of the equity instruments at grant date. The fair value determined at grant date of the equity-settled share-based payments is expensed on a pro rata basis over the vesting period, based on the estimated number of equity instruments that will eventually vest. At the end of each reporting period, Dufrey revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of profit or loss such that the cumulative expense reflects the revised estimate.

Where the terms of an equity settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the holder of the option as measured at the date of modification.

k) Taxation

Income tax expense represents the sum of the current income tax and deferred tax. Where the functional currency is not the local currency, the position includes the effects of foreign exchange translation on deferred tax assets or deferred tax liabilities.

Income tax positions not relating to items recognized in the statement of profit or loss, are recognized in correlation to the underlying transaction, either in other comprehensive income or equity.

Current income tax

Income tax receivables or payables are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date in the countries where Dufrey operates and generates taxable income.

Income tax relating to items recognized in other comprehensive income is recognized in the same statement.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets or liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits or tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date applicable for each respective company.

l) Property, plant and equipment

These are stated at cost less accumulated depreciation and any impairment in fair value. Depreciation is computed on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. The useful lives applied are as follows:

- Real estate (buildings) 20 to 40 years
- Leasehold improvements the shorter of the lease term or 10 years
- Furniture and fixtures the shorter of the lease term or 5 years
- Motor vehicles the shorter of the lease term or 5 years
- Computer hardware the shorter of the lease term or 5 years

m) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease obligations. The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment. The contractual term of our assets is up to 40 years.

To contain a lease, an agreement has to convey the right to control the use of an identified asset throughout the period of use in exchange for consideration, so that the lessee has the right to obtain substantially all of the economic benefits from the use of the identified asset and direct the use of the identified asset (i.e. direct how and for what purpose the asset is used). The lease term corresponds to the non-cancellable period of each contract and where the Group is reasonably certain of exercising renewal options contractually foreseen. Right-of-use assets are capitalized at a value equivalent to the lease obligation at inception and depreciated over the useful life of the asset, except for leases with a lease term (or remaining upon adoption) of less than 12 months or leases of low value assets.

Initial direct costs for contracts signed in the past were not recognized as part of the right-of-use asset at the date of initial adoption.

Short-term leases with a duration of less than 12 months and low value leases, as well as those lease elements, not complying with the principles of recognition defined by IFRS 16 are recognized in Profit or Loss when incurred.

Types of right-of-use assets:

a) Shops

Dufrey enters into lease agreements with operators of airports, seaports, railway stations etc. to operate retail shops which in substance are considered leases. These lease agreements contain complex features, which include variable payment based on sales, which cannot be lower than a minimal threshold (MAG). The MAG can be fixed or variable depending on certain parameters. The MAG amounts may: a) be fixed by the lease agreement or b) be calculated based on a percentage of fees paid in the previous year, or c) adjusted based on an index. In these cases, the unavoidable portions of the fees are considered as in substance fixed payments, despite having a variable component. Management signs and renews on average more than 50 agreements every year with a typical duration of 5 to 10 years.

These agreements do not contain a residual value guarantee. In some cases, the current parts of the lease obligations are secured with bank guarantees in case the Group would not fulfill its contractual commitments. Dufrey has capitalized all elements of the lease contracts in accordance with IFRS 16 when at the commencement of the agreement such commitments are in substance fixed. Payment obligations that do not have a fixed or in substance fixed commitment, will continue to be presented as variable lease expense. Dufrey has identified a number of agreements in its portfolio which are not fulfilling the principles of recognition defined by IFRS 16, i.e. they have minimal guaranteed payments based on non-predictable parameters or variables, such as actual number of passengers, which will continue to be presented as variable lease expense.

b) Other buildings

Lease agreements for offices or warehouse buildings usually qualify for capitalization under IFRS 16.

c) Vehicles and other

Dufrey has also entered into many other lease agreements for e.g. vehicles, hard or software, and other assets, which in accordance with IFRS 16 will qualify for capitalization of leases.

n) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below CHF 5,000, division North America below USD 25,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

o) Intangible assets

These assets mainly comprise of concession rights and brands. Usually these assets are capitalized at cost, but when identified as part of a business combination, these assets are capitalized at fair value as at the date of acquisition. The useful lives of these intangible assets are assessed to be either finite or indefinite. Following initial recognition, the cost model is applied to intangible assets. Intangible assets with finite lives are amortized over the useful economic life. Intangible assets with an indefinite useful life are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, any changes are made on a prospective basis. The brand assets are not amortized, have indefinite useful life, as they can be renewed without significant costs, are supported by ongoing marketing and selling activities and there is no foreseeable limit to the cash-flows they generate. Concession rights have a useful life based on the lease term, which can be up to 40 years.

p) Software

Software is valued at amortized historical cost, or in case of internal developments by the sum of costs incurred less amortization.

q) Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal or its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

r) Associates

Associates are all entities over which Dufrey has significant influence but not control, generally accompanying a shareholding interest of more than 20% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost. The carrying amount is increased or decreased to recognize changes in the Group's share of net assets of the associate after the date of acquisition and decreased by dividends declared. Dufrey's investment in associates may include goodwill identified on acquisition.

Dufrey's share of post-acquisition net profit/(loss) is recognized in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in the statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment. When Dufrey's share of losses in an associate equals or exceeds its interest in the associate, Dufrey does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to net profit/(loss) where appropriate.

Dufrey determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, Dufrey calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount within the finance expense in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between Dufrey and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by Dufrey.

Dilution gains and losses arising in investments in associates are recognized in the statement of profit or loss.

s) Inventories

Inventories are valued at the lower of historical cost or net realizable value.

The historical costs are determined according to the weighted average cost method. Historical cost includes all expenses incurred in bringing the inventories to their present location and condition. Beside the purchase price of the goods less the discounts or rebates obtained, the historical cost includes import duties and transport cost. Dufrey purchases most of the inventory centrally and provides the subsidiaries the goods in their reporting currency, i.e. free of currency risk for them.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Inventory allowances are set up for slow-moving and obsolete stock. Expired items are fully written off.

t) Trade and credit card receivables

These accounts include receivables related to the sale of merchandise. Trade receivables that do not have a significant financing component are initially measured at transaction price and subsequently at amortised cost.

u) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand or current bank accounts as well as current deposits at banks with initial maturity below 91 days. Credit card receivables with a maturity of up to 4 working days are included as cash in transit.

v) Lease obligations

At the commencement date of the lease, the Group recognizes lease obligations measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. Amounts resulting from a remeasurement of the lease obligation due to an index or a rate are recognized against right-of-use assets.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease obligations is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease obligations is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Dufrey uses a discount rate which is the aggregation of the risk free rate for the respective currency and lease duration, increased by individual company risk factors.

The lease obligation represents the net present value of fixed or in substance fixed lease payments over the lease term. The implied interest charge is presented as interest expenses on lease obligation. Where a lease agreement does not specify a discount rate and as the subsidiaries are financed internally, Dufrey uses a discount rate which is the aggregation of the risk free rate for the respective currency and lease duration, increased by individual company risk factors.

Usually our lease contract do not specify interest, so that the accrued interest are considered a part of the minimal in substance fix commitments, which are presented in the cash flow from financing. In case the lease payments are higher due to variable fee clauses, these amounts are presented as cash outflow from operations.

w) Provisions

Provisions are recognized when Dufrey has a present obligation (legal or constructive) as a result of a past event, it is probable that Dufrey will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate at the end of the reporting period of the consideration required to settle the present obligation, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination that represent a present obligation and its fair value can be measured reliably are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 Provisions, contingent liabilities and contingent assets and the amount initially recognized less cumulative income recognized in accordance with IFRS 15 Revenue from contracts with customers.

Onerous contracts

Present obligations arising under onerous contracts are measured and recognized as provisions. An onerous contract is considered to exist if Dufrey has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructurings

A restructuring provision is recognized when Dufrey has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity. Amounts of restructuring are shown in other provisions.

Lawsuits and duties

A lawsuits and duties provision is recognized to cover uncertainties dependent on the outcome of ongoing lawsuits in relation with taxes or contractual commitments, other than income taxes and duties.

x) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For respective criteria refer to section (iii) Measurement. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as part of the financial result.
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented in the other operational result.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented as net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in the finance income or finance expenses in the statement of profit or loss as applicable.

(iv) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. For trade receivables, receivables for refund from suppliers and related services the Group applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables.

y) Trade and other account receivables

Trade and other account receivables (including credit cards receivables and other account receivables), that do not have a significant financing component are initially measured at transaction price and subsequently at amortised cost using the effective interest rate.

z) Financial liabilities

i) Financial liabilities at FVPL

These are stated at fair value, with any gains or losses arising on re-measurement recognized in the statement of profit or loss. The net gain or loss recognized in the consolidated statement of profit or loss incorporates any interest paid on the financial liability and is included in the finance income or finance expenses in the statement of profit or loss. Fair value is determined in the manner described in note 34.

ii) Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

iii) Derecognition of financial liabilities

Dufry derecognizes financial liabilities only when the obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in the statement of profit or loss.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously (see note 29.1).

aa) Compound financial instruments

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's

own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital and share premium. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

ab) Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 34.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within OCI. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains/(losses).

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognized in the cash flow hedge reserve within OCI. The changes in the time value of the options that relate to the hedged item ("aligned time value") are recognized within OCI. When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ("aligned forward element") is recognized within OCI. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss within other finance income or finance expense. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold. See notes 28.1 and 28.2 for further details.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the statement of profit or loss and are included in other finance income or finance expense.

Further details of derivative financial instruments are disclosed in note 35.

2.5 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new or revised Standards and Interpretations adopted in these consolidated financial statements (effective January 1, 2021).

New and amended standards adopted by the Group

The IBOR reform Phase 2 amendments became effective January 1, 2021.

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates.

The Group adjusted respective agreements adopting the new standards to reflect IBOR reform Phase 2 and the usage of Risk Free Rates where applicable. No economic impact is expected with its introduction.

The amendments apply for the first time in 2021, but do not have a material impact on the consolidated financial statements of the Group.

The Group has not early adopted any of the amendments that have been issued but not yet effective.

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards, except for the COVID-19 related rent concessions:

COVID-19 related rent concessions - Amendment to IFRS 16

On May 28, 2020 the IAS-Board issued an amendment to IFRS 16 providing lessees with an exemption from assessing whether a COVID-19 related relief of lease obligations is a lease modification, requiring lessees that apply the exemption to account for COVID-19 related rent concessions as if they were not lease modifications. Dufrey adopted this amendment applying it for the full year 2020. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and
- (c) there is no substantive change to other terms and conditions of the lease.

On March 31, 2021, the IASB published a further amendment to extend the date of the practical expedient from June 30, 2021 to June 30, 2022.

The exemption applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and subject to the above conditions and was applied in all possible cases. Dufrey recognized in 2021 a net relief of lease obligations of CHF 847.1 (2020: 380.3) million presented as lease (expense)/income (see note 8).

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Dufrey's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation include uncertainties at the reporting date, which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial periods, are discussed below.

Impairment tests

Dufrey annually tests goodwill and intangible assets with indefinite useful lives and assesses other non-financial assets for impairment indications. Where required, the company performs impairment tests which are based on the discounted value models of future cash flows. The underlying calculation requires the use of estimates. The estimates and assumptions used are disclosed in note 19.

Pension and other post-employment benefit obligations

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves assumptions about discount rates, future salary and pension increases as well as mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Dufrey changed its Swiss actuarial advisor in 2021.

Certain methodologies used by the new advisor differ from those used by the previous advisor and these methodologies have resulted in a CHF 6.2 million reduction in net liability via OCI.

Further details are given in note 33.

4. NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED /EFFECTIVE

Certain new accounting standards and interpretations were issued that are not effective for 2021. Dufrey will adopt these when they become mandatory. From the current point of view they are not expected to have a material impact in future reporting periods.

5. SEGMENT INFORMATION

Dufrey's risks and returns are predominantly affected by the fact that Dufrey operates in different countries. Therefore, Dufrey presents the segment information as it does internally to the Group Executive Committee, which represents the Chief Operating Decision Maker (CODM), using geographical segments and the global distribution centers as an additional segment.

The Group implemented a new company organization for the financial year 2021. The previous segments Central & South America and North America were combined in the new segment The Americas. The comparative figures have been presented accordingly to reflect these changes.

The Group is presenting as alternative performance measure an Adjusted Operating Profit to the Group Executive Committee. This indicator represents the operating profit before amortization of intangible assets identified during previous acquisitions.

Information reported to the Group Executive Committee for the purposes of resource allocation and assessment of segment performance is focused on the geographical segments. The Group's reportable segments under IFRS 8 are therefore as follows:

2021 IN MILLIONS OF CHF	TURNOVER			ADJUSTED OPERATING PROFIT (unaudited)	EMPLOYEES (FTE) (unaudited)
	with external customers	with other divisions	TOTAL		
Europe, Middle East and Africa (EMEA)	1,723.8	-	1,723.8	515.7	8,767
Asia Pacific	99.0	-	99.0	(12.2)	577
The Americas ¹	1,728.5	-	1,728.5	(139.9)	10,105
Global Distribution Centers ²	364.1	666.2	1,030.3	11.3	497
Total divisions	3,915.4	666.2	4,581.6	374.9	19,946
Eliminations	-	(666.2)	(666.2)	-	-
Dufrey	3,915.4	-	3,915.4	374.9	19,946

2020 IN MILLIONS OF CHF	TURNOVER			ADJUSTED OPERATING PROFIT (unaudited)	EMPLOYEES (FTE) (unaudited)
	with external customers	with other divisions	TOTAL		
Europe, Middle East and Africa (EMEA)	1,144.5	-	1,144.5	(1,069.3)	9,924
Asia Pacific	160.0	-	160.0	(73.3)	664
The Americas ¹	1,141.7	-	1,141.7	(417.7)	6,799
Global Distribution Centers ²	114.9	376.3	491.2	(1.3)	408
Total divisions	2,561.1	376.3	2,937.4	(1,561.6)	17,795
Eliminations	-	(376.3)	(376.3)	-	-
Dufrey	2,561.1	-	2,561.1	(1,561.6)	17,795

¹ Dufrey Group generated 25.5% (2020: 23.2%) of its turnover in the US.

² Global Distribution Center have global functions and cannot be allocated to the other segments.

Transactions between operative segments considered on arm's length terms.

Dufrey generated 5.0% (2020: 6.6%) of its turnover with external customers in Switzerland (domicile).

Adjusted Operating Profit

IN MILLIONS OF CHF	NOTE	2021	2020
Operating profit / (loss)		(66.2)	(2,500.8)
Adjusted for:			
Amortization of concession rights*	18	195.5	251.1
Impairment of concession rights*	18	224.0	556.8
Impairment of goodwill*	18	21.6	131.1
Adjusted operating profit		374.9	(1,561.6)

* Related to acquisitions.

Financial Position and other disclosures

31.12.2021 IN MILLIONS OF CHF	TOTAL ASSETS	TOTAL LIABILITIES	INCOME TAX (EXPENSE) / INCOME	CAPITAL EXPENDITURE PAID	DEPRECIATION AMORTIZATION AND IMPAIRMENT
Europe, Middle East and Africa (EMEA)	5,307.7	3,092.8	(48.6)	(29.4)	(557.7)
Asia Pacific	188.5	127.1	(0.9)	(1.1)	(71.4)
The Americas ¹	2,996.0	2,127.2	94.4	(47.3)	(835.9)
Global Distribution Centers	1,406.5	365.8	(2.4)	(12.8)	(24.2)
Total divisions	9,898.7	5,712.9	42.5	(90.6)	(1,489.2)
Unallocated positions	91.7	3,243.0	0.1	(0.6)	(1.3)
Dufrey	9,990.4	8,955.9	42.6	(91.2)	(1,490.5)

31.12.2020 IN MILLIONS OF CHF	TOTAL ASSETS	TOTAL LIABILITIES	INCOME TAX (EXPENSE) / INCOME	CAPITAL EXPENDITURE PAID	DEPRECIATION AMORTIZATION AND IMPAIRMENT
Europe, Middle East and Africa (EMEA)	6,154.8	4,144.9	79.6	(55.3)	(1,646.2)
Asia Pacific	567.7	541.1	(6.3)	(4.0)	(141.6)
The Americas ¹	3,390.6	2,003.4	67.4	(51.4)	(1,016.9)
Global Distribution Centers	847.7	128.6	(0.1)	(4.1)	(20.7)
Total divisions	10,960.8	6,818.0	140.6	(114.8)	(2,825.4)
Unallocated positions	294.2	3,519.0	(9.9)	(4.2)	(16.5)
Dufrey	11,255.0	10,337.0	130.7	(119.0)	(2,841.9)

¹ Within Dufrey Group, 14.2% (2020: 13.0%) of the total non-current assets are located in the US.

Reconciliation of assets

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Operating assets	9,898.7	10,960.8
Current assets of corporate and holding companies	47.9	30.3
Non-current assets of corporate and holding companies	43.8	263.9
Total assets	9,990.4	11,255.0

Reconciliation of liabilities

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Operating liabilities	5,712.9	6,818.0
Borrowings of corporate and holding companies, current	0.2	0.6
Borrowings of corporate and holding companies, non-current	3,188.8	3,510.5
Other non-segment liabilities	54.0	7.9
Total liabilities	8,955.9	10,337.0

6. ACQUISITIONS OF BUSINESSES

There were no significant transactions during 2021 and 2020.

7. NET SALES

Net sales by product categories:

IN MILLIONS OF CHF	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2021	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2020
Perfumes and Cosmetics	612.5	49.7	241.6	273.1	1,176.9	426.3	69.2	220.4	58.9	774.8
Food, Confectionery and Catering	228.4	0.4	601.4	3.0	833.2	138.2	7.6	332.1	2.1	480.0
Wine and Spirits	306.1	4.2	313.6	36.5	660.4	190.1	27.5	183.8	12.4	413.8
Luxury goods	120.1	33.5	153.3	2.7	309.6	96.3	30.4	156.8	0.3	283.8
Tobacco goods	367.7	2.1	60.0	0.1	429.9	219.4	15.2	51.5	0.1	286.2
Electronics	4.9	0.5	97.0	-	102.4	4.3	2.7	54.2	0.1	61.3
Literature and Publications	4.1	-	63.1	-	67.2	4.7	0.1	41.7	-	46.5
Other	62.3	7.6	175.8	1.5	247.2	52.5	5.3	72.5	0.9	131.2
Total	1,706.1	98.0	1,705.8	316.9	3,826.8	1,131.8	158.0	1,113.0	74.8	2,477.6

Net sales by market sector:

IN MILLIONS OF CHF	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2021	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2020
Duty-free	1,095.8	55.6	682.3	0.7	1,834.4	726.8	125.1	527.0	0.2	1,379.1
Duty-paid	610.3	42.4	1,023.5	316.2	1,992.4	405.0	32.9	586.0	74.6	1,098.5
Total	1,706.1	98.0	1,705.8	316.9	3,826.8	1,131.8	158.0	1,113.0	74.8	2,477.6

Net sales by channel:

IN MILLIONS OF CHF	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2021	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2020
Airports	1,605.4	45.6	1,571.8	-	3,222.8	1,046.8	97.9	987.5	-	2,132.2
Border, downtown and hotel shops	40.2	43.7	59.9	-	143.8	33.7	42.8	37.9	-	114.4
Cruise liners and seaports	29.7	-	46.6	-	76.3	20.0	-	55.5	-	75.5
Railway stations and other	30.8	8.7	27.5	316.9	383.9	31.3	17.3	32.1	74.8	155.5
Total	1,706.1	98.0	1,705.8	316.9	3,826.8	1,131.8	158.0	1,113.0	74.8	2,477.6

8. LEASE (EXPENSES) / INCOME

IN MILLIONS OF CHF	2021	2020
Lease expenses ¹	(692.2)	(391.8)
Lease expenses short-term contracts	(3.7)	(3.0)
Lease expenses low value contracts	(0.8)	(0.9)
Sublease income from right-of-use assets	11.8	15.9
Relief of lease obligations ²	847.1	380.3
Change in provision for onerous contract	14.2	7.5
Total	176.4	8.0

¹ Lease expenses include only variable lease expenses. Fixed and in substance fixed commitments are recognized in accordance with lease accounting as depreciation of right-of-use assets or interest on lease obligations.

² See note 2.5 COVID-19 related rent concessions - Amendment to IFRS 16.

Most lease contracts require as compensation the higher of two amounts: a) a percentage of sales or b) a fixed minimal guaranteed amount (MAG). The fair value of these MAG commitments over the contractual term are presented usually as right-of-use assets and expensed as depreciation. Lease payments exceeding the MAG are presented as lease expenses and are normally calculated as a percentage of sales. Other lease contracts require only variable payments, which are fully presented as lease expense. For the following year, the Group estimates that the lease expenses may be between 17% and 21% of net sales.

Variable lease expense approximates the related cash flows due to the short payment term characteristic of these contracts.

For further details of right-of-use assets, please refer to note 17, for lease obligation, note 29 and for the gain in relation to modifications of lease contracts, to note 13.

9. PERSONNEL EXPENSES

IN MILLIONS OF CHF	2021	2020
Salaries and wages	(485.8)	(552.9)
Social security expenses	(87.4)	(100.8)
Retirement benefits	(14.2)	(11.3)
Other personnel expenses	(48.0)	(51.0)
Total	(635.4)	(716.0)

Since 2020, some governments initiated actions to reduce the financial implications to companies affected by the COVID-19 pandemic. Certain Dufry subsidiaries have been granted government support in order to reduce the burden of personnel expenses during the lock-down periods. In this respect, Dufry has received CHF 38.3 (2020: 73.3) million.

During 2019, Dufry adapted the Company organization by reducing personnel expenses based on the expected decline in sales of the respective subsidiaries. The initiative included early retirements, hold-backs of seasonal staff employment as well as the reduction of positions across the Group. In June 2020, the Company has decided on and announced the respective plans to implement these measures during the second half of 2020. In 2020, the Group has incurred in total CHF 73.3 million in severance cost, of which CHF 37.6 million have been paid out during 2020 and CHF 35.7 million are accrued under personnel payables and short term provisions depending on the status of the restructuring measures. As of December 31, 2021, CHF 3.7 million remains as short term provisions.

10. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

IN MILLIONS OF CHF	2021	2020
Depreciation of property, plant and equipment	(138.0)	(166.2)
Impairment of property, plant and equipment	(63.0)	(37.3)
Subtotal property, plant and equipment (note 16)	(201.0)	(203.5)
Depreciation of right-of-use assets	(837.4)	(1,178.1)
Impairment of right-of-use assets	44.1	(443.1)
Subtotal right-of-use assets (note 17)	(793.3)	(1,621.2)
Amortization of intangible assets	(234.6)	(304.4)
Impairment of intangible assets and goodwill	(261.6)	(712.8)
Subtotal intangible assets and goodwill (note 18)	(496.2)	(1,017.2)
Total	(1,490.5)	(2,841.9)

Aggregated information of impairments per division (segment)

IN MILLIONS OF CHF	2021 ¹			2020 ¹		
	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill ²	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill ²
Europe, Middle East and Africa (EMEA)	(5.5)	127.5	(0.7)	(31.1)	(417.4)	(269.6)
Asia Pacific	(6.5)	(0.8)	-	(0.4)	(8.5)	-
The Americas	(51.0)	(82.6)	(260.9)	(5.7)	(17.2)	(436.3)
Global Distribution Centers	-	-	-	(0.1)	-	(6.9)
Total	(63.0)	44.1	(261.6)	(37.3)	(443.1)	(712.8)

¹ Refer to note 5 for changes in the segment information.

² Includes impairment of goodwill of CHF 21.6 million for division The Americas.

³ Includes impairment of goodwill of CHF 131.1 million for division The Americas.

Nearly all operations worldwide have been affected in different degrees by the measures taken during the last two years to curb the pandemic, like the reduction of international traffic or requesting passengers a quarantine period deteriorating severely the turnover, as well as increasing the volatility of the projections. As a consequence, the Company recognized in 2021 impairments of depreciable or amortizable assets.

During the financial year 2021, Dufrey reversed impairments in right-of-use assets of CHF 166.3 million due to changes in future concession fee pattern.

There have been no reversals of impairments during 2020.

For further details, please refer to note 19 - Impairment test of tangible and intangible assets.

11. OTHER EXPENSES

IN MILLIONS OF CHF	2021	2020
Repairs, maintenance and utilities	(60.5)	(56.9)
Credit card expenses	(57.3)	(38.3)
Professional advisor expenses	(46.6)	(51.6)
IT expenses	(47.3)	(47.9)
Freight & packaging material	(22.1)	(18.0)
Acquisition related transaction costs ¹	(1.3)	(12.6)
Consulting expenses for projects	(7.0)	(1.1)
Other operational expenses	(35.8)	(30.9)
Advertising expenses	(13.2)	(10.2)
Office and admin expenses	(19.5)	(20.8)
Travel, car, entertainment and representation	(7.8)	(11.0)
Franchise fees and commercial services	(14.5)	(7.1)
Public relations expenses	(6.0)	(11.3)
Taxes, other than income tax expense	(21.0)	(17.6)
Ancillary premises expenses	(6.5)	(8.4)
Insurances	(10.9)	(14.0)
Bank expenses	(4.3)	(3.9)
Total	(381.6)	(361.6)

¹ Transaction costs in 2020 include costs in relation to aborted business combination transactions mainly in the USA.

12. OTHER INCOME

IN MILLIONS OF CHF

	2021	2020
Sales tax recovery	-	6.6
Selling income	16.4	9.6
Other operating income ¹	37.5	17.2
Total	53.9	33.4

¹ In 2021, other operating income includes government support of CHF 17.8 (2020: 0.0) million.

13. FINANCE INCOME AND FINANCE EXPENSES

FINANCE INCOME

IN MILLIONS OF CHF

	2021	2020
INCOME ON FINANCIAL ASSETS		
Interest income on current deposits	11.0	22.5
Interest income on 3 rd party loans	4.6	-
Other finance income	5.8	13.0
Interest income on financial assets	21.4	35.5
INCOME ON NON-FINANCIAL ASSETS		
Interest income	-	0.1
INCOME FROM FINANCIAL INVESTMENTS AND ASSOCIATES		
Share of result in associates	3.0	(25.4)
Gain on disposal of financial investments	1.5	4.7
Income from financial investments and associates	4.5	(20.7)
Total finance income	25.9	14.9

FINANCE EXPENSES

EXPENSES ON FINANCIAL LIABILITIES

Interest expense	(250.2)	(325.5)
of which lease interest ¹	(109.8)	(178.7)
of which bank interest	(113.0)	(134.0)
of which bank commitment fees	(12.8)	(1.4)
of which bank guarantees commission expense	(5.0)	(4.0)
of which related to other financial liabilities	(9.6)	(7.4)
Amortization / write off of arrangement fees	(18.6)	(13.1)
Impairment on other financial assets	(45.0)	(23.8)
Other finance costs ²	(49.1)	(16.9)
Interest expense on financial liabilities	(362.9)	(379.3)

EXPENSES ON NON-FINANCIAL LIABILITIES

Interest expense	(2.0)	(6.1)
Interest and other finance expenses	(2.0)	(6.1)
Total finance expenses	(364.9)	(385.4)

¹ In 2021, contains gain in relation to modifications of lease contracts of CHF 33.6 million.

² In 2021, contains incentives for early conversion of bonds of CHF 28.8 million.

14. INCOME TAXES

INCOME TAX RECOGNIZED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

IN MILLIONS OF CHF	2021	2020
Current Income tax income/(expense)	(48.1)	35.1
of which corresponding to the current period	(44.5)	9.9
of which adjustments recognized in relation to prior years	(3.6)	25.2
Deferred Income tax income/(expense)	90.7	95.6
of which related to the origination or reversal of temporary differences	95.6	136.9
of which adjustments recognized in relation to prior years	32.5	(30.9)
of which relates to foreign exchange movements ¹	(7.3)	(11.5)
of which adjustments due to change in tax rates	(30.1)	1.1
Total	42.6	130.7

¹ In countries where Dufry pays taxes in another currency than the functional currency, deferred tax assets and liabilities are impacted by foreign exchange fluctuations. These changes are presented as income tax.

In 2021, Dufry realized CHF 48.1 million current tax expense. This results from a combination of current tax expenses of CHF 59.4 million, income from tax losses carried back of CHF 6.9 million in certain jurisdictions as well as a CHF 4.4 million refund claims filed during 2021.

Deferred tax income decreased for the period mostly as a consequence of a tax rate change in the UK, which negatively impacted our deferred tax balance by CHF 33.9 million and Hudson utilizing tax loss carry forwards losses in 2021 rather than carrying forward losses as they did in the first nine months of 2020.

IN MILLIONS OF CHF	2021	2020
Consolidated profit/(loss) before taxes	(407.8)	(2,871.2)
Expected tax rate in %	22.2%	20.8%
Income tax at the expected rate	90.4	598.1
EFFECT OF		
Income not subject to income tax	(0.3)	0.1
Different tax rates for subsidiaries in other jurisdictions	0.7	1.6
Effect of changes in tax rates on previously recognized deferred tax assets and liabilities	(30.1)	1.2
Non-deductible expenses	(4.3)	(15.9)
Change of unrecognized tax loss carry forwards	(110.2)	(268.1)
Net change of recognition of temporary differences and tax credits	92.7	(152.5)
Non recoverable withholding taxes	(1.8)	(3.8)
Income taxes in non-controlling interest holders	(1.4)	4.6
Adjustments recognized in relation to prior year	28.9	(5.7)
Foreign exchange movements on deferred tax balances ¹	(7.3)	(11.5)
Other items	(14.7)	(17.4)
Total	42.6	130.7

¹ In countries where Dufry pays taxes in a currency other than the functional currency, deferred tax assets and liabilities are impacted by foreign exchange fluctuations between the functional and local currencies. These changes are included in the group's tax expense line.

The expected tax rate in % approximates the average income tax rate of the countries where the Group is active, weighted by the profit before taxes of the respective operations adjusted for impairments. For 2021, there were no major changes in tax rates noted for countries in which Dufrey is operating.

DEFERRED INCOME TAX RECOGNIZED IN OTHER
 COMPREHENSIVE INCOME OR IN EQUITY

IN MILLIONS OF CHF	2021	2020
RECOGNIZED IN OTHER COMPREHENSIVE INCOME		
Actuarial gains/(losses) on defined benefit plans	(11.6)	0.6
Total	(11.6)	0.6
RECOGNIZED IN EQUITY		
Tax effect on share-based payments ¹	-	(0.3)
Total	-	(0.3)

¹ Includes CHF 0.0 (2020: -0.1) million as equity attributable to non-controlling interests.

15. COMPONENTS OF OTHER COMPREHENSIVE INCOME

2021 IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				TOTAL	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
	Employee benefit reserve	Hedging & revaluation reserves	Translation reserves	Retained earnings			
Remeasurement of post-employment benefits plans	77.9	-	-	-	77.9	-	77.9
Income tax effect	(11.6)	-	-	-	(11.6)	-	(11.6)
Subtotal	66.3	-	-	-	66.3	-	66.3
Exchange differences on translating foreign operations	-	-	81.7	-	81.7	(0.4)	81.3
Subtotal	-	-	81.7	-	81.7	(0.4)	81.3
Net gain/(loss) on hedge of net investment in foreign operations (note 28.1)	-	-	(7.9)	-	(7.9)	-	(7.9)
Income tax effect	-	-	-	-	-	-	-
Subtotal	-	-	(7.9)	-	(7.9)	-	(7.9)
Share of other comprehensive income of associates	-	-	0.2	-	0.2	-	0.2
Subtotal	-	-	0.2	-	0.2	-	0.2
Other comprehensive income	66.3	-	74.0	-	140.3	(0.4)	139.9

2020 IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				TOTAL	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
	Employee benefit reserve	Hedging & revaluation reserves	Translation reserves	Retained earnings			
Remeasurement of post-employment benefits plans	1.0	-	-	-	1.0	-	1.0
Income tax effect	0.6	-	-	-	0.6	-	0.6
Subtotal	1.6	-	-	-	1.6	-	1.6
Exchange differences on translating foreign operations	-	-	(219.4)	-	(219.4)	(17.7)	(237.1)
Subtotal	-	-	(219.4)	-	(219.4)	(17.7)	(237.1)
Net gain/(loss) on hedge of net investment in foreign operations (note 28.1)	-	-	24.2	-	24.2	-	24.2
Subtotal	-	-	24.2	-	24.2	-	24.2
Share of other comprehensive income of associates	-	-	0.2	-	0.2	-	0.2
Subtotal	-	-	0.2	-	0.2	-	0.2
Other comprehensive income	1.6	-	(195.0)	-	(193.4)	(17.7)	(211.1)

16. PROPERTY, PLANT AND EQUIPMENT

2021 IN MILLIONS OF CHF	LEASEHOLD IMPROVE- MENTS	BUILDINGS	FURNITURE FIXTURES	COMPUTER HARDWARE	VEHICLES	WORK IN PROGRESS	TOTAL
AT COST							
Balance at January 1	618.4	15.3	472.4	49.2	6.4	53.9	1,215.6
Decrease in scope of consolidation	-	-	(1.8)	-	-	-	(1.8)
Additions	15.6	-	16.4	2.0	0.2	38.5	72.7
Disposals	(53.1)	-	(22.5)	(4.4)	(0.5)	(1.3)	(81.8)
Reclassification within classes	(11.5)	-	50.9	2.1	0.3	(41.8)	-
Reclassification from intangible assets	-	-	-	0.1	-	-	0.1
Currency translation adjustments	11.4	(0.1)	15.5	4.3	0.3	0.7	32.1
Balance at December 31	580.8	15.2	530.9	53.3	6.7	50.0	1,236.9
ACCUMULATED DEPRECIATION							
Balance at January 1	(342.8)	(7.5)	(309.6)	(24.3)	(4.4)	-	(688.6)
Decrease in scope of consolidation	-	-	1.8	-	-	-	1.8
Additions (note 10)	(68.6)	(0.7)	(56.7)	(11.1)	(0.9)	-	(138.0)
Disposals	45.9	-	21.6	4.1	0.5	-	72.1
Reclassification within classes	28.5	(0.4)	(27.2)	(0.8)	(0.1)	-	-
Currency translation adjustments	(12.7)	0.1	(9.3)	(3.7)	(0.2)	-	(25.8)
Balance at December 31	(349.7)	(8.5)	(379.4)	(35.8)	(5.1)	-	(778.5)
IMPAIRMENT							
Balance at January 1	(33.1)	(0.2)	(29.0)	(1.2)	-	(10.2)	(73.7)
Net impairment (note 10)	(62.0)	(3.7)	(4.4)	(0.8)	(0.1)	8.0	(63.0)
Disposals	6.6	-	0.1	0.2	-	-	6.9
Reclassification within classes	2.0	-	(1.8)	-	-	(0.2)	-
Currency translation adjustments	0.3	-	0.2	-	-	-	0.5
Balance at December 31	(86.2)	(3.9)	(34.9)	(1.8)	(0.1)	(2.4)	(129.3)
CARRYING AMOUNT							
At December 31, 2021	144.9	2.8	116.6	15.7	1.5	47.6	329.1

2020 IN MILLIONS OF CHF	LEASEHOLD IMPROVE- MENTS	BUILDINGS	FURNITURE FIXTURES	COMPUTER HARDWARE	VEHICLES	WORK IN PROGRESS	TOTAL
AT COST							
Balance at January 1	633.9	52.9	491.3	55.6	8.1	55.8	1,297.6
Decrease in scope of consolidation	(0.2)	-	(0.2)	(0.1)	(0.2)	-	(0.7)
Additions	17.4	0.7	11.9	3.9	-	51.1	85.0
Disposals	(26.7)	(1.0)	(18.0)	(3.4)	(0.8)	(6.6)	(56.5)
Reclassification within classes	46.5	(36.5)	26.8	2.1	-	(38.9)	-
Reclassification to right-of-use	(1.0)	-	-	-	-	-	(1.0)
Reclassification to intangible assets	-	-	-	-	-	(3.7)	(3.7)
Currency translation adjustments	(51.5)	(0.8)	(39.4)	(8.9)	(0.7)	(3.8)	(105.1)
Balance at December 31	618.4	15.3	472.4	49.2	6.4	53.9	1,215.6
ACCUMULATED DEPRECIATION							
Balance at January 1	(301.6)	(21.8)	(282.5)	(20.9)	(4.9)	-	(631.7)
Decrease in scope of consolidation	0.2	-	0.2	0.1	0.1	-	0.6
Additions (note 10)	(83.9)	(0.9)	(67.1)	(13.3)	(1.0)	-	(166.2)
Disposals	21.1	1.0	14.1	3.1	0.8	-	40.1
Reclassification within classes	(10.6)	13.7	(3.1)	-	-	-	-
Currency translation adjustments	32.0	0.5	28.8	6.7	0.6	-	68.6
Balance at December 31	(342.8)	(7.5)	(309.6)	(24.3)	(4.4)	-	(688.6)
IMPAIRMENT							
Balance at January 1	(27.5)	(0.2)	(10.3)	(0.8)	-	-	(38.8)
Impairment (note 10)	(5.8)	-	(20.9)	(0.5)	-	(10.1)	(37.3)
Reclassification within classes	(1.5)	-	1.5	-	-	-	-
Currency translation adjustments	1.7	-	0.7	0.1	-	(0.1)	2.4
Balance at December 31	(33.1)	(0.2)	(29.0)	(1.2)	-	(10.2)	(73.7)
CARRYING AMOUNT							
At December 31, 2020	242.5	7.6	133.8	23.7	2.0	43.7	453.3

Cash flow used for purchase of property, plant and equipment

IN MILLIONS OF CHF	2021	2020
Payables for capital expenditure at the beginning of the period	(10.7)	(28.2)
Additions of property, plant and equipment	(72.7)	(85.0)
Payables for capital expenditure at the end of the period	9.3	10.7
Currency translation adjustments	(0.2)	1.4
Total Cash Flow	(74.3)	(101.1)

17. RIGHT-OF-USE ASSETS

2021 IN MILLIONS OF CHF	SHOPS	OTHER BUILDINGS	VEHICLES	OTHER	TOTAL
AT COST					
Balance at January 1	6,871.1	234.9	6.2	2.1	7,114.3
Additions ¹	36.5	8.9	1.2	-	46.6
Disposals ²	(129.9)	(7.0)	(0.1)	(0.1)	(137.1)
Lease modifications ³	(892.8)	1.7	0.8	0.2	(890.1)
Reclassification within classes	-	0.1	-	(0.1)	-
Currency translation adjustments	(12.2)	1.4	0.1	-	(10.7)
Balance at December 31	5,872.7	240.0	8.2	2.1	6,123.0
ACCUMULATED DEPRECIATION					
Balance at January 1	(2,167.0)	(61.7)	(2.4)	(1.1)	(2,232.2)
Additions (note 10)	(803.3)	(31.8)	(1.9)	(0.4)	(837.4)
Disposals ²	109.1	6.8	0.1	0.1	116.1
Lease modifications ³	306.1	1.6	-	-	307.7
Currency translation adjustments	26.4	0.2	-	-	26.6
Balance at December 31	(2,528.7)	(84.9)	(4.2)	(1.4)	(2,619.2)
IMPAIRMENT					
Balance at January 1	(439.8)	(3.6)	-	-	(443.4)
Impairment	(118.6)	(3.6)	-	-	(122.2)
Reversal of impairment	166.3	-	-	-	166.3
Disposals ²	0.1	-	-	-	0.1
Reclassification within classes	(0.8)	0.8	-	-	-
Currency translation adjustments	16.3	(0.1)	-	-	16.2
Balance at December 31	(376.5)	(6.5)	-	-	(383.0)
CARRYING AMOUNT					
At December 31, 2021	2,967.5	148.6	4.0	0.7	3,120.8

¹ New contracts.

² Ending of lease contracts.

³ Relates to contractual lease term changes.

2020 IN MILLIONS OF CHF	SHOPS	OTHER BUILDINGS	VEHICLES	OTHER	TOTAL
AT COST					
Balance at January 1	5,251.9	212.6	4.6	1.4	5,470.5
Decrease in scope of consolidation	(0.8)	-	-	-	(0.8)
Additions	1,840.3	38.9	2.0	0.8	1,882.0
Disposals ¹	(95.8)	(4.7)	(0.1)	-	(100.6)
Reclassification within classes ²	(1.5)	-	-	-	(1.5)
Reclassification from property, plant & equipment	1.0	-	-	-	1.0
Reclassification from intangible assets ³	94.3	-	-	-	94.3
Currency translation adjustments	(218.3)	(11.9)	(0.3)	(0.1)	(230.6)
Balance at December 31	6,871.1	234.9	6.2	2.1	7,114.3
ACCUMULATED DEPRECIATION					
Balance at January 1	(1,108.1)	(32.5)	(1.2)	(0.6)	(1,142.4)
Decrease in scope of consolidation	0.2	-	-	-	0.2
Additions (note 10)	(1,143.2)	(32.9)	(1.4)	(0.6)	(1,178.1)
Disposals ¹	53.9	1.5	0.1	-	55.5
Reclassification from intangible assets ³	(34.3)	-	-	-	(34.3)
Currency translation adjustments	64.5	2.2	0.1	0.1	66.9
Balance at December 31	(2,167.0)	(61.7)	(2.4)	(1.1)	(2,232.2)
IMPAIRMENT					
Balance at January 1	-	-	-	-	-
Net impairment (note 10)	(439.5)	(3.6)	-	-	(443.1)
Currency translation adjustments	(0.3)	-	-	-	(0.3)
Balance at December 31	(439.8)	(3.6)	-	-	(443.4)
CARRYING AMOUNT					
At December 31, 2020	4,264.3	169.6	3.8	1.0	4,438.7

¹ Disposals mainly relate to contractual term changes which led to derecognition of right-of-use assets.

² CHF 1.5 million is reclassified to other non-current asset as part of a lease contract re-negotiation in division The Americas.

³ Transfers from concession rights to right-of-use assets opening balances in division The Americas.

18. INTANGIBLE ASSETS AND GOODWILL

2021 IN MILLIONS OF CHF	CONCESSION RIGHTS				TOTAL	GOODWILL
	Acquisition related	Plain	BRANDS	OTHER ¹		
AT COST						
Balance at January 1	4,526.5	103.7	269.9	273.0	5,173.1	2,497.6
Decrease in scope of consolidation	(18.1)	(2.7)	-	(0.9)	(21.7)	-
Additions	-	-	-	16.9	16.9	-
Disposals	-	(17.6)	-	(47.4)	(65.0)	-
Reclassification to property, plant and equipment	-	-	-	(0.1)	(0.1)	-
Currency translation adjustments	21.3	2.1	(3.8)	3.5	23.1	15.2
Balance at December 31	4,529.7	85.5	266.1	245.0	5,126.3	2,512.8
ACCUMULATED AMORTIZATION						
Balance at January 1	(2,068.7)	(56.8)	(3.3)	(189.7)	(2,318.5)	-
Decrease in scope of consolidation	9.0	1.2	-	0.6	10.8	-
Additions (note 10)	(195.5)	(7.3)	-	(31.8)	(234.6)	-
Disposals	-	13.3	-	40.9	54.2	-
Reclassification within classes	0.1	-	-	(0.1)	-	-
Currency translation adjustments	(17.3)	(1.5)	-	(2.4)	(21.2)	-
Balance at December 31	(2,272.4)	(51.1)	(3.3)	(182.5)	(2,509.3)	-
IMPAIRMENT						
Balance at January 1	(638.8)	(11.2)	(5.5)	(2.2)	(657.7)	(128.3)
Decrease in scope of consolidation	9.1	1.5	-	0.3	10.9	-
Net impairment (note 10)	(224.0)	(13.0)	-	(3.0)	(240.0)	(21.6)
Disposals	-	3.8	-	1.0	4.8	-
Reclassification within classes	1.2	(1.2)	-	-	-	-
Currency translation adjustments	2.6	(0.1)	(0.1)	(0.1)	2.3	(2.9)
Balance at December 31	(849.9)	(20.2)	(5.6)	(4.0)	(879.7)	(152.8)
CARRYING AMOUNT						
At December 31, 2021	1,407.4	14.2	257.2	58.5	1,737.3	2,360.0

¹ Other mainly contains IT software.

2020 IN MILLIONS OF CHF	CONCESSION RIGHTS				TOTAL	GOODWILL
	Acquisition related	Plain	BRANDS	OTHER		
AT COST						
Balance at January 1	4,764.5	211.2	270.7	324.0	5,570.4	2,612.9
Business combinations	-	-	-	-	-	2.7
Additions	-	0.3	-	17.3	17.6	-
Disposals	-	(0.7)	-	(59.9)	(60.6)	-
Reclassification within classes	(0.3)	-	-	0.3	-	-
Reclassification from property, plant & equipment	-	-	-	3.7	3.7	-
Reclassification to right-of-use ¹	-	(94.3)	-	-	(94.3)	-
Currency translation adjustments	(237.7)	(12.8)	(0.8)	(12.4)	(263.7)	(118.0)
Balance at December 31	4,526.5	103.7	269.9	273.0	5,173.1	2,497.6
ACCUMULATED DEPRECIATION						
Balance at January 1	(1,930.4)	(85.3)	(3.3)	(206.2)	(2,225.2)	-
Additions (note 10)	(251.1)	(14.9)	-	(38.4)	(304.4)	-
Disposals	-	0.8	-	45.6	46.4	-
Reclassification to right-of-use ¹	-	34.3	-	-	34.3	-
Currency translation adjustments	112.8	8.3	-	9.3	130.4	-
Balance at December 31	(2,068.7)	(56.8)	(3.3)	(189.7)	(2,318.5)	-
IMPAIRMENT						
Balance at January 1	(100.7)	-	-	(8.4)	(109.1)	(1.6)
Net impairment (note 10)	(556.8)	(8.0)	(5.5)	(11.4)	(581.7)	(131.1)
Disposals	-	-	-	13.5	13.5	-
Reclassification within classes	-	(3.9)	-	3.9	-	-
Currency translation adjustments	18.7	0.7	-	0.2	19.6	4.4
Balance at December 31	(638.8)	(11.2)	(5.5)	(2.2)	(657.7)	(128.3)
CARRYING AMOUNT						
At December 31, 2020	1,819.0	35.7	261.1	81.1	2,196.9	2,369.3

¹ Transfers from concession rights to right-of-use assets opening balances in division The Americas.

19. IMPAIRMENT TESTS OF TANGIBLE AND INTANGIBLE ASSETS

Goodwill and Brand names are subject to impairment testing on an annual basis or when indicators of impairment exist. Other tangible and intangible assets, including concession rights are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

19.1 KEY ASSUMPTIONS USED FOR VALUE-IN-USE CALCULATIONS

The calculations of value-in-use are most sensitive to the following assumptions:

Sales growth

Recovery of sales and the respective growth rates depend among different factors, on the further development of the COVID pandemic and release of quarantine / traffic restrictions. Management based its assumptions on information available at the time of the preparation of the financial statements and assumes that sales will recover in 2022 and 2023 in line with the international air traffic growth. Our sales growth assumes that most locations will reach 2019 sales levels by 2023 or 2024. For the periods after 5 years, Dufrey has used growth rates between 2.5% - 2.7% (2020: 0.8% - 1.5%) to extrapolate the cash flow projections. In its projections, Dufrey assumes that the climate change & environmental risk has no material impact on future sales levels and the overall recovery of the business.

Gross margins

The expected gross margins have been estimated based on actual product assortments. These margins are maintained constant over the planning period, except where specific actions are planned to increase these margins or the competitiveness. The development of our purchase prices are estimated based on negotiations held with suppliers.

Discount rates

The cash flows are discounted using a weighted average cost of capital rate composed among other factors of: a) risk free interest rates (derived from actual 10-year governmental bonds rates): CHF 0.0%*, EUR 0.00%*, USD 1.62% (2020: CHF -0.34%, EUR 0.05%, USD 1.88%), a credit spread of 2.64% (2020: 0.27%) and re-levered beta of 1.30 (2020: 1.01). Certain WACC components, like country premium or default country risk, have been weighted for each segment using 2019 values, as management considered these more representative for long-term projections. The equity-risk premium used in 2021 is 6% (2020: 5%).

*Negative risk free rates have been capped at 0%.

19.2 IMPAIRMENT TEST OF GOODWILL

Goodwill is recognized from the acquisition of businesses by the Group and have been assigned for the purpose of impairment testing to the groups of cash generating units (GCGU). These groups reflect the reportable segments expected to benefit from the synergies related to acquisitions.

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Europe, Middle East and Africa (EMEA)	1,530.3	1,544.3
Asia Pacific	33.7	32.7
The Americas	754.2	750.3
Global Distribution Centers	41.8	42.0
Total carrying amount of goodwill	2,360.0	2,369.3

The recoverable amount of each group of cash generating units (GCGU) is determined based on value-in-use calculations, which require the use of assumptions (see specific assumptions in next table) and future cash flows. These cash flows reflect projections of financial forecasts approved by the management covering a five-year period and a residual value for the years beyond the five-year period. This residual value is an extrapolation of the 5th year cash flow using a constant terminal growth rate that does not exceed the long-term average growth rate for the respective market. This growth rate is consistent with the growth forecasts disclosed by the travel retail industry. The cash flows used include operational results generated by our Global Distribution Centers in relation to the respective GCGU.

Specific assumptions used for the valuation of goodwill:

GROUP OF CASH GENERATING UNITS IN PERCENTAGE (%)	POST TAX DISCOUNT RATES		PRE TAX DISCOUNT RATES		CAGR ¹ FOR NET SALES	
	2021	2020	2021	2020	2021	2020 ²
Europe, Middle East and Africa (EMEA)	6.45	6.90	8.40	7.86	24.27	31.30
Asia Pacific	7.62	7.62	9.80	9.05	47.24	30.80
The Americas	7.62	6.67-9.40	10.30	9.14-11.38	20.32	23.00

¹ Compound Annual Growth Rate.

² The forecasted high growth rates are due to the low base in 2020 due to the COVID-19 pandemic.

Sensitivity analysis to changes in assumptions

At closing, the estimated recoverable amount of goodwill of each Group's segments exceeded their carrying amounts. However, if the key assumptions used in the impairment tests would deteriorate to a possible reasonable value, as indicated in the following table, this change would, in isolation, lead to an additional impairment loss for the year of:

GROUP OF CASH GENERATING UNITS IN PERCENTAGE (%)	INTEREST INCREASE		SALES DROP		MARGIN DROP	
	2021	2020	2021	2020	2021	2020
	1%	1%	-10%	-1%	-1%	-1%
Europe, Middle East and Africa (EMEA)	-	-	-	-	-	-
Asia Pacific	-	-	-	-	33.6	-
The Americas	-	77.9	-	10.9	-	106.6

19.3 IMPAIRMENT TEST OF BRAND NAMES

Dufrey's retail operations apply several retail concepts which use different brand names. The table below indicates the key components used for determining the value-in-use arising during business acquisitions in the past and have been kept at historical values.

At closing the estimated recoverable amount of all brand names of the Group exceed their carrying amounts. Management believes that no possible reasonable change in any of the key assumptions would lead to a situation where the recoverable amounts fall below the respective carrying amount.

Key assumptions used for the valuation of brand names:

BRAND NAMES IN PERCENTAGE (%)	POST TAX DISCOUNT RATES		GROWTH RATES FOR NET SALES	
	2021	2020	2021	2020
Dufrey	6.49	6.50	23.57	18.50
Hudson News	7.48	6.47	19.02	29.10
Nuance	6.12	5.59	15.53	29.70
World Duty Free	6.39	5.61	25.11	29.55

19.4 IMPAIRMENT TEST OF TANGIBLE AND OTHER INTANGIBLE ASSETS

Dufrey's management considered the consequences of the negative effects of the pandemic on Dufrey's business as a trigger to test its depreciable or amortizable assets for impairment. The selection of CGUs for the test has been made based on historical impairments, profitability and materiality of assets. The methodology and assumptions used for these impairment tests is similar to those described for goodwill, except for:

- a) The test were done on CGU level,
- b) The period of cash flows is limited to the contractual lease term, ignoring renewal probabilities,
- c) The effective tax rate was used as WACC component,
- d) For test purposes the carrying amount of the assets was net of linked liabilities, in particular lease obligations,
- e) No reliefs of minimal lease payments have been assumed unless contractually agreed by the time of approving these financial statements
- f) The cash flows are reduced for a share of expenses related to corporate assets

The table of note 10 discloses the aggregated impairment expense by segment incurred in 2021, whereas note 16, note 17 and note 18 show the cumulated impairment on property, plant and equipment, right-of-use assets and intangible assets by type of asset.

20. INVESTMENTS IN ASSOCIATES

These investments are accounted for using the equity method.

Summarized statement of comprehensive income

IN MILLIONS OF CHF	2021	2020
Net profit / (loss)	3.0	(25.4)
OTHER COMPREHENSIVE INCOME		
Items to be reclassified to net income in subsequent periods	0.2	0.2
Total comprehensive income	3.2	(25.2)

21. OTHER NON-CURRENT ASSETS

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Guarantee deposits	102.4	104.1
Loans	26.0	27.0
Lease receivables	6.6	4.1
Prepayment for leases	42.7	47.3
Tax receivable	47.5	80.3
Other	0.5	0.5
Subtotal	225.7	263.3
Allowances	(10.4)	(6.1)
Total	215.3	257.2

MOVEMENT IN ALLOWANCES

IN MILLIONS OF CHF	2021	2020
Balance at January 1	(6.1)	(5.3)
Creation	(4.2)	(1.4)
Currency translation adjustments	(0.1)	0.6
Balance at December 31	(10.4)	(6.1)

22. INVENTORIES

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Inventories at cost	786.2	771.3
Inventory allowance	(94.0)	(111.7)
Total	692.2	659.6

Cost of sales includes inventories written down to net realizable value and inventory losses of CHF 42.2 (2020: 98.8) million.

23. TRADE AND CREDIT CARD RECEIVABLES

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Trade receivables ¹	70.9	15.4
Credit card receivables	21.5	9.6
Gross	92.4	25.0
Allowances	(7.1)	(7.9)
Net	85.3	17.1

¹ Includes trade receivables against associates of CHF 13.7 (2020: 3.9) million.

AGING ANALYSIS OF TRADE RECEIVABLES

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Not due	15.4	5.0
OVERDUE		
Up to 30 days	34.1	1.0
31 to 60 days	9.4	0.4
61 to 90 days	0.6	0.4
More than 90 days	4.3	0.7
Total overdue	48.4	2.5
Trade receivables, net	63.8	7.5

24. OTHER ACCOUNTS RECEIVABLE

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Advertising receivables	123.1	92.6
Services provided to suppliers	2.0	9.9
Loans receivable	2.0	3.0
Receivables from subtenants and business partners	1.7	2.0
Personnel receivables	1.0	3.1
Accounts receivables	129.8	110.6
Prepayments of lease expenses and rents	33.7	41.9
Prepayments of sales and other taxes	99.6	113.1
Prepayments to suppliers	6.7	9.7
Prepayments, other	10.1	9.0
Prepayments	150.1	173.7
Receivables from subleases	3.2	2.2
Guarantee deposits	82.6	7.8
Derivative financial assets	9.0	11.5
Accrued income	-	0.1
Other	21.8	40.5
Other receivables	116.6	62.1
Total	396.5	346.4
Allowances	(24.7)	(31.4)
Total	371.8	315.0

MOVEMENT IN ALLOWANCES

IN MILLIONS OF CHF	2021	2020
Balance at January 1	(31.4)	(17.6)
Decrease in scope of consolidation	3.0	-
Creation ¹	(0.1)	(17.0)
Released	4.0	0.7
Utilized	0.2	0.3
Reclassification	(0.2)	0.9
Currency translation adjustments	(0.2)	1.3
Balance at December 31	(24.7)	(31.4)

¹ In 2020, the increase in the allowance is triggered by the current COVID-19 crises as many of our suppliers and business partners are impacted and therefore the recoverability of our receivables.

25. EQUITY

25.1 FULLY PAID ORDINARY SHARES

IN MILLIONS OF CHF	NUMBER OF SHARES	SHARE CAPITAL	SHARE PREMIUM
Balance at January 1, 2020	50,567,166	252.8	3,475.5
Share capital increases from authorized capital	29,696,516	148.5	809.4
Share issuance costs	-	-	(35.0)
Balance at December 31, 2020	80,263,682	401.3	4,249.9
Conversion of the CHF 350 million bond	10,533,325	52.7	295.0
Share issuance costs	-	-	(2.7)
Balance at December 31, 2021	90,797,007	454.0	4,542.2

In April 2021, 99.3 % of CHF 350 million (CHF 347.6 million) convertible bonds issued in 2020 and due in 2023 were converted into shares.

On April 20, 2020, Dufry has issued and placed 5,000,000 new shares out of the authorized capital at CHF 27.50 per share and the gross proceeds from the placement were CHF 137.5 million.

On October 6, 2020, the Extraordinary General Meeting of Dufry approved the issuance and offering of an ordinary share capital increase of up to 24,696,516 shares with a nominal value of CHF 5.00 each.

On October 20, 2020, the offering period closed and finally 24,696,516 new shares have been placed resulting in an increase of the share capital of CHF 123.5 million and a gross proceeds of CHF 820.4 million.

25.2 MANDATORY CONVERTIBLE NOTES

	NUMBER OF NOTES	IN THOUSANDS OF CHF
Issue of mandatory convertible notes	695	69,500
Mandatory convertible notes issuance costs	-	(1,100)
Balance at December 31, 2020	695	68,400
Interest component reclassified	-	(8,100)
Balance at December 31, 2021	695	60,300

On November 18, 2020 Dufry, via its subsidiary Dufry One B.V., placed CHF 69.5 million in bonds due 2023, which are mandatory convertible into shares of the Company. The convertible bonds have been issued at par with a denomination of CHF 100,000 per note and carry a coupon of 4.1%, payable semi-annually in arrears. At maturity on November 18, 2023 the bonds will convert to shares at a price of CHF 33.22 per share. Such shares will be sourced from conditional capital or from existing shares.

25.3 TRANSLATION RESERVES

IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Balance at January 1, 2020	(329.9)		
Exchange differences arising on translating the foreign operations	(219.4)	(17.7)	(237.1)
Net gain/(loss) on hedge of net investments in foreign operations ¹	24.2	-	24.2
Share of other comprehensive income of associates	0.2	-	0.2
Balance at December 31, 2020	(524.9)		
Exchange differences arising on translating the foreign operations	81.7	(0.4)	81.3
Net gain/(loss) on hedge of net investments in foreign operations	(7.9)	-	(7.9)
Share of other comprehensive income of associates	0.2	-	0.2
Balance at December 31, 2021	(450.9)		

¹ Foreign exchange gains and losses on financing instruments that are designated as hedging instruments for net investments in foreign operations are included in the translation reserves.

25.4 RETAINED EARNINGS

IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2020	(628.1)		
Net profit/(loss)	(2,513.7)	(226.8)	(2,740.5)
Loss on disposal of treasury shares	(55.1)	-	(55.1)
Share-based payments	(27.3)	(1.7)	(29.0)
Put option held by non-controlling interests	8.0	24.3	32.3
Income tax on equity transactions	(0.2)	(0.1)	(0.3)
Dividends to non-controlling interests	-	(33.5)	(33.5)
Equity component of convertible bond	28.9	-	28.9
Other changes in participation of non-controlling interests*	(135.7)	(128.5)	(264.2)
Balance at December 31, 2020	(3,323.2)		
Net profit/(loss)	(385.4)	20.2	(365.2)
Conversion of the 350 million CHF bond	(26.7)	-	-
Share-based payments	2.0	-	2.0
Put option held by non-controlling interests	(3.2)	0.5	(2.7)
Income tax on equity transactions	-	-	-
Dividends to non-controlling interests	-	(23.0)	(23.0)
Equity component of convertible bond	54.1	-	54.1
Other changes in participation of non-controlling interests	(0.7)	1.9	1.2
Balance at December 31, 2021	(3,683.1)		

* Mainly relates to the acquisition of the non-controlling interests of Hudson Ltd CHF (148.9) million - see note 26.

26. SHARE-BASED PAYMENT PLANS

26.1 SHARE PLAN OF DUFRY AG

On November 30, 2021, Dufry granted to selected members of the management the award 2021 consisting of 394,807 performance share units (PSU). The PSU award 2021 has a contractual life of 30 months and will vest on June 3, 2024. At grant date the fair value of one PSU award 2021 represented the market value for one Dufry share at that date, i.e. CHF 41.54. As part of this plan, 44,753 PSU will be settled in cash.

As of December 31, 2021, none of the PSU award 2021 forfeited and 394,807 PSU remain outstanding.

During 2020, Dufry did not grant any awards.

On December 12, 2019, Dufry granted to selected members of the senior management the award 2019 consisting of 81,334 performance share units (PSU). The PSU award 2019 has a contractual life of 29 months and will vest on May 2, 2022. At grant date the fair value of one PSU award 2019 represented the market value for one Dufry share at that date, i.e. CHF 97.36. The vesting performance criteria of the PSU granted in the year 2019 have not been reached, and therefore no shares will be allocated in May 2022. For the PSU plan 2018, no shares were allocated in May 2021, as the vesting performance criteria have not been reached.

Holders of one PSU award 2021 will have the right to receive free of charge up to two Dufry shares depending on two performance targets reached by Dufry during the grant year of award and the following two years compared with the target. The performance targets of the 2021 PSU grant are the cumulative adjusted EPS, with a 50% weighting, and the cumulative Equity Free Cash Flow (EFCF) with a 50% weighting. On the vesting date, after the three-year vesting period, the PSU vest and are converted into shares based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50% targets achievement) and 2 shares (150% or more targets achievement). The target (100% vesting) in relation to the cumulative adjusted EPS measured corresponds to an improvement by CHF 26.50 compared to the adjusted EPS for fiscal year 2020, respectively an improvement by CHF 993 million compared to the EFCF for fiscal year 2020. Holders of PSU are not entitled to vote or receive dividends like shareholders do.

26.2 TREASURY SHARES

Treasury shares are valued at historical cost.

	NUMBER OF SHARES	IN MILLIONS OF CHF
Balance at January 1, 2020	630,081	(92.5)
Disposal of shares	(500,000)	68.8
Assigned to holders of PSU-Awards	(118,800)	22.4
Balance at December 31, 2020	11,281	(1.3)
Balance at December 31, 2021	11,281	(1.3)

26.3 EARNINGS PER SHARE

26.3.1 Earnings per share attributable to equity holders of the parent

Basic

Basic earnings per share are calculated by dividing the net profits/(loss) attributable to equity holders of the parent by the weighted average number of shares outstanding during the year.

IN MILLIONS OF CHF / QUANTITY	2021	2020
Net profit/(loss) attributable to equity holders of the parent	(385.4)	(2,513.7)
Weighted average number of ordinary shares outstanding	87,784,450	58,450,437
Basic earnings per share in CHF	(4.39)	(43.01)

Diluted

Diluted earnings per share are calculated by dividing the net profits/(loss) attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

IN MILLIONS OF CHF / QUANTITY	2021	2020
Net profit/(loss) attributable to equity holders of the parent	(385.4)	(2,513.7)
Weighted average number of ordinary shares outstanding	87,784,450	58,450,437
Diluted earnings per share in CHF	(4.39)	(43.01)

26.3.2 Adjusted EPS

Dufrey uses the adjusted EPS as an alternative performance indicator (non-IFRS figure). The table below shows how this indicator has been derived from:

IN MILLIONS OF CHF / QUANTITY	NOTE	2021	2020
Net profit/(loss) attributable to equity holders of the parent		(385.4)	(2,513.7)
ADJUSTED FOR			
Amortization of concession rights*	18	195.5	251.1
Impairment of concession rights*	18	224.0	556.8
Impairment of goodwill*	18	21.6	131.1
Interest on lease obligation	13	109.8	178.7
Deferred income tax on above lines		(128.0)	(172.6)
Non-controlling interests on above lines		(14.1)	(89.8)
Adjusted net profit		23.4	(1,658.4)
Weighted average number of ordinary shares outstanding		87,784,450	58,450,437
Adjusted EPS		0.27	(28.37)

* related to acquisitions.

26.3.3 Weighted average number of ordinary shares

IN SHARES	2021	2020
Outstanding shares	87,795,731	58,664,860
Less treasury shares	(11,281)	(214,423)
Used for calculation of basic and diluted earnings per share	87,784,450	58,450,437

For movements in shares see note 25 – Equity.

27. BREAKDOWN OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS HOLDERS

The following transactions have been recognized in equity attributable to non-controlling interests holders:

IN MILLIONS OF CHF	NOTE	2021	2020
Hudson Ltd 42.6% acquired	27.1	-	(126.5)
Change in relation to put option (49% of Dufrey Staer Holding Ltd) ¹		0.5	24.3
Other non-controlling interests (disposed)/acquired		0.7	(5.3)
Change in Dufrey's interest		1.2	(107.5)
Brookstone acquisition – final purchase price allocation		-	2.3
Business combinations (see note 6)		-	2.3
NCI portion of increases in share capital of subsidiaries		1.2	3.5
Other		-	(2.5)
Share capital changes		1.2	1.0
Total		2.4	(104.2)

¹ No cash flow effects.

27.1 TRANSACTION WITH NON-CONTROLLING INTERESTS IN HUDSON LTD

On December 1, 2020, Dufrey acquired the remaining 42.6% (CHF 126.5 million) of the voting equity interest of Hudson Ltd for a total consideration of CHF 275.4 (USD 302.9) million. Dufrey offered to the shareholders of Hudson Class A shares a price of USD 7.70 per share. After the completion of this transaction, the trading of the Hudson shares on the New York Stock Exchange has been suspended. The Company has financed this transaction with a capital increase.

As the Group already controlled this entity before the partial acquisition, there is no change in the sales or operating profit of the Group. This transaction was accounted for as a transaction between equity holders for the Group.

27.2 RECONCILIATION OF CASH FLOWS 2020

Cash flows used for the acquisition of non-controlling interests

IN MILLIONS OF CHF

	2020
Total consideration paid in cash	(275.4)
Carrying value of the non-controlling interest in Hudson Ltd.	126.5
Difference recognized in retained earnings within equity (note 25.4)	(148.9)

27.3 INFORMATION ON COMPANIES WITH NON-CONTROLLING INTERESTS

In 2021, Dufrey allocated CHF 20.2 (2020: -226.8) million of net result to non-controlling interests (NCI). Within the Dufrey Group, the net earnings allocated to non-controlling interests is predominantly related to our US subsidiaries, totaling CHF 22.5 (2020: -112.3) million. On December 1, 2020, Dufrey acquired the remaining 42.6% of Hudson. Hudson has many subsidiaries, most of them with non-controlling interests. Details about the name of these subsidiaries, location of primary operations, Hudson's share in ownership and share capital of these subsidiaries, sorted by state of incorporation, have been disclosed in the list of most important subsidiaries at the end of these financial statements.

Airport authorities in the United States frequently require companies to partner with local business partners based on Airport Concession Disadvantaged Business Enterprise ("ACDBE") regulation. Dufrey may partner with third parties to win new business opportunities and maintain existing ones. Consequently, Dufrey's business model contemplates the involvement of local partners. Net profits from these operating subsidiaries attributed to Dufrey and to non-controlling interests holders reflect the applicable ownership structure. The net profits and dividend payments attributable to non-controlling interests exclude expenses incurred by Dufrey at the acquisition of these businesses, which are not attributable to the local partners, such as acquisition related interest expenses, income taxes and amortization of intangible assets from acquisitions.

There are no individual significant non-controlling interests in 2021 and 2020.

28. BORROWINGS

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Bank debt overdrafts	6.4	15.1
Bank debt loans	35.3	34.7
Third party loans	3.6	4.1
Borrowings, current	45.3	53.9
Bank debt loans	681.6	1,672.3
Senior Notes	3,083.2	1,975.5
Third party loans	6.9	2.8
Borrowings, non-current	3,771.7	3,650.6
Total	3,817.0	3,704.5
OF WHICH ARE		
Bank debt	723.3	1,722.1
Senior Notes	3,083.2	1,975.5
Third party loans	10.5	6.9

BANK DEBT

IN MILLIONS OF CHF	31.12.2021	31.12.2020
BANK DEBTS ARE DENOMINATED IN		
US Dollar	501.7	1,017.9
British Pound	-	-
Swiss Franc	-	527.6
Deferred arrangement fees	(11.2)	(14.3)
Subtotal	490.5	1,531.2
BANK DEBTS AT SUBSIDIARIES IN		
Euro*	124.7	124.3
Swiss Franc*	17.0	20.0
British Pound*	61.7	-
Other currencies*	29.4	46.6
Total	723.3	1,722.1

* Includes Government backed COVID-19 loans of CHF 208.0 (2020: 205.8) million.

GOVERNMENT BACKED COVID-19 LOANS

Since the beginning of the COVID-19 pandemic in 2020 and as a consequence thereof economical restrictions, governments granted backed Covid-19 loans to certain Dufrey subsidiaries, which are accounted for financial liability in accordance with IFRS 9. As of December 2021, the amount of loans granted was overall CHF 208.0 (2020: 205.8) million, whereas the loans were granted in different currencies. Loans granted in EUR were EUR 120.2 (2020: 115.0) million, in CHF 17.0 (2020: 20.0) million, in GBP 50.0 (2020: 0.0) million, in MAD 46.8 (2020: 0.0) million and in RUB 0.0 (2020: 23.6) million. The interest rates vary between 0.0% and 3.5% (2020: 0.0% and 2.7%).

NOTES

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Senior Notes denominated in Euro	2,359.9	1,676.2
Senior Notes denominated in CHF	300.0	-
Convertible Notes denominated in CHF	453.3	326.7
Deferred interest on modification of financing arrangements	(11.4)	(13.8)
Deferred arrangement fees	(18.6)	(13.6)
Total	3,083.2	1,975.5

DETAILED CREDIT FACILITIES

Dufrey negotiates and manages its main credit facilities centrally.

The bank credit agreements and the bank guarantee facilities contain covenants and conditions customary to this type of financing. In 2021 and 2020, Dufrey complied with the financial covenants and conditions contained in the bank credit agreements (see note 2.2).

In February 2022, we have entered into an amendment of certain borrowing instruments which waived compliance with certain financial covenants for another twelve months until and including June 30, 2023.

Financial covenants included in our borrowing instruments require the Group to comply with:

(i) a maximum ratio of total drawn debt to adjusted operating cash flow of 5:1 for the test periods ending September 30, 2023 and December 31, 2023 and a maximum ratio of 4.5:1 for the test periods ending March 31, 2024 and thereafter,

(ii) a minimum ratio of adjusted operating cash flow to total interest expense (excluding lease interest) of 3:1 for the test periods ending September 30, 2023 and thereafter, and

(iii) a minimum liquidity available of CHF 300 million on a monthly basis until and including June 30, 2023.

Bank credit facilities

IN MILLIONS OF	MATURITY	CURRENCY	CREDIT LIMIT IN FOREIGN CURRENCY	DRAWN AMOUNT IN CHF
Committed term loan (multi-currency)	03.11.2024	USD	550.0	501.7
Revolving credit facility (multi-currency)	03.11.2024	EUR	1,300.0	–
Uncommitted current facilities	n. a.	EUR	50.0	–
Uncommitted current facilities	n. a.	CHF	50.0	–
At December 31, 2021				501.7

IN MILLIONS OF	MATURITY	CURRENCY	CREDIT LIMIT IN FOREIGN CURRENCY	DRAWN AMOUNT IN CHF
Committed term loan (multi-currency)	03.11.2022	USD	700.0	619.6
Committed term loan (multi-currency)	03.11.2022	EUR	500.0	527.6
Revolving credit facility (multi-currency)	03.11.2024	EUR	1,300.0	398.3
Committed 12+6+6 months term and revolving facility	29.05.2021	EUR	367.0	–
Uncommitted current facilities	n. a.	EUR	50.0	–
Uncommitted current facilities	n. a.	CHF	50.0	–
At December 31, 2020				1,545.5

Notes

IN MILLIONS OF	MATURITY	COUPON RATE	CURRENCY	NOMINAL IN FOREIGN CURRENCY	AMOUNT IN CHF	
					31.12.2021	31.12.2020
Senior notes	15.10.2024	2.50%	EUR	800.0	826.7	860.1
Senior notes	15.02.2027	2.00%	EUR	750.0	765.0	795.2
Senior notes	15.04.2028	3.38%	EUR	725.0	744.8	–
Senior notes	15.04.2026	3.63%	CHF	300.0	299.0	–
Convertible notes ¹	04.05.2023	1.00%	CHF	350.0	–	320.2
Convertible notes ²	30.03.2026	0.75%	CHF	500.0	447.7	–
Total					3,083.2	1,975.5

¹ Early conversion in April 2021 (see note 29).

² Equity component CHF 54.1 million.

WEIGHTED AVERAGE INTEREST RATE

Below are the overall weighted average notional interest rates on the main currencies of bank credit facilities and notes:

INTEREST RATE IN PERCENTAGE (%)	2021	2020
Average on USD	3.31	3.41
Average on CHF	2.09	1.94
Average on EUR	2.54	2.26
Average on GBP	–	2.04
Weighted Average Total	2.57	2.44

28.1 HEDGE OF NET INVESTMENTS IN FOREIGN OPERATIONS

The company has designated USD 292.9 million bank loans in relation to the investments in Alliance Inc., Interbaires SA, Navinten SA, Blaicor SA, International Operation & Services SA, Duty Free Ecuador SA.

IN MILLIONS OF	CHF	USD
Balance at January 1, 2020	283.4	292.9
Currency translation adjustments	(24.2)	-
Balance at December 31, 2020	259.2	292.9
Currency translation adjustments	7.9	-
Balance at December 31, 2021	267.1	292.9

Dufrey had a hedge relationship with Dufrey do Brasil and WDFG UK Holdings Limited in the past, which are no longer designated, but for which the originally hedged foreign operation is still part of the Group. The related hedge gain accumulated in the CTA amounted respectively to CHF 109.4 and CHF 75.5 million.

There is no ineffectiveness for these hedges and the effect of hedging is presented in line item Net gain / (loss) on hedge of net investment in foreign operations in OCI. The company maintains the hedge ratio by verifying 100% hedge ratio.

28.2 EQUITY-LIKE LOANS

Dufrey granted to below mentioned foreign subsidiaries long-term loans. These loans are considered as part of Dufrey's net investment in foreign operations, as settlement is neither planned nor likely to occur in the foreseeable future.

IN MILLIONS OF	CURRENCY	AMOUNT IN FOREIGN CURRENCY		EQUIVALENT AMOUNT IN CHF	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Dufrey International AG	EUR	1,087.1	1,087.1	1,127.6	1,175.6
Nuance Group (Australia) Pty Ltd.	AUD	190.1	196.6	125.9	133.9
Dufrey Americas y Caribe Corp.	USD	10.2	10.2	9.3	9.0
Nuance Group (Sverige) AB	SEK	110.0	110.0	11.1	11.9
Dufrey Duty Free (Nigeria) Ltd.	USD	6.5	6.1	5.9	5.4
Total				1,279.8	1,335.8

Any translation difference arising on these loans are accounted for in equity in the line item Exchange difference on translating foreign operations.

29. BORROWINGS AND LEASE OBLIGATIONS, NET

IN MILLIONS OF CHF	CASH AND CASH EQUIVALENTS	LEASE OBLIGATIONS	FINANCIAL DERIVATIVES ASSET - BORROWINGS	FINANCIAL DERIVATIVES LIABILITY - BORROWINGS	BORROWINGS	NET DEBT
Balance at January 1, 2021	360.3	5,420.4	-	-	3,704.5	8,764.6
Cash flows from operating, financing and investing activities	469.2	-	-	-	-	(469.2)
Repayment of 3 rd party loans payable	-	-	-	-	8.1	8.1
Transaction costs for financial instruments	-	-	-	-	(27.2)	(27.2)
Proceeds from convertible bonds	-	-	-	-	1,599.3	1,599.3
Proceeds from bank debt	-	-	-	-	642.9	642.9
Repayment of bank debt	-	-	-	-	(1,689.0)	(1,689.0)
Lease payments	-	(478.4)	-	-	-	(478.4)
Cash flow	469.2	(478.4)	-	-	534.1	(413.5)
Additions to lease obligations	-	51.0	-	-	-	51.0
Interest on lease obligations	-	104.5	-	-	-	104.5
Modification of lease obligations	-	(564.5)	-	-	-	(564.5)
Relief on lease obligations	-	(847.1)	-	-	-	(847.1)
Early termination of lease obligations	-	(22.0)	-	-	-	(22.0)
Equity component of convertible bonds	-	-	-	-	(54.1)	(54.1)
Conversion of CHF 350 million bond to Equity	-	-	-	-	(321.0)	(321.0)
Discounted interests	-	-	-	-	9.7	9.7
Arrangement fees amortization	-	-	-	-	26.7	26.7
Financial derivatives	-	-	7.4	63.5	-	56.1
Currency translation adjustments	(36.0)	(5.9)	-	-	(180.0)	(149.9)
Unrealized exchange differences on the translation of net debt in foreign currencies	-	(21.6)	-	-	97.1	75.5
Other non-cash movements	(36.0)	(1,305.6)	7.4	63.5	(421.6)	(1,635.1)
Balance at December 31, 2021	793.5	3,636.4	7.4	63.5	3,817.0	6,716.0

On March 24, 2021 Dufrey, via its subsidiary Dufrey One B.V., successfully placed CHF 500 million of senior convertible bonds due in 2026, conditionally convertible into shares of the Company. The convertible bonds have been issued at par with a denomination of CHF 200,000 and carry a coupon of 0.75%, payable semi-annually in arrears. At maturity on March 30, 2026 the bonds will be redeemed at par. During such time bondholders can opt to convert the bonds at a price of CHF 87.00 per share. Such shares will be sourced from conditional capital or from existing shares. On May 18, 2021, the General Assembly approved the respective increase of the conditional share capital by 6,913,025 shares (at nominal value of CHF 5.00 each, CHF 34,565,125).

In April, 2021 Dufrey, via its subsidiary Dufrey One B.V., successfully concluded the voluntary incentivised conversion offer to holder of the CHF 350 million 1% convertible bonds due 2023, launched on March 23, 2021. Given an acceptance rate of 99.3% of the offer Dufrey could early redeem the remaining bonds.

On April 15, 2021 Dufrey, via its subsidiary Dufrey One B. V., successfully priced two new senior Notes of EUR 725 million bearing a coupon of 3.375% maturing in 2028 and CHF 300 million bearing a coupon of 3.625% maturing in 2026. Proceeds from the offering were used to refinance existing bank debt and for general corporate purposes.

IN MILLIONS OF CHF	CASH AND CASH EQUIVALENTS	LEASE OBLIGATIONS	BORROWINGS	NET DEBT
Balance at January 1, 2020	553.5	4,404.7	3,655.4	7,506.6
Cash flows from operating, financing and investing activities	(163.2)	-	-	163.2
Proceeds from 3 rd party loans payable	-	-	(1.0)	(1.0)
Transaction costs for financial instruments	-	-	(13.4)	(13.4)
Proceeds from issue of notes	-	-	350.0	350.0
Proceeds from bank debt	-	-	557.2	557.2
Repayment of bank debt	-	-	(756.5)	(756.5)
Lease payments	-	(405.7)	-	(405.7)
Cash flow	(163.2)	(405.7)	136.4	(106.2)
Additions to lease obligations	-	1,880.4	-	1,880.4
Interest on lease obligations	-	178.7	-	178.7
Relief on lease obligations	-	(380.3)	-	(380.3)
Early termination of lease obligations	-	(43.8)	-	(43.8)
Equity component of convertible bonds	-	-	(28.9)	(28.9)
Discounted interests	-	-	5.7	5.7
Arrangement fees amortization	-	-	11.9	11.9
Other non-cash movements	-	(3.9)	(33.2)	(37.1)
Currency translation adjustments	(30.0)	(154.8)	121.2	(3.6)
Unrealized exchange differences on the translation of net debt in foreign currencies	-	(54.9)	(164.0)	(218.9)
Other non-cash movements	(30.0)	1,421.4	(87.3)	1,364.1
Balance at December 31, 2020	360.3	5,420.4	3,704.5	8,764.6

On May 4, 2020 Dufrey, via its subsidiary Dufrey One B. V., placed CHF 350 million in convertible bonds due 2023, conditionally convertible into shares of the Company. The convertible bonds have been issued at par with a denomination of CHF 200,000 and carry a coupon of 1.0%, payable semi-annually in arrears. At maturity on May 4, 2023 the bonds will be redeemed at par. During such time bondholders can opt to convert the bonds at a price of CHF 33.00 per share. Such shares will be sourced from conditional capital or from existing shares. On May 18, 2020, the General Assembly approved the respective increase of the conditional share capital to 12.7 million shares (at nominal value of CHF 5.00 each, CHF 63.5 million).

29.1 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Dufrey's notional cash pool is operated by a major finance institute. Based on enforceable master netting agreement, the respective balances at the end of the period have been set-off as follows:

IN MILLIONS OF CHF	BALANCE BEFORE GLOBAL POOLING	SET-OFF	NET BALANCE
31.12.2021			
Cash and cash equivalents	1,401.2	(607.7)	793.5
Borrowings, current	653.0	(607.7)	45.3
31.12.2020			
Cash and cash equivalents	1,089.7	(729.4)	360.3
Borrowings, current	783.3	(729.4)	53.9

29.2 LEGAL RESTRICTIONS ON MONEY TRANSFER

Cash and cash equivalents at the end of the reporting period include CHF 57.7 (2020: 36.3) million held by subsidiaries operating in countries with exchange controls or other legal restrictions on money transfer. There are no material assets that have any other restrictions to realize or settle liabilities of the Group.

30. OTHER LIABILITIES

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Concession fee payables	153.9	95.5
Other service related vendors	177.9	181.1
Personnel payables	119.6	150.9
Deferred lease expense	-	0.7
Sales and other tax liabilities	55.8	39.9
Put option Dufrey Staer Holding Ltd	26.2	23.4
Financial derivative liabilities - current	63.5	-
Lease obligation due to tax refund	15.6	17.4
Payables for capital expenditure	9.4	10.7
Interest payables	32.9	16.1
Payables to local business partners	1.1	1.4
Other payables	44.0	39.4
Total	699.9	576.5
THEREOF		
Current liabilities	653.2	533.0
Non-current liabilities	46.7	43.5
Total	699.9	576.5

31. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities arise from the following positions:

IN MILLIONS OF CHF	31.12.2021	31.12.2020
DEFERRED TAX ASSETS		
Inventories	13.0	4.8
Property, plant and equipment	61.0	38.2
Intangible assets	35.1	29.8
Lease obligations	336.7	459.2
Provisions and other payables	72.1	52.3
Tax loss carry-forward	110.4	116.9
Other	25.2	8.7
Total	653.5	709.9
DEFERRED TAX LIABILITIES		
Property, plant and equipment	(40.0)	(10.9)
Right-of-use assets	(358.6)	(493.6)
Intangible assets	(314.8)	(363.9)
Provisions and other payables	(19.8)	(7.6)
Other	(15.8)	(10.3)
Total	(749.0)	(886.3)
Deferred tax liabilities net	(95.5)	(176.4)

Deferred tax balances are presented in the consolidated statement of financial position as follows:

IN MILLIONS OF CHF	2021	2020
Deferred tax assets	179.9	145.5
Deferred tax liabilities	(275.4)	(321.9)
Balance at December 31	(95.5)	(176.4)

Reconciliation of movements to the deferred taxes:

IN MILLIONS OF CHF	2021	2020
Changes in deferred tax assets	34.4	23.4
Changes in deferred tax liabilities	46.5	74.9
Currency translation adjustments	(1.8)	(2.4)
Deferred tax movements (expense) at December 31	79.1	95.9
THEREOF		
Recognized in the statement of profit or loss	90.7	95.6
Recognized in equity	-	(0.3)
Recognized in OCI	(11.6)	0.6

Tax loss carry forward

Certain subsidiaries incurred tax losses, which according to the local tax legislation gives rise to a tax credit usable in future tax periods. However, the use of this tax benefit may be limited by local law in time (expiration) or in quantity or limited by the ability of the respective subsidiary to generate enough taxable profits in the future.

Deferred tax assets relating to unused tax losses carry forwards or temporary differences are recognized when it is probable that such tax credits can be utilized in future periods by the respective entity in accordance with the approved budget 2022 and the management projections thereafter.

The unrecognized tax losses carry forwards by expiry date are as follows:

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Expiring within 1 to 3 years	209.4	266.1
Expiring within 4 to 7 years	755.8	733.3
Expiring after 7 years	138.3	54.7
With no expiration limit	1,254.8	1,136.2
Total	2,358.3	2,190.3

Unrecognized deferred tax liabilities

Dufry has not recognized deferred tax liabilities associated with investments in subsidiaries where Dufry can control the reversal of the timing differences and where it is not probable that the temporary differences will reverse in the foreseeable future. Dufry does not expect that these differences result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the investment is recovered.

32. PROVISIONS

IN MILLIONS OF CHF	CONTIN- GENT LIABILITIES	ONEROUS CONTRACTS	CLOSEDOWN	LAWSUITS AND DUTIES	LABOR DISPUTES	OTHER	TOTAL
Balance at January 1, 2021	9.8	33.3	2.4	20.5	3.2	22.8	92.0
Charge for the year	1.5	0.4	0.5	32.3	0.9	11.0	46.6
Utilized	-	(13.1)	-	(0.2)	(0.3)	(5.4)	(19.0)
Unused amounts reversed	-	(1.2)	(0.1)	-	(0.3)	(0.8)	(2.4)
Interest discounted	-	1.7	-	-	-	-	1.7
Reclassification from /to other accounts	0.2	(0.2)	-	-	-	-	-
Currency translation adjustments	0.3	(0.6)	0.1	0.2	0.2	0.2	0.4
Balance at December 31, 2021	11.8	20.3	2.9	52.8	3.7	27.8	119.3
THEREOF							
Current	-	13.2	2.9	52.8	0.6	18.9	88.4
Non-current	11.8	7.1	-	-	3.1	8.9	30.9

Management believes that its provisions are adequate based upon currently available information. However, given the inherent difficulties in estimating liabilities in the areas described below, future expenses may be different from the amounts provisioned.

CONTINGENT LIABILITIES

Contingent liabilities are recognized in connection with business combinations, usually in relation with legal claims, from which the final outcome is difficult to assess.

ONEROUS CONTRACTS

Dufrey enters in certain non-cancellable agreements. If the economic condition to operate such business deteriorates materially, it can happen that the present value of the unavoidable future cash flows is not enough to cover the carrying amount of the tangible or intangible assets, or even become negative so that the company would need to present a provision for onerous contracts. Estimating these future cash flows requires management to project future sales and operating profits. At balance sheet date, an amount of CHF 20.3 (2020: 33.3) million has been provided mainly in relation to three operations in the region Europe, Middle East and Africa (EMEA) and one operation in The Americas.

CLOSE DOWN

The provision of CHF 2.9 (2020: 2.4) million relates mainly to three operations in Asia and Europe.

LAWSUITS AND DUTIES

The provision for lawsuits and duties of CHF 52.8 (2020: 20.5) million covers uncertainties related to the outcome of law suits in relation to taxes-other than income, duties and includes risk in relation to concession fees in connection with our subsidiaries in Europe, Middle East and Africa.

LABOR DISPUTES

The provision of CHF 3.7 (2020: 3.2) million relates mainly to claims presented by sales staff in our segment The Americas based on disputes due to the termination of temporary labor contracts.

OTHER

Other provisions comprise mainly potential liabilities to cover the cost for restoration of leased shops to their original condition at the end of the lease agreement and restructuring costs. The utilization for the year relates to the restructuring in our segment The Americas.

CASH OUTFLOWS OF NON-CURRENT PROVISIONS

The cash outflows of non-current provisions as of December 31, 2021 are expected to occur in:

IN MILLIONS OF CHF	EXPECTED CASH OUTFLOW
2023	7.0
2024	6.4
2025	1.1
2026	4.5
2027+	11.9
Total non-current	30.9

33. POST-EMPLOYMENT BENEFIT OBLIGATIONS

Dufrey provides retirement benefits through a variety of arrangements comprised principally of stand-alone defined benefit or defined contribution plans, or state administered plans that cover a substantial portion of employees in accordance with local regulations and practices. The most significant plans in terms of the benefits accrued to date by participants are cash balance and final salary plans. Around 97.2% (2020: 95.2%) of the total defined benefit obligation and 97.9% (2020: 95.3%) of the plan assets correspond to pension funds in Switzerland (CH) and the United Kingdom (UK).

IN MILLIONS OF CHF	2021			2020		
	Funded	Unfunded	TOTAL	Funded	Unfunded	TOTAL
SWITZERLAND						
Fair value of plan assets	226.9	-	226.9	205.8	-	205.8
Present value of defined benefit obligation	198.8	-	198.8	217.7	-	217.7
Financial (liability) asset	28.1	-	28.1	(11.9)	-	(11.9)
UK						
Fair value of plan assets	227.5	-	227.5	217.5	-	217.5
Present value of defined benefit obligation	200.6	-	200.6	223.1	-	223.1
Financial (liability) asset	26.9	-	26.9	(5.6)	-	(5.6)
OTHER PLANS						
Fair value of plan assets	9.8	-	9.8	20.8	-	20.8
Present value of defined benefit obligation	11.4	9.9	21.3	22.4	13.5	35.9
Financial (liability) asset	(1.6)	(9.9)	(11.5)	(1.6)	(13.5)	(15.1)
CARRYING AMOUNT						
Net defined benefit assets	55.0	-	55.0	-	-	-
Employee benefit obligations	(1.6)	(9.9)	(11.5)	(19.1)	(13.5)	(32.6)

33.1 SWITZERLAND

In Switzerland Dufrey's pension plan is a cash balance plan where contributions are made by employees and employer based on a percentage of the insured salary. The pension plan guarantees the amount accrued on the members saving account, as well as interest on those savings amounts. At retirement date, the savings account are converted into pensions, or optionally part of the savings can be paid out as a lump sum.

LEGAL FRAMEWORK

Pension plans in Switzerland are governed by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed as independent, legally autonomous units, a pension fund. Pension plans are overseen by a regulator as well as by a state supervisory body. A pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives.

MAIN RISKS

The main risks to which the pension fund is exposed are: a) mortality risk, when the effective average life result to be longer than the assumptions used based on the official demographic statistics, then pension payments would need to be done for longer periods, b) Market and liquidity risk as if the future rate of return on plan assets is lower to the actual discount rate used to calculate the conversion factor, then additional funds will be needed and c) Death and disability risk as if the amounts or number of effective cases are higher than the indications provided by the demographic statistics this can result in a mismatch of asset-liabilities relation of the pension fund. These risks are regularly monitored by an actuary and the Board of Trustees.

ASSET-LIABILITY MANAGEMENT

The Swiss pension fund currently invests in a diverse portfolio of asset classes including equities, bonds, property and alternative investments but do not currently use any more explicit asset-liability matching strategy instruments such as annuity purchase products or longevity swaps. With the investment strategy the board of trustees defines the allocation of asset classes, currencies and other risks, which takes into account requirements from BVG, and the objective of achieving an investment return which together with the contributions paid, is sufficient to maintain reasonable control over the various funding risks of the plan.

33.2 UNITED KINGDOM (UK)

Dufrey participates in another defined benefit pension plan in the UK under specific regulatory frameworks. The Plan has been closed to new members for many years and as well as to existing members. Under the Plan, members are entitled to annual pensions on retirement at age 65 of one sixtieth of revalued pensionable salary for each year of service. Pensionable salary is defined as basic salary less the statutory Lower Earnings limit. The Plan is administered by a separate board of trustees which is legally separate from the Company. The Trustees are comprised of representatives of employer, employees and independent trustees. The trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regards to assets plus the day to day administration of the scheme. The pension payments are made from the trustee-administered funds; however, where plans are underfunded, the company meets the benefit payment obligation as it falls due.

Cost of defined benefit plans

IN MILLIONS OF CHF	2021		2020	
	Switzerland	UK	Switzerland	UK
SERVICE COSTS				
Current service costs	(5.6)	-	(7.6)	-
Past service costs	-	-	7.8	-
Net interest	-	(0.1)	-	0.1
Total pension expenses recognized in the statement of profit or loss	(5.6)	(0.1)	0.2	0.1

The current and past service costs are included in personnel expenses, whereas fund administration expenses are included in the other expenses. The past service costs in 2020 are a consequence of the reduction of staff. Refer to comments in Note 9.

Remeasurements employee benefits

IN MILLIONS OF CHF	2021		2020	
	Switzerland	UK	Switzerland	UK
Actuarial gains (losses) – experience	15.5	13.2	1.1	-
Actuarial gains (losses) – demographic assumptions	7.7	2.2	-	(0.9)
Actuarial gains (losses) – financial assumptions	3.2	8.9	3.9	(29.3)
Return on plan assets exceeding expected interest	15.9	9.2	6.3	20.4
Total remeasurements recorded in other comprehensive income	42.3	33.5	11.3	(9.8)

The following tables summarize the components of the funded status and amounts recognized in the statement of financial position for the plan:

Change in the fair value of plan assets

IN MILLIONS OF CHF	2021		2020	
	Switzerland	UK	Switzerland	UK
Balance at January 1	205.8	217.5	207.5	209.5
Interest income ¹	0.2	3.2	0.5	4.1
Return on plan assets, above interest income	15.9	9.2	6.4	20.4
Contributions paid by employer	4.5	-	5.7	2.0
Contributions paid by employees	4.2	-	3.4	-
Benefits paid	(11.2)	(5.9)	(17.1)	(5.8)
Administration costs	(0.2)	(0.9)	(0.3)	(0.6)
Other	7.7	-	-	-
Currency translation	-	4.4	(0.3)	(12.1)
Balance at December 31	226.9	227.5	205.8	217.5

¹ Expected interest income on plan assets based on discount rate. See actuarial assumptions.

Change in present value of defined benefit obligation

IN MILLIONS OF CHF	2021		2020	
	Switzerland	UK	Switzerland	UK
Balance at January 1	217.7	223.1	236.1	206.5
Current service costs	5.6	-	7.6	-
Interest costs	0.2	3.3	0.6	4.0
Contributions paid by employees	4.2	-	3.4	-
Actuarial losses/(gains) – experience	(15.5)	(13.2)	(1.0)	0.1
Actuarial losses/(gains) – demographic assumptions	(7.7)	(2.2)	-	0.9
Actuarial losses/(gains) – financial assumptions	(3.2)	(8.9)	(3.9)	29.3
Benefits paid	(11.2)	(5.9)	(17.1)	(5.8)
Past service cost – plan amendments	-	-	(7.8)	-
Other	8.7	-	-	-
Currency translation	-	4.4	(0.2)	(11.9)
Balance at December 31	198.8	200.6	217.7	223.1
Net defined benefit (obligation) / asset at December 31	28.1	26.9	(11.9)	(5.6)

Based on pension legislation of certain countries the employer and/or the employees have the obligation to remedy any default situation of the pension foundation, which usually would result in higher periodic contributions. At the statement of financial position date, there was no such default situation. The actuarial calculations based on IAS 19 resulted in a defined benefit obligation /asset.

Actuarial assumptions

The present value of the defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. The main actuarial assumptions used are:

IN PERCENTAGE (%)	2021		2020	
	Switzerland	UK	Switzerland	UK
Discount rates	0.40	1.95	0.10	1.45
Future salary increases	1.25	-	1.25	-
Future pension increases	-	1.95	-	1.80
Mortality table (generational tables)	2020	2020	2015	2019

The mortality table takes into account changes in the life expectancy.

Plan asset structure

The structure of categories of plan assets is as follows:

IN PERCENTAGE (%)	2021		2020	
	Switzerland	UK	Switzerland	UK
Shares	34.9	99.9	33.4	99.1
Bonds	18.8	-	20.2	-
Real estates	37.6	-	38.0	-
Other ¹	8.7	0.1	8.4	0.9
Total	100.0	100.0	100.0	100.0

¹ Includes liquid positions and alternative investments.

All assets held by the Pension fund in Switzerland and UK are fair-value-level 1 (quoted prices in active markets), except certain real estate and alternative investments in Switzerland which are fair-value-level 3 (significant unobservable inputs) representing 37.6% (2020: 39.3%) of the total assets.

The net outflow of funds due to pension payments can be planned reliably. Contributions are paid regularly to the funded pension plans in Switzerland and UK. Furthermore, the respective investment strategies take account of the need to guarantee the liquidity of the plan at all times. Dufrey does not make use of any assets held by these pension plans.

Plan participants

IN MILLIONS OF CHF	2022		2021	
	Switzerland	UK	Switzerland	UK
EXPECTED CASH FLOW FOR				
Contribution Employer	4.8	-	4.1	2.0
Contribution Employees	2.9	-	2.5	-
Weighted average duration of defined benefit obligation (years)	18.3	19.0	20.1	19.0

Sensitivities of significant actuarial assumptions

The discount rate and the future salary increase were identified as significant actuarial assumptions.

The following impacts on the defined benefit obligation are to be expected:

2021 IN MILLIONS OF CHF	SWITZERLAND		UK	
	Increase	Decrease	Increase	Decrease
A CHANGE OF 0.5% IN THE FOLLOWING ASSUMPTIONS WOULD IMPLY				
Discount rate	(17.1)	19.9	(19.7)	19.7
Salary rate	1.9	(1.8)	-	-

The sensitivity analysis is based on realistically possible changes as of the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

34. FAIR VALUE MEASUREMENT

FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTIZED COST

Except as detailed in the table Quantitative disclosures fair value measurement hierarchy for assets below, Dufrey considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

The following tables provide the fair value measurement hierarchy of Dufrey's assets and liabilities, that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i. e. as prices) or indirectly (i. e. derived from prices).
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation of the put option related to unlisted shares is derived from the proportional share of the net assets.

Quantitative disclosures fair value measurement hierarchy for assets

FAIR VALUE MEASUREMENT AT DECEMBER 31, 2021 USING					
DECEMBER 31, 2021 IN MILLIONS OF CHF	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	CARRYING AMOUNTS
ASSETS MEASURED AT FAIR VALUE					
Derivative financial assets					
Foreign exchange swaps contracts - EUR	0.6	-	0.6	-	0.6
Foreign exchange swaps contracts - OTHER	1.4	-	1.4	-	1.4
Cross currency swaps contracts - EUR	5.4	-	5.4	-	5.4
Options - USD	1.6	-	1.6	-	1.6
Total (Note 37.3)	9.0	-	9.0	-	9.0
ASSETS FOR WHICH FAIR VALUES ARE DISCLOSED					
Loans and receivables					
Trade and credit card receivables	85.1	-	85.1	-	85.3
FAIR VALUE MEASUREMENT AT DECEMBER 31, 2020 USING					
DECEMBER 31, 2020 IN MILLIONS OF CHF	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	CARRYING AMOUNTS
ASSETS MEASURED AT FAIR VALUE					
Derivative financial assets					
Foreign exchange forward contracts - OTHER	-	-	-	-	-
Foreign exchange swaps contracts - EUR	8.8	-	8.8	-	8.8
Foreign exchange swaps contracts - OTHER	0.8	-	0.8	-	0.8
Options - USD	1.9	-	1.9	-	1.9
Total (Note 37.3)	11.5	-	11.5	-	11.5
Financial assets valued at FVOCI					
ASSETS FOR WHICH FAIR VALUES ARE DISCLOSED					
Loans and receivables					
Trade and credit card receivables	16.9	-	16.9	-	17.1

There were no transfers between Level 1 and 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities

DECEMBER 31, 2021 IN MILLIONS OF CHF	FAIR VALUE MEASUREMENT AT DECEMBER 31, 2021 USING				CARRYING AMOUNTS
	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
LIABILITIES MEASURED AT FAIR VALUE					
Derivative financial liabilities					
Foreign exchange forward contracts – OTHER	0.1	-	0.1	-	0.1
Foreign exchange swaps contracts – EUR	3.0	-	3.0	-	3.0
Foreign exchange swaps contracts – OTHER	0.3	-	0.3	-	0.3
Cross currency swaps contracts – EUR	60.1	-	60.1	-	60.1
Put option Dufrey Staer Holding Ltd	26.2	-	-	26.2	26.2
Total (Note 37.3)	89.7	-	63.5	26.2	89.7
LIABILITIES FOR WHICH FAIR VALUES ARE DISCLOSED					
At amortized cost					
Senior Notes CHF 300	298.3	298.3	-	-	299.0
Senior Notes CHF 500	466.1	466.1	-	-	447.7
Senior Notes EUR 725	727.9	727.9	-	-	744.8
Senior Notes EUR 800	815.1	815.1	-	-	826.7
Senior Notes EUR 750	721.5	721.5	-	-	765.0
Total	3,028.9	3,028.9	-	-	3,083.2
Floating rate borrowings USD	532.8	-	532.8	-	490.5
Total	532.8	-	532.8	-	490.5

There were no transfers between Level 1 and 2 during the period.

DECEMBER 31, 2020 IN MILLIONS OF CHF	FAIR VALUE MEASUREMENT AT DECEMBER 31, 2020 USING				CARRYING AMOUNTS
	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
LIABILITIES MEASURED AT FAIR VALUE					
Derivative financial liabilities					
Foreign exchange forward contracts - OTHER	-	-	-	-	-
Foreign exchange swaps contracts - EUR	-	-	-	-	-
Foreign exchange swaps contracts - OTHER	-	-	-	-	-
Put option Dufrey Staer Holding Ltd	23.4	-	-	23.4	23.4
Other options	-	-	-	-	-
Total (Note 37.3)	23.4	-	-	23.4	23.4
LIABILITIES FOR WHICH FAIR VALUES ARE DISCLOSED					
At amortized cost					
Senior Notes CHF 500	610.7	610.7	-	-	320.2
Senior Notes EUR 800	827.4	827.4	-	-	860.1
Senior Notes EUR 750	757.8	757.8	-	-	795.2
Total	2,195.9	2,195.9	-	-	1,975.5
Floating rate borrowings USD	1,056.2	-	1,056.2	-	1,008.5
Floating rate borrowings CHF	561.7	-	561.7	-	522.7
Floating rate borrowings GBP	-	-	-	-	-
Total	1,617.9	-	1,617.9	-	1,531.2

There were no transfers between Level 1 and 2 during the period.

35. CAPITAL RISK MANAGEMENT

Capital comprises equity attributable to the equity holders of the parent less hedging and revaluation reserves for unrealized gains or losses on net investments, plus other equity-linked or equity-like instruments attributable to the parent.

The primary objective of Dufry's capital management is to ensure that it maintains an adequate credit rating and sustainable capital ratios in order to support its business and maximize shareholder value.

Dufry manages its financing structure and makes adjustments to it in light of its strategy and the long-term opportunities and costs of each financing source. To maintain or adjust the financing structure, Dufry may adjust dividend payments to shareholders, return capital to shareholders, issue new shares or issue equity-linked instruments or equity-like instruments.

Furthermore, Dufry monitors the financing structure using a combination of ratios, including a gearing ratio, cash flow considerations and profitability ratios. As for the gearing ratio Dufry includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

35.1 GEARING RATIO

The following ratio compares owner's equity to borrowed funds:

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Cash and cash equivalents	(793.5)	(360.3)
Borrowings, current	45.3	53.9
Borrowings, non-current	3,771.7	3,650.6
Borrowings, net (excluding derivatives)	3,023.5	3,344.2
Equity attributable to equity holders of the parent	956.6	839.3
ADJUSTED FOR		
Accumulated hedged gains/(losses)	(128.4)	(91.0)
Effects from transactions with non-controlling interests ¹	1,507.4	1,503.4
Total capital²	2,335.6	2,251.7
Total net debt and capital	5,359.1	5,595.9
Gearing ratio	56.4%	59.8%

¹ Represents the excess paid/(received) above fair value on shares acquired/(sold) from non-controlling interests as long as there is no change in control (IFRS 10.23).

² Includes all capital and reserves of Dufry that are managed as capital.

Dufry did not hold collateral of any kind at the reporting dates.

35.2 CATEGORIES OF FINANCIAL INSTRUMENTS

AT DECEMBER 31, 2021		FINANCIAL ASSETS			NON-FINANCIAL ASSETS ¹	TOTAL
IN MILLIONS OF CHF	at amortized cost	at FVPL	SUBTOTAL			
Cash and cash equivalents	793.5	-	793.5	-	793.5	
Trade and credit card receivables	85.3	-	85.3	-	85.3	
Other accounts receivable	219.5	9.0	228.3	143.5	371.8	
Other non-current assets	174.1	0.5	174.6	40.2	214.8	
Total	1,272.2	9.5	1,281.7			

AT DECEMBER 31, 2021		FINANCIAL LIABILITIES			NON-FINANCIAL LIABILITIES ¹	TOTAL
IN MILLIONS OF CHF	at amortized cost	at FVPL	SUBTOTAL			
Trade payables	335.1	-	335.1	-	335.1	
Borrowings, current	45.3	-	45.3	-	45.3	
Lease obligations, current	1,077.9	-	1,077.9	-	1,077.9	
Other liabilities	525.7	63.5	589.2	64.0	653.2	
Borrowings, non-current	3,812.8	-	3,812.8	(41.1)	3,771.7	
Lease obligations, non-current	2,558.5	-	2,558.5	-	2,558.5	
Other non-current liabilities	46.7	-	46.7	-	46.7	
Total	8,402.0	63.5	8,465.5			

¹ Non-financial assets or non-financial liabilities comprise prepaid expenses (incl. deferred bank fees set off from borrowings) and deferred income, which will not generate a cash outflow or inflow as well as other tax positions.

AT DECEMBER 31, 2020		FINANCIAL ASSETS			NON-FINANCIAL ASSETS	TOTAL
IN MILLIONS OF CHF	Loans and receivables	at FVPL	SUBTOTAL			
Cash and cash equivalents	360.3	-	360.3	-	360.3	
Trade and credit card receivables	17.1	-	17.1	-	17.1	
Other accounts receivable	126.6	11.5	138.1	176.9	315.0	
Other non-current assets	211.5	0.4	211.9	44.9	256.8	
Total	715.5	11.9	727.4			

AT DECEMBER 31, 2020		FINANCIAL LIABILITIES			NON-FINANCIAL LIABILITIES	TOTAL
IN MILLIONS OF CHF	at amortized cost	at FVPL	SUBTOTAL			
Trade payables	154.9	-	154.9	-	154.9	
Borrowings, current	53.9	-	53.9	-	53.9	
Lease obligations, current	1,397.5	-	1,397.5	-	1,397.5	
Other liabilities	489.4	-	489.4	43.6	533.0	
Borrowings, non-current	3,692.1	-	3,692.1	(41.5)	3,650.6	
Lease obligations, non-current	4,022.9	-	4,022.9	-	4,022.9	
Other non-current liabilities	43.5	-	43.5	-	43.5	
Total	9,854.2	-	9,854.2			

35.3 NET INCOME BY IFRS 9 VALUATION CATEGORY

Financial Assets at December 31, 2021

IN MILLIONS OF CHF	AT AMORTIZED COST	AT FVPL	TOTAL
Interest income	15.9	-	15.9
Other finance income	0.1	5.4	5.5
From interest	16.0	5.4	21.4
Foreign exchange gain/(loss) ¹	128.7	(11.3)	117.4
Impairments/allowances ²	(45.0)	-	(45.0)
Total - from subsequent valuation	83.7	(11.3)	72.4
Net (expense)/income	99.7	(5.9)	93.8

Financial Liabilities at December 31, 2021

IN MILLIONS OF CHF	AT AMORTIZED COST	AT FVPL	TOTAL
Interest expenses	(250.2)	-	(250.2)
Other finance expenses	(41.4)	(7.7)	(49.1)
From interest	(291.6)	(7.7)	(299.3)
Foreign exchange gain/(loss) ¹	(2.4)	(117.6)	(120.0)
Total - from subsequent valuation	(2.4)	(117.6)	(120.0)
Net (expense)/income	(294.0)	(125.3)	(419.3)

¹ This position includes the foreign exchange gain/(loss) recognized on third party and intercompany financial assets and liabilities through consolidated statement of profit or loss.

² This position includes net income/(expense) from released impairments, allowances or recoveries during the period less the increase of impairments or allowances.

Financial Assets at December 31, 2020

IN MILLIONS OF CHF	LOANS AND RECEIVABLES	AT FVOCI (NON-RECYCLABLE)	AT FVPL	TOTAL
Interest income	22.5	-	-	22.5
Other finance income	0.8	-	12.2	13.0
From interest	23.3	-	12.2	35.5
Foreign exchange gain / (loss) ¹	(225.0)	-	(4.1)	(229.1)
Impairments / allowances ²	(23.8)	-	-	(23.8)
Total - from subsequent valuation	(248.8)	-	(4.1)	(252.8)
Net (expense) / income	(225.5)	-	8.1	(217.3)

Financial Liabilities at December 31, 2020

IN MILLIONS OF CHF	AT AMORTIZED COST	AT FVPL	TOTAL
Interest expenses and arrangement fees	(325.8)	-	(325.8)
Other finance expenses	(10.2)	(6.4)	(16.6)
From interest	(336.0)	(6.4)	(342.4)
Foreign exchange gain / (loss) ¹	212.1	16.9	229.0
Total - from subsequent valuation	212.1	16.9	229.0
Net (expense) / income	(123.9)	10.5	(113.4)

¹ This position includes the foreign exchange gain / (loss) recognized on third party and intercompany financial assets and liabilities through consolidated statement of profit or loss.

² This position includes net income / (expense) from released impairments, allowances or recoveries during the period less the increase of impairments or allowances.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES

As a global retailer, Dufrey has worldwide activities which are financed in different currencies and are consequently affected by fluctuations of foreign exchange and interest rates. Dufrey's treasury manages the financing of the operations through centralized credit facilities to ensure an adequate allocation of these resources and simultaneously minimize the potential currency and financial risk impacts.

Dufrey continuously monitors the market risk, such as risks related to foreign currency, interest rate, credit, liquidity and capital. Dufrey seeks to minimize the currency exposure and interest rates risk using appropriate transaction structures or alternatively, using derivative financial instruments to hedge the exposure to these risks. The treasury policy forbids entering or trading financial instruments for speculative purposes.

37. MARKET RISK

Dufry's financial assets and liabilities are mainly exposed to market risk in foreign currency exchange and interest rates. Dufry's objective is to minimize the impact on statement of profit or loss and to reduce fluctuations in cash flows through structuring the respective transactions to minimize market risks. In cases, where the associated risk cannot be hedged appropriately through a transaction structure, and the evaluation of market risks indicates a material exposure, Dufry may use financial instruments to hedge the respective exposure.

Dufry may enter into a variety of financial instruments to manage its exposure to foreign currency risk, including forward foreign exchange contracts, currency swaps and over the counter plain vanilla options.

During the current financial year, Dufry utilized foreign currency forward contracts and options for hedging purposes.

37.1 FOREIGN CURRENCY RISK MANAGEMENT

Dufry manages the cash flow surplus or deficits in foreign currency of the operations through FX-transactions in the respective local currency. Major imbalances in foreign currencies at Group level are hedged through foreign exchange forwards contracts. The terms of the foreign currency forward contracts have been negotiated to match the terms of the forecasted transactions.

37.2 FOREIGN CURRENCY SENSITIVITY ANALYSIS

Among various methodologies to analyze and manage risk, Dufry utilizes a system based on sensitivity analysis. This tool enables Group treasury to identify the level of risk of each entity. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions.

Foreign Currency Exposure

IN MILLIONS OF CHF	USD	EUR	GBP	BRL	OTHER	TOTAL
DECEMBER 31, 2021						
Monetary assets	1,226.7	494.1	411.3	91.5	2,096.7	4,320.3
Monetary liabilities	495.5	2,890.3	263.8	162.0	2,225.0	6,036.6
Net currency exposure before foreign currency contracts and hedging	731.2	(2,396.2)	147.5	(70.5)	(128.3)	(1,716.3)
Foreign currency contracts	(998.6)	1,254.4	(158.6)	35.6	49.5	182.3
Hedging	252.3	1,127.6	-	-	(91.8)	1,288.1
Net currency exposure	(15.1)	(14.2)	(11.1)	(34.9)	(170.6)	(245.9)
DECEMBER 31, 2020						
Monetary assets	1,824.1	216.1	400.1	92.3	1,257.5	3,790.1
Monetary liabilities	1,742.1	2,093.7	211.9	172.2	1,237.9	5,457.8
Net currency exposure before hedging	82.0	(1,877.6)	188.2	(79.9)	19.6	(1,667.7)
Foreign currency contracts	(454.0)	704.0	(195.0)	92.0	60.9	207.9
Hedging	244.8	1,175.6	-	-	(94.8)	1,325.6
Net currency exposure	(127.2)	2.0	(6.8)	12.1	(14.3)	(134.2)

The sensitivity analysis includes all monetary assets and liabilities irrespective of whether the positions are third party or intercompany. Dufrey has considered some intercompany long-term loans as equity like loans. Consequently, the related exchange differences are presented in other comprehensive income and thereafter as translation reserve in equity. In addition, Dufrey has entered into cross currency swaps to reduce the currency exposure.

The foreign exchange rate sensitivity is calculated by aggregation of the net currency exposure of Dufrey entities at December 31 of the respective year. The values and risk disclosed here are the hedged and remaining net currency exposure assuming a 5% appreciation of the CHF against all other currencies.

A positive result indicates a profit, before tax in the statement of profit or loss or in the hedging and revaluation reserves when the CHF strengthens against the relevant currency.

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Effect on profit or loss based on USD	0.8	6.4
Other comprehensive income based on USD	12.6	12.2
Effect on profit or loss based on EUR	0.7	(0.1)
Other comprehensive income based on EUR	56.4	58.8
Effect on profit or loss based on GBP	0.6	0.3
Effect on profit or loss based on BRL	1.7	(0.6)

Reconciliation to categories of financial instruments:

IN MILLIONS OF CHF	31.12.2021	31.12.2020
FINANCIAL ASSETS		
Total financial assets held in foreign currencies (see above)	4,320.3	3,790.1
Less intercompany financial assets in foreign currencies	(3,690.0)	(3,331.4)
Third party financial assets held in foreign currencies	630.3	458.7
Third party financial assets held in reporting currencies	651.4	268.7
Total third party financial assets¹	1,281.7	727.4
FINANCIAL LIABILITIES		
Total financial liabilities held in foreign currencies (see above)	6,036.6	5,457.8
Less intercompany financial liabilities in foreign currencies	(4,083.4)	(3,160.5)
Third party financial liabilities held in foreign currencies	1,953.2	2,297.3
Third party financial liabilities held in reporting currencies	6,512.3	7,556.9
Total third party financial liabilities¹	8,465.5	9,854.2

¹ See note 35.2 Categories of financial instruments.

37.3 FOREIGN EXCHANGE FORWARD CONTRACTS AND FOREIGN EXCHANGE OPTIONS AT FAIR VALUE

As the management of the company actively pursues to naturally hedge the positions in each operation, the policy of Dufrey is to enter into foreign exchange forwards and options contracts only where needed.

The following table shows the contracts or underlying principal amounts and fair values of derivative financial instruments, including foreign exchange forwards and foreign exchange swaps as well as cross currency swaps. Contracts or underlying principal amounts indicate the volume of business outstanding at the balance sheet date. The fair values as per the table below are determined by reference to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly at December 31 of each year.

IN MILLIONS OF CHF	CONTRACT OR UNDERLYING PRINCIPAL AMOUNT	POSITIVE FAIR VALUE	NEGATIVE FAIR VALUE
December 31, 2021	7,025.2	9.0	63.5
December 31, 2020	1,424.4	11.5	-

38. INTEREST RATE RISK MANAGEMENT

Dufrey manages the interest rate risk through interest rate swaps and options to the extent that the hedging cannot be implemented through managing the duration of the debt drawings. The levels of the hedging activities are evaluated regularly and may be adjusted in order to reflect the development of the various parameters.

38.1 INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analysis below has been determined based on the exposure to interest rates derivatives and non-derivative instruments at the reporting date. The risk analysis provided here assumes a simultaneous increase of 100 basis points of the interest rate of all interest bearing financial positions.

If interest rates had been 100 basis points higher whereas all other variables were held constant, Dufrey's net earnings for the year 2021 would increase by CHF 38.0 (2020: increase by CHF 40.0) million.

38.2 ALLOCATION OF FINANCIAL ASSETS AND LIABILITIES TO INTEREST CLASSES

	IN %				IN MILLIONS OF CHF		
	Average variable interest rate	Average fixed interest rate	Variable interest rate	Fixed interest rate	Total interest bearing	Non-interest bearing	TOTAL
AT DECEMBER 31, 2021							
Cash and cash equivalents	0.3%	1.0%	56.2	43.1	99.3	694.2	793.5
Trade and credit card receivables			-	-	-	85.3	85.3
Other accounts receivable	0.3%		34.9	-	34.9	193.4	228.3
Other non-current assets	0.4%	3.9%	0.9	7.8	8.7	165.9	174.6
Financial assets			92.0	50.9	142.9	1,138.8	1,281.7
Trade payables			-	-	-	335.1	335.1
Borrowings, current	4.1%	2.4%	1.3	24.5	25.8	19.5	45.3
Other liabilities			-	-	-	589.2	589.2
Borrowings, non-current	3.3%	2.5%	512.4	3,300.4	3,812.8	-	3,812.8
Lease obligations		3.7%	-	3,636.4	3,636.4	-	3,636.4
Other non-current liabilities			-	-	-	46.7	46.7
Financial liabilities			513.7	6,961.3	7,475.0	990.5	8,465.5
Net financial liabilities			421.7	6,910.4	7,332.1	(148.3)	7,183.8

	IN %				IN MILLIONS OF CHF		
	Average variable interest rate	Average fixed interest rate	Variable interest rate	Fixed interest rate	Total interest bearing	Non-interest bearing	TOTAL
AT DECEMBER 31, 2020							
Cash and cash equivalents	0.7%	2.7%	14.0	23.4	37.4	322.9	360.3
Trade and credit card receivables			-	-	-	17.1	17.1
Other accounts receivable	1.1%		0.3	-	0.3	137.8	138.1
Other non-current assets	2.5%	3.8%	5.6	2.0	7.6	204.3	211.9
Financial assets			19.9	25.4	45.3	682.1	727.4
Trade payables			-	-	-	154.9	154.9
Borrowings, current	5.0%	4.2%	49.0	4.9	53.9	-	53.9
Other liabilities			-	-	-	489.4	489.4
Borrowings, non-current	2.7%	2.1%	1,686.4	2,005.7	3,692.1	-	3,692.1
Lease obligations	1.6%	3.6%	0.5	5,419.9	5,420.4	-	5,420.4
Other non-current liabilities			-	-	-	43.5	43.5
Financial liabilities			1,735.9	7,430.5	9,166.4	687.8	9,854.2
Net financial liabilities			1,716.0	7,405.1	9,121.1	5.7	9,126.8

39. CREDIT RISK MANAGEMENT

Credit risk refers to the risk that counterparty may default on its contractual obligations resulting in financial loss to Dufrey.

Almost all Dufrey sales are retail sales made against cash or internationally recognized credit /debit cards. Dufrey has policies in place to ensure that other sales are only made to customers with an appropriate credit history or that the credit risk is insured adequately. The remaining credit risk is in relation to refunds from suppliers and guarantee deposits.

The credit risk on cash deposits or derivative financial instruments relates to banks or financial institutions. Dufrey monitors the credit ranking of these institutions and does not expect defaults from non-performance of these counterparties.

The main banks where the Group keeps net assets positions hold a credit rating of A- or higher.

39.1 MAXIMUM CREDIT RISK

The carrying amount of financial assets recorded in the financial statements, after deduction of any allowances for losses, represents Dufrey's maximum exposure to credit risk.

40. LIQUIDITY RISK MANAGEMENT

Dufry evaluates this risk as the ability to settle its financial liabilities on time and at a reasonable price. Beside its capability to generate cash through its operations, Dufry mitigates liquidity risk by keeping unused credit facilities with financial institutions (see note 2.2 and 28).

40.1 REMAINING MATURITIES FOR NON-DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

The following tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities (based on the earliest date on which Dufry can receive or be required to pay). The tables include principal and interest cash flows.

AT DECEMBER 31, 2021 IN MILLIONS OF CHF	1-6 MONTHS	6-12 MONTHS	1-2 YEARS	MORE THAN 2 YEARS	TOTAL
Cash and cash equivalents	804.0	2.9	-	-	806.9
Trade and credit card receivables	85.3	-	-	-	85.3
Other accounts receivable	183.3	36.0	-	-	219.3
Other non-current assets	-	-	1.9	172.9	174.8
Total cash inflows	1,072.6	38.9	1.9	172.9	1,286.3
Trade payables	335.1	-	-	-	335.1
Borrowings, current	34.8	19.1	-	-	53.9
Other liabilities	589.7	-	-	-	589.7
Borrowings, non-current	51.2	51.7	224.6	3,945.3	4,272.8
Lease obligations ¹	552.0	525.9	907.0	2,127.8	4,112.7
Other non-current liabilities	-	-	46.7	-	46.7
Total cash outflows	1,562.8	596.7	1,178.3	6,073.1	9,410.9

¹ Lease obligation with a maturity of more than 2 years contain an amount of CHF 840.7 million with a maturity longer than 5 years.

AT DECEMBER 31, 2020 IN MILLIONS OF CHF	1-6 MONTHS	6-12 MONTHS	1-2 YEARS	MORE THAN 2 YEARS	TOTAL
Cash and cash equivalents	368.4	3.6	-	-	372.0
Trade and credit card receivables	17.1	-	-	-	17.1
Other accounts receivable	124.4	2.3	-	-	126.7
Other non-current assets	0.8	2.2	29.6	200.5	233.1
Total cash inflows	510.7	8.1	29.6	200.5	748.9
Trade payables	154.9	-	-	-	154.9
Borrowings, current	39.6	31.5	-	-	71.1
Other liabilities	489.4	-	-	-	489.4
Borrowings, non-current	24.1	30.0	144.6	3,752.7	3,951.4
Lease obligations	816.6	580.9	1,169.9	3,435.0	6,002.4
Other non-current liabilities	-	-	43.5	-	43.5
Total cash outflows	1,524.6	642.4	1,358.0	7,187.7	10,712.7

40.2 REMAINING MATURITIES FOR DERIVATIVE FINANCIAL INSTRUMENTS

Dufry holds derivative financial instruments at year-end.

AT DECEMBER 31, 2021 IN MILLIONS OF CHF	1-6 MONTHS	6-12 MONTHS	1-2 YEARS	MORE THAN 2 YEARS	TOTAL
Derivative financial assets	1.9	-	1.6	5.5	9.0
Derivative financial liabilities	3.4	-	-	60.1	63.5
AT DECEMBER 31, 2020 IN MILLIONS OF CHF	1-6 MONTHS	6-12 MONTHS	1-2 YEARS	MORE THAN 2 YEARS	TOTAL
Derivative financial assets	10.0	1.5	-	-	11.5
Derivative financial liabilities	-	-	-	-	-

41. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

A party is related to Dufry if the party directly or indirectly controls, is controlled by, or is under common control with Dufry, has an interest in Dufry that gives it significant influence over Dufry, has joint control over Dufry or is an associate or a joint venture of Dufry. In addition, members of the key management personnel of Dufry or close members of the family are also considered related parties as well as post-employment benefit plans for the benefit of employees of Dufry.

Transactions with related parties are conducted at arm's length.

The related party transactions and relationships for Dufry are the following:

IN MILLIONS OF CHF	2021	2020
PURCHASE OF GOODS FROM		
Hudson RPM, literature and publications ¹	-	1.4
PURCHASE OF SERVICES FROM		
Pension Fund Dufry, post-employment benefits	4.5	5.6
ACCOUNTS PAYABLES AT DECEMBER 31		
Hudson RPM ¹	-	(1.7)
Pension Fund Dufry	0.6	0.3

¹ Hudson RPM is no longer a related party.

The transactions with associates are the following:

IN MILLIONS OF CHF	2021	2020
PURCHASE OF SERVICES FROM		
Lojas Francas de Portugal S.A	-	(3.4)
Nuance Basel LLC (Sochi)	-	0.2
Nuance Group (Chicago) LLC	(0.1)	-
SALES OF SERVICES TO		
Lojas Francas de Portugal S.A.	(0.3)	1.5
Nuance Basel LLC (Sochi)	0.3	0.2
Puerto Libre Int. SA	0.1	-
Nuance Group (Chicago) LLC	0.2	0.1
SALES OF GOODS TO		
Lojas Francas de Portugal S.A.	19.9	8.9
Nuance Basel LLC (Sochi)	3.2	1.6
Puerto Libre Int. SA	0.5	0.4
Nuance Group (Chicago) LLC	0.3	(0.1)
NCM Brookstone Stores Georgia, LLC	0.1	-
ACCOUNTS RECEIVABLES AT DECEMBER 31		
Lojas Francas de Portugal S.A.	8.1	1.4
Nuance Basel LLC (Sochi)	9.8	9.0
Puerto Libre Int. SA	0.2	-
Nuance Group (Chicago) LLC	1.9	0.6
NCM Brookstone Stores Georgia, LLC	0.6	0.5
ACCOUNTS PAYABLES AT DECEMBER 31		
Nuance Group (Chicago) LLC	0.1	-

The compensation to members of the Board of Directors and the Global Executive Committee for the services provided during the respective years includes all forms of consideration paid, payable or provided by Dufrey, including compensation in company shares as follows:

IN MILLIONS OF CHF	2021	2020
BOARD OF DIRECTORS		
Number of directors	11	10
Current employee benefits	7.6	6.8
Post-employment benefits	0.1	0.2
Total compensation	7.7	7.0
GLOBAL EXECUTIVE COMMITTEE		
Number of members	7	8
Current employee benefits	19.9	26.0
Post-employment benefits	1.4	1.8
Share-based payments (income)/expense ¹	0.2	(1.1)
Total compensation	21.5	26.7

¹ Expenses accrued during the year for members of the Global Executive Committee.

For further information regarding participations and compensation to members of the Board of Directors or Global Executive Committee, please refer to the remuneration report at the end of the annual report.

42. EVENTS AFTER REPORTING DATE

On February 24, 2022, the Russian Federation initiated a military attack on the Ukraine. Management is assessing its direct impact on the Company and is monitoring the situation. The more indirect impact on the travel and travel retail business worldwide cannot be assessed reliably at the time of approval of the consolidated financial statements.



Deloitte AG
Pfingstweidstrasse 11
8005 Zürich
Schweiz

Phone: +41 (0)58 279 60 00
Fax: +41 (0)58 279 66 00
www.deloitte.ch

To the General Meeting of
Dufry AG, Basel

Basel, March 3, 2022

Statutory Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Dufry AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 125 to 211) give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment Risk of Goodwill

Key Audit Matter

The Group's balance sheet includes goodwill of CHF 2,360.0 million (2020: 2,369.3 million). As at December 31, 2021 management concluded that the estimated recoverable amount of goodwill of each of the Group's segments exceeded their carrying amounts with the exception of one country specific disposal that resulted in an impairment charge of CHF 21.6 million (2020: CHF 131.1 million).

The accounting policies regarding goodwill applied by the Group are explained in the Notes to the consolidated financial statements in sections 2.4a and 2.4q. As detailed in Note 3, 10, 18 and 19 to the consolidated financial statements, the level at which goodwill is monitored and tested annually for impairment is the group's segments.

The Group focuses on the regional performance of its operations. Key metrics used by management in assessing performance are measured at the operating segment.

The impairment assessment for goodwill is dependent on the assumptions of cash flow projections used in the impairment tests. Key assumptions are projected sales growth rates and the weighted average cost of capital applied.

Given the high level of judgment and complexity of the estimations, combined with the significance of the above amounts to the financial statements as a whole, we assessed management's assumptions made in relation to goodwill to be a key audit matter.

Deloitte.

How the scope of our audit responded to the key audit matter

We obtained an understanding of the controls around the review of management's judgment in allocating goodwill to the operating segments, the review of significant assumptions used in the impairment test and the review of the impairment models.

We included valuation specialists in our team to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests.

We evaluated the projected sales growth rates used in the cash flow projections during the forecast period and the terminal growth rate assumptions. In addition, we performed lookback analyses to assess historical revenue and expenses against the Group's assumptions.

We independently determined the weighted average cost of capital (WACC) and compared them against management's assumptions.

We challenged the Group's sensitivity analysis by performing an independent analysis using management's models. We assessed the adequacy of impairment related disclosures in the consolidated financial statements, including the key assumptions used and the completeness and accuracy of sensitivities disclosed.

Valuation of concession right intangibles and right-of-use assets

Key Audit Matter

The Group's balance sheet includes concession right intangibles in the amount of CHF 1,421.6 million (2020: CHF 1,854.7 million) and right-of-use assets with definite useful lives in the amount of CHF 3,120.8 million (2020: CHF 4,438.7 million). As at December 31, 2021 management recorded an impairment charge of CHF 237.0 million for concession right intangibles and a net gain from impairment of CHF 44.1 from Right-of-Use assets (2020: CHF 564.8 million and CHF 443.1 million, respectively).

The accounting policies regarding concession right intangibles and right-of-use assets applied by the Group are explained in the notes to the consolidated financial statements in sections 2.4m and 2.4o. As detailed in Note 3, 17, 18, and 19 to the consolidated financial statements, the Group assesses at each reporting date whether there are indicators of impairment. When such indicators are identified, the carrying value of the respective cash generating unit, to which the respective concession right intangibles and right-of-use assets belong to, are tested for impairment.

The impairment assessment is dependent on the assumptions of cash flow projections used in the impairment tests. Key assumptions are projected sales growth rates for the forecast period and the weighted average cost of capital applied.

Given the high level of judgment and complexity of the estimations, combined with the significance of the above amounts to the financial statements as a whole, we assessed management's estimates made in relation to concession right intangibles and right-of-use assets to be a key audit matter.

How the scope of our audit responded to the key audit matter

We obtained an understanding of the controls around the review of management's judgment in the identification of impairment indicators, the review of key assumptions used in the impairment test and the review of the impairment models.

We independently evaluated whether there are any impairment indicators for concession right intangibles and right-of-use assets. For those cash generating units for which there were impairment indicators identified, we performed procedures to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests, with the support of our valuation specialists.

We performed analyses over the projected sales growth rates used in the cash flow projections during the forecast period. In addition, we performed lookback analyses to assess historical revenue and expenses against the Group's assumptions. In addition, we tested on a sample basis the variable and fixed lease payments against contractual agreements.

Deloitte.

We independently determined the weighted average cost of capital (WACC) and compared them against management's assumptions.

We assessed the adequacy of impairment related disclosures in the consolidated financial statement.

Completeness of Lease Contracts and Accounting Treatment

Key Audit Matter

The Group's balance sheet includes right-of-use assets of CHF 3,120.8 million (2020: 4,438.7 million) and lease obligation of CHF 3,636.4 million (current and non-current) (2020: CHF 5,420.4 million).

The accounting policies regarding right-of-use assets and lease obligations applied by the Group are explained in the notes to the consolidated financial statements in sections 2.4f, 2.4m, 2.4n and 2.4v. As detailed in Note 8 and 29 to the consolidated financial statements, the Group disclosed the key assumptions for lease accounting.

Given the complexity around assessing the accounting treatment and the completeness of lease contracts recognized based on contractual information, and complexity around the application of the COVID-19 related rent concession practical expedient, this matter was considered a key audit matter.

How the scope of our audit responded to the key audit matter

We obtained an understanding of the Group's process for identifying changes to contractual information of the lease contracts and its corresponding Group's accounting policy and obtained an understanding around the key controls to assess completeness and appropriateness of the accounting treatment.

We tested a sample of additions or changes to lease contracts and analysed whether these represented lease modifications or should be accounted for as separate leases. We evaluated the Group's analysis of the application of the COVID-19 related rent concession practical expedient by selecting a sample of the underlying contract amendments and challenging the Group's assessment. We performed inquiries with management on the completeness of lease contracts and considered external available information on changes in concession agreements. Further, we assessed the completeness of the lease liability by selecting a sample of lease expenses to ensure appropriate classification of the variable lease contracts.

We validated the appropriateness and completeness of the related disclosures in the corresponding Notes to the financial statements.

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the statutory financial statements of the Company and remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte AG



Andreas Bodenmann
Licensed audit expert
(Auditor in charge)



Fabian Hell
Licensed audit expert

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2021

IN THOUSANDS OF CHF	NOTE	2021	2020
Financial income		24,076	2,938
Other income		214	20
Total income		24,290	2,958
Personnel expenses	8	(664)	11,092
General and administrative expenses		(11,817)	(3,875)
Management fee expenses		(1,778)	(12,570)
Impairment of investments in subsidiaries	7	(223,465)	(844,725)
Financial expenses		(626)	(8,634)
Expenses related with capital increase		-	(8,019)
Taxes		(1,228)	(981)
Total expenses		(239,578)	(867,713)
(Loss) / profit for the year		(215,288)	(864,755)

STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2021

IN THOUSANDS OF CHF	NOTE	31.12.2021	31.12.2020
ASSETS			
Cash and cash equivalents		418	10,625
Current receivables third parties		103	88
Current receivables subsidiaries		2,868	1,387
Current receivables other group companies		1,364	1,341
Loan to subsidiaries		790,000	475,000
Prepaid expenses and accrued income		-	54
Current assets		794,753	488,495
Investments in subsidiaries	3	2,780,225	3,003,690
Non-current assets		2,780,225	3,003,690
Total assets		3,574,978	3,492,185
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current interest bearing liabilities		595	2,537
Current liabilities third parties		5,970	7,891
Current liabilities participants and bodies		-	1,036
Current liabilities subsidiaries		1,167	8,717
Deferred income and accrued expenses		653	6,228
Current liabilities		8,385	26,409
Non-current interest-bearing liabilities subsidiaries		-	-
Non-current liabilities		-	-
Total liabilities		8,385	26,409
Share capital	5.1	453,985	401,318
Legal capital reserves			
Reserve from capital contribution	5.1	4,552,310	4,287,731
Reserve from capital contribution for own shares held at subsidiaries	5.1	557	1,698
Legal retained earnings			
Other legal reserves		5,927	5,927
Voluntary retained earnings			
Results carried forward	12	(1,230,898)	(366,143)
(Loss) / profit for the year	12	(215,288)	(864,755)
Treasury shares	6	-	-
Shareholders' equity		3,566,593	3,465,776
Total liabilities and shareholders' equity		3,574,978	3,492,185

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Dufry AG (the “Company”) is a publicly listed company. The shares of the Company are listed on the Swiss Stock Exchange (SIX) in Zurich.

Dufry AG was incorporated in 1865 and is registered with the commercial register in the canton of Basel Stadt, Switzerland. The Company has registered offices in Basel, Brunngässlein 12.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

We have prepared the statutory financial statements in accordance with the accounting principles as set out in Art. 957 to Art. 963b of the Swiss Code of Obligations (“CO”). Since we have prepared our consolidated financial statements in accordance with the International Financial Reporting Standards (“IFRS”), a recognized accounting standard, we have, in accordance with the CO, elected to forego presenting the statement of cash flows, the additional disclosures and the management report otherwise required by the CO. Our financial statements may be influenced by the creation and release of excess reserves.

All amounts are presented in Swiss francs (“CHF”), unless otherwise indicated.

Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2.2 THE ENTITY’S ABILITY TO CONTINUE AS A GOING CONCERN – COVID-19

During 2021, the Group has taken the following measures in response to the ongoing COVID-19 pandemic:

- The Group has materially reduced its cost structure and is continuing to manage its expenses, in particular the Group renegotiated, and it is continuing to align its concession payment commitments to the current business environment and in particular to reduce fixed payments;
- In March 2021, Dufry issued a new convertible bond of CHF 500 million due in 2026;

- In April 2021, CHF 350 million convertible bonds issued in 2020 and due in 2023 were converted in shares;
- In April 2021, the group issued two new senior bonds
 - EUR 725 million 3.375 % Senior Notes due 2028 and
 - CHF 300 million 3.625 % Senior Notes due 2026.
- With the executed refinancing, there are no material maturities before 2024. Proceeds from the offering are mainly intended to be used to refinance existing bank debt (2017 Senior Euro Term Loan Facility – EUR 500 million).

In addition, the lenders of the syndicated bank facility have agreed to extend the maturity of the 2017 Senior USD Term Loan Facility (USD 550 million).

In February 2022, Dufry received commitment letters from the same lenders in which, among other things, the lenders committed to not formally test the financial covenants for the relevant periods until and including June 30, 2023,

Dufry cannot predict extent or duration of the ongoing COVID-19 pandemic and its impact on the Group and its financial position, results of operations and cash flows. We are closely monitoring developments related to the ongoing pandemic and have taken and continue to take steps intended to mitigate the potential risks to us.

Management believes that the actions that it has taken to date are sufficient to ensure the Group's ability to continue as a going concern and has therefore prepared the consolidated financial statements on a going concern basis.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in subsidiaries

Investments are held at historical cost. The Company reviews the carrying amount of these investments annually, and if events and circumstances suggest that this amount may not be recoverable, an impairment is recognized in the statement of profit or loss.

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity. Gains or losses arising out of transactions with treasury shares are recorded in the statement of profit or loss.

Share-based payments

The Company accrues personnel expenses related to share-based payment plans for the respective period in deferred income and accrued liabilities. Any difference between the acquisition costs of treasury shares and the accrual created for the plan will be recognized in the statement of profit or loss, when the shares are assigned to the member of the share-based payment plans.

Current and non-current interest-bearing liabilities

Interest-bearing liabilities are recognized at their nominal value in the statement of financial position.

Exchange rate differences

All assets and liabilities denominated in foreign currencies are translated into CHF using year-end exchange rates, except investments in subsidiaries, which are recognized at historical values. Net unrealized exchange losses are recognized in the statement of profit or loss and net unrealized gains are deferred within accrued expenses. Realized exchange gains or losses arising from business transactions denominated in foreign currencies are recognized in the statement of profit or loss.

3. DIRECT SUBSIDIARIES

IN THOUSANDS	SHARE IN CAPITAL AND VOTING RIGHTS		SHARE CAPITAL		CURRENCY
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	
Dufry International AG, Switzerland	100%	100%	1,000	1,000	CHF
Dufry Corporate AG, Switzerland	100%	100%	100	100	CHF
Dufry Holdings & Investments AG, Switzerland	100%	100%	1,000	1,000	CHF

4. SIGNIFICANT SHAREHOLDERS' PARTICIPATION

IN PERCENTAGE (%) OF OUTSTANDING REGISTERED SHARES	31.12.2021	31.12.2020
Advent International Corporation	10.10%	17.55%
State of Qatar	6.91%	6.91%
Compagnie Financiere Rupert	5.00%	5.00%
Alibaba Group Holding Limited	5.40%	-
Franklin Resources, Inc.	3.00%	-

5. SHARE CAPITAL

5.1 ORDINARY SHARES

IN THOUSANDS OF CHF	NUMBER OF SHARES	SHARE CAPITAL	RESERVE FROM CAPITAL CONTRIBUTION
Balance at January 1, 2020	50,567,166	252,836	3,420,326
Share capital increases	29,696,516	148,483	782,403
Reclass from reserve from capital contribution for own shares held at subsidiaries	-	-	85,002
Balance at December 31, 2020	80,263,682	401,318	4,287,731
Share capital increases	10,533,325	52,667	292,320
Incentive for conversion of bond	-	-	(28,881)
Reclass from reserve from capital contribution for own shares held at subsidiaries	-	-	1,140
Balance at December 31, 2021	90,797,007	453,985	4,552,310

In April 2021, 99.3% of CHF 350 million (CHF 347.6 million) convertible bonds issued in 2020 and due in 2023 were converted into shares.

On April 20, 2020, Dufry has issued and placed 5,000,000 new shares out of the authorized capital at CHF 27.50 per share and the gross proceeds from the placement were CHF 137.5 million.

On October 6, 2020, the Extraordinary General Meeting of Dufry approved the issuance and offering of an ordinary share capital increase of up to 24,696,516 shares with a nominal value of CHF 5.00 each.

On October 20, 2020, the offering period closed and finally 24,696,516 new shares have been placed resulting in an increase of the share capital of CHF 123.5 million and a gross proceeds of CHF 820.4 million.

5.2 CONDITIONAL SHARE CAPITAL

IN	SHARES	CHF
Balance at January 1, 2020	888,432	4,442,160
Increase of conditional share capital	11,811,568	59,057,840
Balance at December 31, 2020	12,700,000	63,500,000
Conversion of the CHF 350 million bond	(10,533,325)	(52,666,625)
Increase of conditional share capital	6,913,025	34,565,125
Balance at December 31, 2021	9,079,700	45,398,500

5.3 AUTHORIZED SHARE CAPITAL

IN	SHARES	NOMINAL VALUE IN CHF
Balance at January 1, 2020	5,000,000	25,000,000
Share capital increase	(5,000,000)	(25,000,000)
Balance at December 31, 2020	-	-
Balance at December 31, 2021	-	-

6. TREASURY SHARES

IN THOUSANDS OF	SHARES	CHF
Balance at January 1, 2020	-	-
Share purchases	618.8	16,892
Assigned to holders of PSU Awards	(118.8)	(3,142)
Disposal of shares	(500.0)	(13,750)
Balance at December 31, 2020	-	-
Balance at December 31, 2021	-	-

7. IMPAIRMENTS OF INVESTMENTS IN SUBSIDIARIES

Dufry AG has reviewed the valuation of its investments in Dufry International AG and Dufry Holdings & Investments AG, since its subsidiaries have been adversely affected by the COVID-19 pandemic. Based on the assessment performed, the Company recognized an impairment of CHF 223.5 (2020: 844.7) million.

8. PERSONNEL EXPENSES

The Company recorded a reversal of a provision for share-based payment as the underlying performance conditions are not likely to be met. No new share-based payment plan was granted during the period. Dufry AG employed less than 10 employees in 2021 and 2020.

9. GUARANTEE COMMITMENT REGARDING SWISS VALUE ADDED TAX (VAT)

The Company belongs to the Swiss value added tax (VAT) group of Dufry International AG, and thus carries joint liability to the Swiss federal tax administration for VAT. Members of the VAT group as of December 31, 2021, are:

DUFYR International AG	DUFYR Corporate AG
DUFYR Samnaun AG	DUFYR Holdings & Investments AG
DUFYR Participations AG	DUFYR AG
DUFYR Russia Holding AG	DUFYR Altay AG
DUFYR Trading AG	The Nuance Group AG
DUFYR Basel Mulhouse AG	

10. CONTINGENT LIABILITIES

The Company jointly and severally with Dufry International AG and Dufry Financial Services B. V. guaranteed the following credit facilities:

IN MILLIONS OF	MATURITY	COUPON RATE	CURRENCY	NOMINAL AMOUNT IN LOCAL CURRENCY	DRAWN AMOUNT IN CHF
MAIN BANK CREDIT FACILITIES					
Committed 5-years term loan	03.11.2024		USD	550.0	501.7
5+1+1 – years revolving credit facility (multi-currency)	03.11.2024		EUR	1,300.0	–
Subtotal					501.7
SENIOR NOTES					
Senior notes	15.04.2028	3.38 %	EUR	725.0	752.0
Senior notes	15.04.2026	3.63 %	CHF	300.0	300.0
Senior notes	15.10.2024	2.50 %	EUR	800.0	829.8
Senior notes	15.02.2027	2.00 %	EUR	750.0	778.0
Convertible notes	30.03.2026	0.75 %	CHF	500.0	500.0
Mandatory convertible notes	18.11.2023	4.10 %	CHF	69.5	–
Subtotal					3,159.8
GUARANTEE FACILITY					
Uncommitted guarantee facility	n. a.		EUR	49.0	53.0
Subtotal					53.0
At December 31, 2021					3,714.5

IN MILLIONS OF	MATURITY	COUPON RATE	CURRENCY	NOMINAL AMOUNT IN LOCAL CURRENCY	DRAWN AMOUNT IN CHF
MAIN BANK CREDIT FACILITIES					
Committed 5-years term loan	03.11.2022		USD	700.0	619.6
Committed 5-years term loan (multi-currency)	03.11.2022		EUR	500.0	527.6
5+1+1 – years revolving credit facility (multi-currency)	03.11.2024		EUR	1,300.0	421.0
12+6+6-months term loan	29.05.2021		EUR	367.0	–
Subtotal					1,568.2
SENIOR NOTES					
Senior notes	15.10.2024	2.50 %	EUR	800.0	865.1
Senior notes	15.02.2027	2.00 %	EUR	750.0	811.1
Convertible notes	04.05.2023 ¹	1.00 %	CHF	350.0	350.0
Mandatory Convertible Note	18.11.2023	4.10 %	CHF	69.5	69.5
Subtotal					2,095.7
GUARANTEE FACILITY					
Uncommitted guarantee facility	n. a.		EUR	49.0	53.0
Subtotal					53.0
At December 31, 2020					3,716.9

¹ Early conversion in April 2021 (see note 29 in Consolidated Financial Statements).

There were no assets pledged as of December 31, 2021 and 2020.

11. PARTICIPATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE GLOBAL EXECUTIVE COMMITTEE IN DUFRY AG

The following members of the Board of Directors or of the Global Executive Committee of Dufry AG (including related parties) held directly or indirectly shares or share options of the Company at December 31, 2021 and December 31, 2020 (members not listed do not hold any shares or options):

IN THOUSANDS	31.12.2021			31.12.2020		
	SHARES	OUTSTANDING UNVESTED PSU ¹	PARTICIPATION	SHARES	OUTSTANDING UNVESTED PSU ¹	PARTICIPATION
MEMBERS OF BOARD OF DIRECTORS						
Juan Carlos Torres Carretero, Chairman	556.2	-	0.61%	758.3	-	0.94%
H. Jo Min, Lead Independent Director	0.7	-	0.00%	0.7	-	0.00%
Jorge Born, Director	31.7	-	0.03%	31.7	-	0.04%
Julián Díaz Gonzalez, Director and Group CEO	153.2	57.4	0.23%	230.3	28.9	0.32%
Steven Tadler, Director	19.0	-	0.02%	19.0	-	0.02%
Lynda Tyler-Cagni, Director	3.6	-	0.00%	3.6	-	0.00%
Total Board of Directors	764.4	57.4	0.91%	1,043.6	28.9	1.34%
MEMBERS OF GLOBAL EXECUTIVE COMMITTEE						
Julián Díaz Gonzalez, Director and Group CEO	153.2	57.4	0.23%	230.3	28.9	0.32%
Yves Gerster, CFO	3.7	20.3	0.03%	3.7	5.3	0.01%
Eugenio Andrades, CEO Operations	2.0	22.3	0.03%	5.3	12.6	0.02%
Andrea Belardini, Chief Commercial Officer	19.1	21.3	0.04%	13.7	10.3	0.03%
Luis Marin, Global Chief Corporate Officer	10.8	21.3	0.04%	10.8	9.0	0.02%
Pascal C. Duclos, Group General Counsel	-	21.3	0.02%	-	12.6	0.02%
Sarah Branquinho, Chief Diversity & Inclusion Officer	0.4	3.1	0.00%	n/a	n/a	n/a
ADDITIONAL FORMER MEMBERS OF GLOBAL EXECUTIVE COMMITTEE (IN 2020)						
José Antonio Gea, Deputy Group CEO	n/a	n/a	n/a	41.7	17.1	0.07%
Roger Fordyce, CEO North America	n/a	n/a	n/a	4.5	-	0.01%
Total Global Executive Committee	189.2	167.0	0.39%	310.0	95.8	0.51%

¹ Outstanding invested Performance Share Units (PSU) at target level.

In addition to the above, Juan Carlos Torres holds sale positions of 0.12% through options (114,420 voting rights) and Julián Díaz González holds a sale position of 0.04% through options (40,200 voting rights) as of December 31, 2021 (as of December 31, 2020: the shareholders' group consisting, among others, of different entities controlled by Juan Carlos Torres and Julián Díaz González holds sale positions of 0.97% through options (778,160 voting rights). This group has been terminated as per June 18, 2021.

The detailed terms of these financial instruments are as disclosed to SIX Exchange Regulation and published on January 9, 2021. Disclosure notices are available on the SIX Exchange Regulation website:

www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

12. MATERIAL INDIRECT SUBSIDIARIES

H = Holding R = Retail D = Distribution Center

AS OF DECEMBER 31, 2021	LOCATION	COUNTRY	TYPE	OWNERSHIP IN %	SHARE CAPITAL IN THOUSANDS	CURRENCY
EUROPE, MIDDLE EAST AND AFRICA (EMEA)						
WDFG UK Limited	London	UK	R	100	360	GBP
WDFG Ferries Limited	London	UK	R	100	50	GBP
World Duty Free Group S.A.U.	Madrid	Spain	H/R	100	19,831	EUR
Sociedad de Distribucion Comercial Aeropuertaria de Canarias, S.L.	Telde	Spain	R	60	717	EUR
Urart Gumr. Magaza Isletm. ve Ticaret A.S.	Antalya	Turkey	R	100	1,728	TRY
Hellenic Duty Free Shops S.A.	Athens	Greece	R	100	397,535	EUR
Hellenic Distributions S.A.	Athens	Greece	D	100	6,296	EUR
Dufrital SpA	Milan	Italy	R	60	466	EUR
Dufry Basel-Mulhouse AG	Basel	Switzerland	R	100	100	CHF
The Nuance Group AG	Zurich	Switzerland	R	100	82,100	CHF
Aldeasa Jordan Airports Duty Free Shops Ltd	Amman	Jordan	R	100	500	JOD
Nuance Group (Sverige) AB	Stockholm	Sweden	R	100	100	SEK
Dufry East	Moscow	Russia	R	100	19,758	RUB
Regstaer-SP LLC	St. Petersburg	Russia	R	51	10	RUB
RegStaer M Ltd	Moscow	Russia	R	31	10,010	RUB
Dufry Sharjah FZC	Sharjah	U. Arab. Emirates	R	50	150	AED
Dufry Maroc SARL	Casablanca	Morocco	R	80	2,500	MAD
World Duty Free Group Germany GmbH	Düsseldorf	Germany	R	100	250	EUR
World Duty Free Group Helsinki Ltd	Vantaa	Finland	R	100	2,500	EUR
Dufry France SA	Nice	France	R	100	1,100	EUR
WDFG SA, Kuwait Branch	Kuwait City	Kuwait	R	100	2,383	KWD
Nuance Group (Malta) Ltd	Luqa	Malta	R	52	2,795	EUR
D. d.o.o. Belgrade	Belgrade	Serbia	R	100	693,078	RSD
Nuance Group (India) Pvt. Ltd	Bangalore	India	R	100	1,035,250	INR
Dufry Shops Colombo Limited	Colombo	Sri Lanka	R	100	30,000	LKR
ADF Shops CJSC	Yerevan	Armenia	R	100	553,825	AMD
WDFG France SNC, Eurotunnel	Neuilly Sur Seine	France	R	100	5	EUR
Nuance BG AD	Sofia	Bulgaria	R	50	2,000	BGN
ASIA PACIFIC						
The Nuance Group (HK) Ltd	Hong Kong	China	R	100	-	HKD
The Nuance Group (Macau) Ltd	Macau	China	R	100	500	MOP
Dufry (Shanghai) Commercial Co., Ltd	Shanghai	China	R	100	123,547	CNY
Nuance Group (Australia) Pty Ltd	Melbourne	Australia	R	100	209,983	AUD
Dufry Thomas Julie Korea Co. Ltd	Busan	South Korea	R	45	1,000,000	KRW
THE AMERICAS						
Dufry do Brasil DF Shop Ltda	Rio de Janeiro	Brazil	R	87	315,037	BRL
Dufry Lojas Francas Ltda	Sao Paulo	Brazil	R	87	234,760	BRL
Dufry Mexico SA de CV	Mexico City	Mexico	R	100	4,250	MXN
Interbaires SA	Buenos Aires	Argentina	R	100	1,764,567	ARS
Inversiones Tunc, SA	Santo Domingo	Dominican Republic	R	100	100	DOP
Alliance Duty Free, LLC	San Juan	Puerto Rico	R	100	2	USD
Navinten SA	Montevideo	Uruguay	R	100	3,700	UYU
Aldeasa Chile, Ltd	Santiago de Chile	Chile	R	100	2,517	USD
Dufry Jamaica Ltd	St. James	Jamaica	R	100	-	USD

AS OF DECEMBER 31, 2021	LOCATION	COUNTRY	TYPE	OWNERSHIP IN %	SHARE CAPITAL IN THOUSANDS	CURRENCY
DFC Ltd – Barbados	St. Michael	Barbados	R	100	10,000	BBD
Dufry Colombia SAS	Bogota	Colombia	R	100	100,100	COP
Dufry Aruba N.V.	Oranjestad	Aruba	R	100	1,800	AWG
ABC Netherlands LLC	San Juan	Puerto Rico	R	100	10	USD
The Nuance Group (Canada) Inc.	Toronto	Canada	R	100	1,017	CAD
WDFG Vancouver LP	Vancouver	Canada	R	100	-	CAD
AMS Canada, Vancouver Int. Airport	Vancouver	Canada	R	100	-	CAD
Hudson Group Canada Inc	Vancouver	Canada	R	100	-	CAD
Dufry Cruise Services, Inc.	Miami	USA	R	100	-	USD
Seattle Air Ventures	Olympia	USA	R	75	-	USD
Hudson Group (HG) Retail, LLC	New Jersey	USA	H/R	100	-	USD
Hudson Las Vegas JV Hudson News O'Hare JV	Las Vegas	USA	R	73	-	USD
WDFG North America LLC	Delaware	USA	H/R	100	-	USD
HG Logan Retailers JV	Boston	USA	R	80	-	USD
Airport Management Services LLC	Los Angeles	USA	H/R	100	-	USD
JFK Air Ventures II JV	New York	USA	R	80	-	USD
HG Magic Concourse TBIT	Los Angeles	USA	R	68	-	USD
HG Midway JV	Chicago	USA	R	65	-	USD
HG Denver JV	Denver	USA	R	76	-	USD
HG-Multiplex-Regali Dallas JV	Dallas	USA	R	75	-	USD
HG St Louis JV	St. Louis	USA	R	70	-	USD
HG National JV	Virginia	USA	R	70	-	USD
HG PHL Retailers JV	Philadelphia	USA	R	65	-	USD
WDFG TAC ATL Retail LLC, Atlanta	Delaware	USA	R	86	-	USD
HG-KCGI-TEI JFK T8 JV	New York	USA	R	85	-	USD
WDFG LTL ATL JV LLC, Atlanta	Delaware	USA	R	70	-	USD
LAX Retail Magic 2 JV	Los Angeles	USA	R	73	-	USD
HG-CV-Epicure-Martinez San Diego, JV	San Diego	USA	R	71	-	USD
LAX Retail Magic 3-4 JV	Los Angeles	USA	R	75	-	USD
Hudson Cleveland JV	Cleveland	USA	R	70	-	USD
WDFG Houston 8 2014 LLC	Houston	USA	R	60	-	USD
HG LGA Retailers JV	New York	USA	R	79	-	USD
HG SLC Retailers JV	Salt Lake City	USA	R	100	-	USD
Hudson-NIA JFK T1 JV	New York	USA	R	90	-	USD
GLOBAL DISTRIBUTION CENTERS						
International Operations & Services (HK) Ltd	Hong Kong	Hong Kong	D	100	109,000	HKD
Dufry International Ltd	Basel	Switzerland	H/D	100	6,100	CHF
International Operations & Services (UY) S.A.	Montevideo	Uruguay	D	100	700	UYU
International Operations & Services (USA) LLC	Miami	USA	D	100	398	USD
OTHER COMPANIES						
Dufry Financial Services B.V.	Eindhoven	Netherlands	H	100	-	EUR
Dufry One BV	Eindhoven	Netherlands	H	100	-	EUR

13. EVENTS AFTER REPORTING DATE

On February 24, 2022, the Russian Federation initiated a military attack on the Ukraine. Management is assessing its direct impact on the Company and is monitoring the situation. The more indirect impact on the travel and travel retail business worldwide cannot be assessed reliably at the time of approval of the consolidated financial statements.

PROPOSED APPROPRIATION OF RETAINED EARNINGS AND CAPITAL DISTRIBUTION

IN THOUSANDS OF CHF	2021	2020
Proposed appropriation of retained earnings		
Result carried forward	(1,230,898)	(366,143)
Loss for the year	(215,288)	(864,755)
Retained earnings at December 31	(1,446,186)	(1,230,898)
Proposed distribution out of retained earnings		
Balance at beginning of the year	4,287,731	3,420,326
Distribution out of reserve from capital contribution	-	-
Share capital increase	292,320	782,403
Incentive for conversion of bond	(28,881)	-
Reclass from reserve from capital contribution for own shares held at subsidiaries	1,140	85,002
Reserve from capital contribution at December 31	4,552,310	4,287,731

Deloitte.

Deloitte AG
Pfingstweidstrasse 11
8005 Zürich
Schweiz

Phone: +41 (0)58 279 60 00
Fax: +41 (0)58 279 66 00
www.deloitte.ch

To the General Meeting of
Dufry AG, Basel

Basel, March 3, 2022

Statutory Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dufry AG, which comprise the statement of financial position as at December 31, 2021, statement of profit or loss and notes to the financial statements for the year then ended, including summary of significant accounting policies.

In our opinion the financial statements as at December 31, 2021, presented on pages 216 to 228, comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries

Key Audit Matter

As described in Notes 2.3, 3 and 7 to the financial statements, Dufry AG holds investments in Dufry Group companies with the carrying value of CHF 2,780.2 million (2020: CHF 3,003.7 million), representing 78% (2020: 86%) of the total assets. As at December 31, 2021 management recorded an impairment charge of CHF 223.5 million (2020: 844.7 million).

In accordance with Article 960.1 CO, each investment held is valued individually and reviewed annually for impairment indicators. Each investment showing impairment indicators is tested for impairment and an impairment would need to be recorded by management if the recoverable amount is lower than the carrying amount.

The impairment test and in particular the assessment of the recoverable amount of each investment is complex and contains judgment. The assessment is dependent on the assumptions of cash flow projections used in the impairment tests. Key assumptions are projected sales growth rates for the forecast period and the weighted average cost of capital applied.

Given the high level of judgment and complexity of the estimations, combined with the significance of the above amounts to the financial statements as a whole, we assessed management's estimates in relation to investments to be a key audit matter.

Deloitte.

How the scope of our audit responded to the Key Audit Matter

We obtained an understanding of the controls around the review of management's judgment in the identification of impairment indicators, the review of key assumptions used in the impairment test and the review of the impairment models.

We assessed the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests. We challenged the key inputs and assumptions used in impairment tests of the investments in the Dufry Group companies.

We performed analyses over the projected sales growth rates used in the cash flow projections during the forecast period. We independently determined the weighted average cost of capital (WACC) and compared them against management's assumptions, with the support of our valuation specialists.

We assessed the adequacy of investment related disclosures in note 7 to the financial statements.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTSuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte AG



Andreas Bodenmann
Licensed audit expert
(Auditor in charge)



Fabian Hell
Licensed audit expert

DUFYR'S ALTERNATIVE PERFORMANCE MEASURES

Dufry believes that disclosing adjusted results of the Group's performance enhances the financial markets' understanding of the company because the adjusted results enable better comparison across years. Adjusted results exclude exceptional expenses and income such as acquisitions, divestitures, impairments and amortization of acquisition-related intangible assets, which can differ significantly from year to year, as well as recurring solely IFRS 16 accounting-related items such as interest on lease obligations. For this same reason, Dufry uses these adjusted results in addition to IFRS as important factors in internally assessing the Group's performance.

Organic growth

IN MILLIONS OF CHF	2021	2020
Like-for-like	39.0%	(67.2%)
Net new concessions	14.2%	(2.6%)
Organic Growth	53.2%	(69.8%)

Organic growth describes the turnover growth of the Company in CHF excluding turnover from acquisition and disinvestments to allow for annual comparison of Dufry Group's operational performance. Turnover, consisting of net sales and advertising, is converted at constant previous year exchange rates.

Organic growth is further split into Like for Like (LFL) growth and Net new concessions. LFL growth considers only shops that were open and comparable under same conditions with last year. Shops that are not comparable are adjusted as scope effects and are being reported as Net new concessions.

Adjusted operating profit

IN MILLIONS OF CHF	2021	2020
Operating profit/(loss)	(66.2)	(2,500.8)
Adjusted for:		
Amorization of concession rights ¹	195.5	251.1
Impairment of concession rights ¹	224.0	556.8
Impairment of goodwill	21.6	131.1
Adjusted operating profit/(loss)	374.9	(1,561.6)

¹ Related to acquisitions.

Adjusted operating profit is calculated from operating profit before amortizations and impairments of acquisition related intangible assets (i. e. concession rights and goodwill). The aim of this performance measure is to simply exclude the impacts of previously undertaken acquisitions, to focus on current year's operational performance of Dufry Group and its segments.

Adjusted net profit & Adjusted earnings per share (EPS)

IN MILLIONS OF CHF	2021	2020
Net profit / (loss) attributable to equity holders of the parent	(385.4)	(2,513.7)
Amortization of concession rights ¹	195.5	251.1
Impairment of concession rights ¹	224.0	556.8
Impairment of goodwill	21.6	131.1
Interest on lease obligations	109.8	178.7
Deferred income tax on above lines	(128.0)	(172.6)
Non-controlling interests on above lines	(14.1)	(89.8)
Adjusted net profit	23.4	(1,658.4)
Weighted average number of ordinary shares outstanding	87,784,450	58,450,437
Adjusted EPS in CHF	0.27	(28.37)

¹ Related to acquisitions.

Adjusted net profit is calculated from net profit/(loss) attributable to equity holders of the parent before amortizations and impairments of acquisition related intangible assets (i. e. concession rights and goodwill) and acquisition- /divestment-related transaction costs. Further, adjusted net profit excludes IFRS-16 lease interest. The rationale to exclude lease interest is to eliminate the front load effect of a new concession agreement with fixed MAG payments and to make the performance measure comparable over time.

As Dufry's concession agreement vary significantly in relation to concession length and magnitude of contractual volume (fixed minimal annual guarantees (MAG) payments), as such one single new concession can have a material impact on lease interest in the year of the commencement of the lease and in the subsequent years.

On all of the above-mentioned lines, deferred tax and minority interest are deducted. For the calculation of adjusted earnings per share the average weighted numbers of ordinary shares outstanding during the period is considered. Both metrics measure the value generated for shareholders of the Company and allow for annual comparison.

Financial net debt

IN MILLIONS OF CHF	31.12.2021	30.12.2020
Borrowings (current and non-current)	3,816.9	3,704.5
Financial derivatives liability - Borrowings	63.5	-
Less financial derivatives assets - Borrowings	(7.4)	-
Less cash and cash equivalents	(793.5)	(360.3)
Financial net debt	3,079.5	3,344.2

Dufry's financial net debt is not considering IFRS 16 related leases obligations. This alternative performance measure reflects the debt position of the Company considered by our banks and financial institutions and is used by Dufry's lenders to calculate covenants under the bank financing agreements.

Core net working capital

IN MILLIONS OF CHF	31.12.2021	31.12.2020
Inventories	692.2	659.6
Trade and credit card receivables	85.3	17.1
Less trade payables	(335.2)	(154.9)
Core net working capital	442.3	521.8

As a retail company, working capital management related to all trade-related items is one of the main focus areas. For better transparency, Dufry provides details on its trade-related core net working capital including inventories, trade and credit card receivables and trade payables.

Capex

IN MILLIONS OF CHF	2021	2020
Purchase of property, plant and equipment	(74.3)	(101.1)
Purchase of intangible assets	(16.9)	(17.9)
Other investing activities	-	0.5
Proceeds from sale of property, plant and equipment	3.1	12.5
Capex	(88.1)	(106.0)

Capex includes purchase of property, plant, equipment, intangible assets, other investing activities and proceeds from sale of property, plant, equipment. Any purchase or proceeds related to financial assets are not included within the definition as not considered core to Dufry's business operations and as those activities might differ over time.

Adjusted operating cash flow (Pre IFRS 16 adj. EBITDA approximation)

IN MILLIONS OF CHF	2021	2020
Cash flow before working capital changes	622.4	(4.1)
Lease payments	(478.4)	(405.7)
Proceeds from lease income	3.1	3.9
Adjusted operating cash flow	147.1	(405.9)

Adjusted operating cash flow is winding out the IFRS 16 impact. It is therefore calculated from cash flow before working capital changes less lease MAG payments and adds proceeds from lease income. It reflects Dufry's cash generation from operations by considering full amount of concession fee payments. IFRS 16 lease accounting, results in a lower reflection of concession fees as part of operating cash flow and with a corresponding increase in the cash flow from financing activities. The adjustment therefore considers an effective view on Dufry's operations and related cash flows. We believe that the adjusted operating cash flow provides an approximation of the pre-IFRS 16 EBITDA. It is used by Dufry's lenders to calculate covenants under the bank financing agreements.

Equity free cash flow

IN MILLIONS OF CHF	2021	2020
Net cash flow from operating activities	678.2	(345.3)
Lease payments	(478.4)	(405.7)
Proceeds from lease income	3.1	3.9
Capex	(88.1)	(106.0)
Interest received	11.0	23.3
Free cash flow	125.8	(829.8)
Interest paid	(140.9)	(168.8)
Cash flow related to minorities	(24.4)	(34.7)
Proceeds from other financial assets	6.1	6.0
Equity free cash flow	(33.4)	(1,027.3)
Acquisition of Hudson shares	-	(275.4)
Financing activities, net	343.8	1,020.5
FX adjustments and other ¹	(45.7)	39.9
Decrease / (Increase) in financial net debt	264.7	(242.3)
CHANGE IN FINANCIAL NET DEBT		
- At the beginning of the period	3,344.2	3,101.9
- At the end of the period	3,079.5	3,344.2

¹ FX adjustments and other mainly includes FX impact on change in financial net debt and amortization of arrangement fees.

Free cash flow is calculated as net cash flow from operating activities less net lease payments, less Capex plus interest received. It adjusts for fixed MAG lease payments to provide an effective measure of Dufry's cash flow generation from operations and investing activities. IFRS 16 lease accounting partly reflects cash flow in relation of leases as lease payments within financing activities. We consider lease payments in relation to MAG as a major operating cash flow element, rather than a financing transition suggested by the accounting standard.

Equity free cash flow measures the relevant cash generation of the Company and provides the basis for further capital allocation decisions. It therefore can be considered the single-most important KPI from a shareholder perspective, reflecting the amount of cash available for creating value to investors. Equity Free Cash Flow is calculated as net cash flow from operating activities less net lease payments, Capex, net interest, cash flow related to minorities and cash flow related to other financial items. It is least affected from any accounting treatments including IFRS 16 lease accounting and allows for comparison of Dufry's cash flows from underlying equity.

The financial reports are available under:

<https://www.dufry.com/en/investors/ir-reports-presentations-and-publications>
 Page section "Presentation of results and other publications" – select Financial Reports

For the Investor Relations and Corporate Communications contacts as well as a summary of anticipated key dates in 2022 please refer to pages 280 – 281 of this Annual Report.

CORPORATE GOVERNANCE

INTRODUCTION

This Report is prepared in accordance with the Corporate Governance Directive (DCG) of SIX Exchange Regulation. All information within this Corporate Governance Report and within the Remuneration Report (see page 260) refers to the Company Organization, Internal Regulations and Articles of Incorporation that were in effect as of December 31, 2021 (if not specifically mentioned otherwise).

The Articles of Incorporation are available on the Company website, www.dufry.com, section Investors – Corporate Governance – Articles of Incorporation: www.dufry.com/en/investors/corporate-governance page section “Featured downloads – Articles of Incorporation”.

Dufry engages with shareholders, analysts and investors on a regular basis to better understand their expectations, needs and concerns as part of the company's stakeholder dialogue strategy and its ESG engagement. Such feedback received is taken into consideration when evolving the company strategy as well as corporate governance and remuneration matters. In this context, management and the investor relations team had more than 1,700 contacts with equity and debt investors, analysts and rating agencies in the form of personal meetings, video conferences, calls and emails in 2021.

The COVID-19 pandemic continued to impact the organization and conduct of the Annual General Meeting of Shareholders in 2021, as well as the physical attendance of members of the Board of Directors at its meetings and at meetings of the Board Committees. The specific details are explained in the respective sections.

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

For an overview of the management organizational chart and operational Group structure, please refer to page 17 of this Annual Report.

Listed company as of December 31, 2021

COMPANY

Dufry AG, Brunneggässlein 12, 4052 Basel, Switzerland (hereinafter “Dufry AG” or the “Company”)

LISTING

Registered shares: SIX Swiss Exchange

MARKET CAPITALIZATION BASED ON SHARES ISSUED

CHF 4,099,484,866 as of December 31, 2021

PERCENTAGE OF SHARES HELD BY DUFYR AG

0.01% of Dufry AG share capital as of December 31, 2021

SECURITY NUMBERS

Registered shares:
ISIN-Code CH0023405456, Swiss Security-No. 2340545,
Ticker Symbol DUFN

Non-listed consolidated entities as of December 31, 2021

For a table of the operational non-listed consolidated entities please refer to page 226 in the section Financial Statements of this Annual Report*.

* Including the company names, locations, percentage of shares held, share capital. The list of consolidated entities does not include all subsidiaries of the Company, but the most important subsidiaries in terms of sales for Retail and Distribution Center companies and in terms of total assets for holding companies.

1.2 SIGNIFICANT SHAREHOLDERS

Pursuant to the information provided to the Company by its shareholders in compliance with the Financial Market Infrastructure Act during 2021, the following shareholders disclosed significant positions as of December 31, 2021¹.

Further details regarding these shareholders and shareholder groups as well as additional information regarding the individual disclosure notices in 2021 are available on the website of SIX Exchange Regulation at: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

SHAREHOLDER	Through shares	Long position through financial instruments ²	Total long position
Advent International Corporation ³	10.1%	-	10.1%
State of Qatar ⁴	6.91%	1.13%	8.04%
Alibaba Group Holding Limited ⁵	5.4%	2.3%	7.7%
Compagnie Financière Rupert ⁶	5.00%	-	5.00%
Franklin Resources ⁷	3.00%	-	3.00%

¹ The percentage of voting rights has to be read in context with the relevant and applicable stock exchange and disclosure rules. The actual shareholdings may differ from the figures indicated in the table, as the Company must only be notified by its shareholders if one of the thresholds defined in Article 120 of the Financial Market Infrastructure Act is crossed.

² Financial instruments such as convertible bonds.

³ Shares directly held by the legal entity AI Louvre (Luxembourg) S.à.r.l., Luxembourg/Grand Duchy of Luxembourg. The beneficial holder of the shares Advent International Corporation, Boston, MA/USA.

⁴ Shares and financial instruments directly held by Qatar Holding LLC, Doha/Qatar. The beneficial holder of the shares is the Qatar Investment Authority, Doha/Qatar, which was established and is controlled by the State of Qatar.

⁵ Shares and financial instruments directly held by the legal entity Taobao China Holding Limited, Hong Kong S.A.R./China. The beneficial holder of the shares (and mandatory convertible bonds) is Alibaba Group Holding Limited, Grand Cayman, Cayman Islands.

⁶ Shares directly held by Richemont Luxury Group Ltd, St Helier/Jersey. The beneficial holder of the shares is Compagnie Financière Rupert, Geneva/Switzerland.

⁷ Shares directly held by Franklin Mutual Advisers, LLC, Short Hills/USA, Franklin Advisors Services, LLC, San Mateo/USA and Fiduciary Trust International, LLC, Lincoln/USA. The position includes 0.22% of voting rights that were delegated by a third party and can be exercised at Franklin's own discretion, as well as 0.004% of voting rights due to securities lending without time limit. The beneficial owner/persons that can exercise the voting rights at their own discretion is Franklin Resources, Inc., San Mateo/USA.

In addition, Dufrey AG disclosed a purchase position and a sale position as further described here: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

Both disclosure notices are available on the website of SIX Exchange Regulation at: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

Understandings among shareholders

In fiscal year 2021, the previously existing lock-up agreement between the legal entities AI Louvre (Luxembourg) S.à.r.l. and Taobao China Holding Limited, representing the interests of Advent International Corporation and Alibaba Group Holding Limited, respectively, expired on April 22, 2021 (see disclosure notice published on April 27, 2021).

1.3 CROSS-SHAREHOLDINGS

Dufrey AG has not entered into cross-shareholdings with other companies in terms of capital shareholdings or voting rights in excess of 5%.

The group of shareholders consisting of various companies and legal entities representing the interests of Andrés Holzer Neumann, Julián Díaz González, Juan Carlos Torres Carretero, James S. Cohen and James S. Cohen Family Dynasty Trust and the related shareholder agreements were terminated as of June 18, 2021 (see disclosure notice dated June 24, 2021).

2. CAPITAL STRUCTURE

2.1 SHARE CAPITAL

As of December 31, 2021, the Company's capital structure is as follows:

ORDINARY SHARE CAPITAL

CHF 453,985,035 (nominal value) divided in 90,797,007 fully paid registered shares with a nominal value of CHF 5 each

CONDITIONAL CAPITAL

CHF 45,398,500 (nominal value) divided in 9,079,700 to be fully paid registered shares with a nominal value of CHF 5 each

AUTHORIZED CAPITAL

None

For the website link regarding the Articles of Incorporation referred to in the following chapters please see page 259 of this Corporate Governance Report.

2.2 DETAILS ON CONDITIONAL AND AUTHORIZED CAPITAL

Conditional capital

Article 3bis of the Articles of Incorporation, dated May 18, 2021, reads as follows:

1. The share capital may be increased in an amount not to exceed CHF 45,398,500 by the issuance of up to 9,079,700 fully paid registered shares with a nominal value of CHF 5.00 each through the exercise of conversion and/or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by the Company or one of its group companies.
2. The preferential subscription rights of the shareholders shall be excluded in connection with the issuance of convertible debentures, debentures with option rights or other financing instruments. The then current owners of conversion and/or option rights shall be entitled to subscribe for the new shares.
3. The acquisition of shares through the exercise of conversion and/or option rights and each subsequent transfer of the shares shall be subject to the restrictions set forth in Article 5 of these Articles of Incorporation.
4. The Board of Directors may limit or withdraw the right of the shareholders to subscribe in priority to convertible debentures, debentures with option rights or similar financing instruments when they are issued, if:
 - a) an issue by firm underwriting by one or several banks with subsequent offering to the public with-

out preferential subscription rights seems to be the most appropriate form of issue at the time, particularly in terms of the conditions or the time plan of the issue; or

- b) the issuance occurs in domestic or international capital markets or through a private placement; or
 - c) the instruments are issued in connection with the financing or refinancing of the acquisition of an enterprise or parts of an enterprise or with participations or new investments of the Company or one of its group companies.
5. If advance subscription rights are denied by the Board of Directors, the following shall apply:
- a) Conversion rights may be exercised only for up to 15 years; and option rights only for up to 7 years from the date of the respective issuance.
 - b) The respective financing instruments must be issued at the relevant market conditions.

The conditional capital of CHF 45,398,500 represents approx. 10% of the issued ordinary share capital of the Company registered in the commercial register as of December 31, 2021.

Authorized capital

As of December 31, 2021, the Company has no authorized capital.

2.3 CHANGES IN CAPITAL OF DUFREY AG

NOMINAL SHARE CAPITAL

December 31, 2019	CHF 252,835,830
December 31, 2020	CHF 401,318,410
December 31, 2021	CHF 453,985,035

CONDITIONAL CAPITAL

December 31, 2019	CHF 4,442,160
December 31, 2020	CHF 63,500,000
December 31, 2021	CHF 45,398,500

AUTHORIZED CAPITAL

December 31, 2019	CHF 25,000,000
December 31, 2020	None
December 31, 2021	None

Changes in capital in 2021

On March 24, 2021, Dufrey announced the successful completion of an offering of CHF 500 million new convertible bonds with a coupon of 0.75% and a conversion price of CHF 87.00, due 2026. At the same time, the Company also announced the launch of a voluntary incentive offer to the holders of the existing CHF 350 million 1.0% convertible bonds due 2023, by which Dufrey offered such holders an incentive payment for the exercise of their conversion rights within the acceptance period.

On April 6, 2021, Dufry successfully completed this voluntary incentive offer regarding the CHF 350 million 1.0% convertible bonds due 2023. The offer was accepted by holders of convertible bonds with an aggregate principal amount of CHF 347.6 million (99.3%), who received 10,533,325 fully paid registered shares of Dufry (conversion was effected at a conversion price of CHF 33.00). The remaining 0.7% of bonds were, upon exercise of the issuer's clean-up call, redeemed at par in cash. The ordinary share capital of Dufry increased through this bond conversion to CHF 453,985,035 (90,797,007 shares) and the conditional capital was reduced to CHF 10,833,375 (2,166,675 shares). The change in the ordinary share capital and conditional capital was registered in the commercial register on April 14, 2021.

At the Annual General Meeting of Shareholders on May 18, 2021, shareholders approved the Board of Directors' proposal to increase the remaining conditional capital from CHF 10,833,375 (2,166,675 shares) to CHF 45,398,500 (9,079,700 shares) to allow physical settlement of the new CHF 500 million 0.75% convertible bonds due 2026. The change of the conditional capital was registered in the commercial register on May 19, 2021.

Changes in capital in 2020

On April 23, 2020, Dufry successfully completed the placement of 5,000,000 new shares and 500,000 treasury shares, by way of an accelerated bookbuilding. The 5,000,000 new shares were issued from the existing authorized capital. Thereafter the ordinary share capital amounted to CHF 277,835,830 (55,567,166 shares) and the authorized capital to zero. The change in capital was registered in the commercial register on April 24, 2020.

At the Annual General Meeting of Shareholders on May 18, 2020, shareholders approved the Board of Directors' proposal to increase the previously existing conditional capital from CHF 4,442,160 (888,432 shares) to CHF 63,500,000 (12,700,000 shares). The change of the conditional capital was registered in the commercial register on May 19, 2020.

At the Extraordinary General Meeting of Shareholders on October 6, 2020, shareholders approved the Board of Directors' proposal for an ordinary increase of the share capital by a maximum of up to CHF 125,000,000 (25,000,000 shares). On October 20, 2020, Dufry successfully completed the capital increase in an amount of CHF 123,482,580 (24,696,516 shares). After the capital increase, the ordinary share capital amounted to CHF 401,318,410 (80,263,682 shares). The change in capital was registered in the commercial register on October 21, 2020.

Changes in capital in 2019

At the Annual General Meeting of Shareholders on May 9, 2019, shareholders approved the Board of Directors' proposal to cancel the 3,304,541 registered shares purchased under the share buyback program completed on October 31, 2018. As a result, the share capital decreased from CHF 269,358,535 (53,871,707 shares) to CHF 252,835,830 (50,567,166 shares). The change in capital was registered in the commercial register on July 22, 2019.

The same Annual General Meeting of Shareholders also approved the Board of Directors' proposal to create authorized capital in the amount of CHF 25,000,000 (5,000,000 shares).

2.4 SHARES

As of December 31, 2021, the share capital of Dufry AG is divided into 90,797,007 fully paid in registered shares with a nominal value of CHF 5 each.

The Company has only one category of shares. The shares are issued in registered form. All shares are entitled to dividends if declared. Each share entitles its holder to one vote. The Company maintains a share register showing the name and address of the shareholders or usufructuaries. Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company.

2.5 PARTICIPATION CERTIFICATES AND PROFIT SHARING CERTIFICATES

The Company has not issued any non-voting equity securities, such as participation certificates ("Partizipationsscheine") or profit sharing certificates ("Genussscheine").

2.6 LIMITATION ON TRANSFERABILITY AND NOMINEE REGISTRATION OF REGISTERED SHARES

- Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company. In the share register, the name and address of the shareholders or usufructuaries is recorded. Changes must be reported to the Company.
- Acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the shares in their own name and for their own account.
- The Board of Directors may register nominees with the right to vote in the share register to the extent

- of up to 0.2% of the registered share capital as set forth in the commercial register. Registered shares held by a nominee that exceed this limit may be registered in the share register with the right to vote if the nominee discloses the names, addresses and number of shares of the persons for whose account it holds 0.2% or more of the registered share capital as set forth in the commercial register. Nominees within the meaning of this provision are persons who do not explicitly declare in the request for registration to hold the shares for their own account and with whom the Board of Directors has entered into a corresponding agreement (see also Article 5 of the Articles of Incorporation). Nominees are only entitled to represent registered shares held by them at a General Meeting of Shareholders provided that they are registered in the share register and they hold a valid written proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the General Meeting of Shareholders. Shares held by a nominee for which it is not able to produce such a proxy count as not represented at the General Meeting of Shareholders.
- Corporate bodies and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management or otherwise linked as well as individuals or corporate bodies and partnerships who act in concert to circumvent the regulations concerning the nominees (esp. as syndicates), shall be treated as one single nominee within the meaning of the above mentioned regulation.
 - The Board of Directors may cancel the registration, with retroactive effect if appropriate, if the registration was effected based on false information or in case of breach of the agreement between the nominee and the Board of Directors.
 - After consulting the party involved, the Company may delete entries in the share register if such entries occurred in consequence of false statements by the purchaser. The purchaser must be informed immediately of the deletion.
 - The limitations for registration in the share register described above also apply for shares acquired or subscribed by the exercise of subscription, option or conversion rights.

Exceptions granted in the year under review

The Company has not granted any exceptions during the year under review.

Required quorums for a change of the limitations of transferability

A change of the limitations on the transfer of registered shares or the removal of such limitations re-

quires a resolution of the General Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented.

2.7 CONVERTIBLE BONDS AND OPTIONS

Convertible bonds

As of December 31, 2021, the Company had the following convertible bonds / notes outstanding:

GUARANTEED SENIOR CONVERTIBLE BONDS

Issuer	Dufry One B.V., Eindhoven / NL
Listing	SIX Swiss Exchange
Size of issue	CHF 500,000,000
Outstanding amount as of Dec 31, 2021	CHF 500,000,000
Principal amount	CHF 200,000 per bond
Interest rate	0.75% per annum, payable semi-annually (March 30 and September 30)
Maturity	March 30, 2026
Convertible into	Registered shares of Dufry AG (5,747,126 shares)
Conversion price	CHF 87.00 (subject to adjustments)
Conversion period	May 25, 2021 up to and including March 12, 2026
Source of shares	Conditional capital and / or issued and outstanding shares
ISIN-No.	CH1105195684
Swiss Security-No.	1105195684
Ticker symbol	DUF21
Potential dilution	The underlying 5,747,126 registered shares to be potentially issued as a result of the conversion of the senior convertible bonds represent 6.33% of the issued and listed registered shares as of December 31, 2021.

MANDATORY CONVERTIBLE NOTES

Issuer	Dufry One B.V., Eindhoven / NL
Listing	No listing
Size of issue	CHF 69,500,000
Outstanding amount as of Dec 31, 2021	CHF 69,500,000
Principal amount	CHF 100,000 per note
Interest rate	4.1% per annum, payable semi-annually (May 18 and November 18)
Maturity	November 18, 2023
Convertible into	Registered shares of Dufry AG (2,092,113 shares)
Conversion price	CHF 33.22 (subject to adjustments)
Conversion period	November 18, 2020 up to and including November 6, 2023
Source of shares	Conditional capital and / or issued and outstanding shares
ISIN-No.	CH0576402173
Swiss Security-No.	57640217
Ticker symbol	n / a
Potential dilution	The underlying 2,092,113 registered shares to be potentially issued as a result of the conversion of the mandatory convertible notes represent 2.30% of the issued and listed registered shares as of December 31, 2021.

Options

As of December 31, 2021, the Company had no outstanding warrants or options to acquire shares issued by or on behalf of the Company. Dufry has certain share-based compensation, the essentials of which are disclosed in the "Remuneration Report" on page 260 ff.

3. BOARD OF DIRECTORS

3.1 MEMBERS OF THE BOARD OF DIRECTORS

As of December 31, 2021, the Board of Directors comprised eleven Board members compared with ten members as of December 31, 2020.

The members of the Board of Directors are elected individually and for a term of office extending until completion of the next Annual General Meeting of

Shareholders. The Chairman of the Board of Directors and the members of the Remuneration Committee are directly elected by the General Meeting of Shareholders.

The following table sets forth the name, profession, position with Dufry and year of first election as a member of the Board of Directors for each respective member, followed by their Curricula Vitae with a short description of each member's business experience, education and activities.

BOARD OF DIRECTORS AS OF DECEMBER 31, 2021

NAME	PROFESSION	NATIONALITY	POSITION WITH DUFRY	DATE OF FIRST ELECTION
Juan Carlos Torres Carretero	Chairman of Dufry AG	Spanish	Chairman	2003
Heekyung Jo Min	Executive Vice President of CJ CheilJedang	American	Lead Independent Director	2016
Jorge Born	Chairman of Fundación Bunge y Born	Argentinian	Independent Director	2010
Julián Díaz González	CEO of Dufry AG	Spanish	Director, CEO	2013
Mary J. Steele Guilfoile	Chairwoman of MG Advisors, Inc.	American	Independent Director	2020
Luis Maroto Camino	CEO and President of Amadeus IT Group	Spanish	Independent Director	2019
Joaquín Moya-Angeler Cabrera	Chairman of the Board of Corporación Empresarial Pascual	Spanish	Independent Director	2021
Ranjan Sen	Managing Partner of Advent International	German	Independent Director	2020
Steven Tadler	Managing Director of Exeter Capital	American	Independent Director	2018
Lynda Tyler-Cagni	CEO of Only the Best Agency	British and Italian	Independent Director	2018
Eugenia M. Ulasewicz	Plural Board Independent Director	American	Independent Director	2021

Changes in the Board of Directors in fiscal year 2021

Claire Chiang, member of the Board of Directors of Dufry AG since 2016, did not stand for re-election at the Annual General Meeting of Shareholders on May 18, 2021. For details of her Curriculum Vitae please refer to pages 249 / 250 of the Annual Report 2020, which can be downloaded from the Company website under the following link:

www.dufry.com/en/investors/ir-reports-presentations-and-publications

page section "Presentation of results and other publications - select Financial Reports".

The Annual General Meeting of Shareholders, held on May 18, 2021, elected Ms. Eugenia M. Ulasewicz and Mr. Joaquín Moya-Angeler Cabrera as new members of the Board of Directors.

3.2 EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND FUNCTIONS



**JUAN CARLOS TORRES
CARRETERO**
Executive Chairman,
born 1949, Spanish

Education

MS in physics from Universidad Complutense de Madrid and MS in management from MIT's Sloan School of Management.

Professional Background

Many years of private equity and senior management operating experience. 1988 Joined Advent International, a private equity firm, in Boston as a partner. 1991 - 1995 Partner at Advent International in Madrid. 1995 - 2016 Managing Partner in charge of Advent International Corporation's investment activities in Latin America.

Current Board Mandates

Listed companies:
Dufrey AG

Not listed companies or organizations:
None



HEEKYUNG JO MIN
Lead Independent Director,
Non-Executive,
born 1958, American

Education

Ph. D in Business Administration from Seoul Business School (aSSIST), MBA from Columbia University Graduate School of Business in New York, and a BA from Seoul National University.

Professional Background

2004 - 2005 Executive Vice President at Prudential Investments and Securities Co. in Korea. 2006 Country Advisor, Global Resolutions in Korea. 2007 - 2010 Director General of the Investment Promotion Bureau at the Incheon Free Economic Zone (IFEZ) in Korea. 2011 - 2013 Chief HR Officer of CJ Corporation in Korea. Since 2013, Executive Vice President and Head of Corporate Social Responsibility of CJ CheilJedang. Ms. Min speaks regularly on the subject of sustainability and ESG (Environment, Social, Governance).

Current Board Mandates

Listed companies:
Dufrey AG

Not listed companies or organizations:
Asia New Zealand Foundation (Honorary Advisor) and CJ Welfare Foundation.



JORGE BORN
Independent Director,
Non-Executive,
born 1962, Argentinian

Education

B.S. in economics from the Wharton School of the University of Pennsylvania.

Professional Background

1992 - 1997 Head of Bunge's European operations. 1997 - 2018 President and Chief Executive Officer of Bomagra S.A., Argentina. 1998 - 2004 Chairman of Delta-com. 1999 - 2006 CEO and Chairman of Solurban. 2001 - 2010 Deputy Chairman of Bunge Ltd. 2004 - 2005 Board member of Dufrey AG. Since 1997 CEO and Chairman of Consult y Asoc. S.A. Since 2007 Chairman of Fundación Bunge y Born.

Current Board Mandates

Listed companies:
Dufrey AG and Hochschild Mining, Ltd.

Not listed companies or organizations:
Fundación Bunge y Born (Chairman), Board of Governors of the Lauder Institute at Wharton Business School and Board of Argentina's Rural Society.



JULIÁN DÍAZ GONZÁLEZ
 Executive Director,
 Chief Executive Officer,
 born 1958, Spanish

Education

Degree in business administration from Universidad Pontificia Comillas I.C.A.D.E., de Madrid.

Professional Background

1989 – 1993 General Manager at TNT Leisure, S.A. 1993 – 1997 Division Director at Aldeasa. 1997 – 2000 various managerial and business positions at Aeroboutiques de Mexico, S.A. de C.V. and Deor, S.A. de C.V. 2000 – 2003 General Manager of Latinoamericana Duty-Free, S.A. de C.V. Since 2004 Chief Executive Officer at Dufrey AG.

Current Board Mandates

Listed companies:
 Dufrey AG

Not listed companies
 or organizations:
 None



MARY J. STEELE GUILFOILE
 Independent Director,
 Non-Executive,
 born 1954, American

Education

Bachelor of Science from Boston College Carroll School of Management, MBA from Columbia Business School, Licensed, certified public accountant.

Professional Background

1996 – 2000 Partner, CFO and COO of The Beacon Group, LLC, a private equity, strategic advisory and wealth management partnership. 2000 – 2002 Several management positions such as Executive Vice President and Corporate Treasurer at JPMorgan Chase & Co. and Chief Administrative Officer of its investment bank. Served previously on the Board of Directors of Viasys Healthcare Inc. (2001 – 2005), Valley National Bancorp (2003 – 2018), Boston College (1991 – 2011) and Hudson Ltd. (2018 – 2020). Serves as a member of the Boards of Directors of C.H. Robinson Worldwide, Inc. (since 2012), The Interpublic Group of Companies, Inc. (since 2007) and Pitney Bowes, Inc. (since 2018). Since 2002 serves as Chairwoman of MG Advisors, Inc. and has been a Partner of The Beacon Group, LP since 1998.

Current Board Mandates

Listed companies:
 Dufrey AG, C.H. Robinson Worldwide, Inc., The Interpublic Group of Companies, Inc. and Pitney Bowes, Inc.,

Not listed companies
 or organizations:
 Chair of MG Advisors, Inc.



LUIS MAROTO CAMINO
 Independent Director,
 Non-Executive,
 born 1964, Spanish

Education

Bachelor's degree in Law from the Universidad Complutense Madrid, MBA from the Instituto de Estudios Superiores de la Empresa, Madrid (IESE), further qualifications from Stanford, Harvard Business School, INSEAD and IMD.

Professional Background

2000 Joined Amadeus IT Group, a leading player in the travel and tourism industry, where he served as Deputy CEO, CFO and Director Marketing Finance. Prior to joining Amadeus, he held several managerial positions at the Bertelsmann Group. Since 2011, CEO and President of Amadeus IT Group.

Current Board Mandates

Listed companies:
 Dufrey AG and Amadeus IT Group.

Not listed companies
 and organizations:
 None



JOAQUÍN MOYA-ANGELER CABRERA
 Independent Director,
 Non-Executive,
 born 1949, Spanish

Education

Master's degree in mathematics from the University of Madrid, diploma in economics and forecasting from the London School of Economics and Political Science and an MS in management from MIT's Sloan School of Management.

Professional Background

Mr. Moya-Angeler has focused his career on the technology and real estate industries, including having founded a number of companies. He has been the Chairman of the Board of Directors of various companies: IBM Spain (1994 – 1997), Leche Pascual (1994 – 1997), Meta4 (1997 – 2002), TIASA (1996 – 1998), and Hildebrando (2003 – 2014). Served previously on the Board of Directors of Dufrey AG (2005 – 2018) and Hudson Ltd. (2018 – 2021). To date Chairman of the Board of Directors of La Quinta Real Estate (since 1994), Chairman of the Board of Directors of Corporación Empresarial Pascual (since 1994), Chairman of the Board of Directors of Avalon Private Equity (since 1999). Serves on the advisory boards of private equity firms Palamon Capital Partners and MCH Private Equity.

Current Board Mandates

Listed companies:
 Dufrey AG

Not listed companies
 or organizations:
 La Quinta Real Estate, Corporación Empresarial Pascual, Avalon Private Equity, Palamon Capital Partners (Board of Advisors), MCH Private Equity (Board of Advisors).



RANJAN SEN
Independent Director,
Non-Executive,
born 1969, German

Education

Degree in Business Administration from Richmond University in London.

Professional Background

Many years of private equity and banking experience. 2003 Joined Advent International as Director. Since 2016 Managing Partner at Advent International. Member of the European and Asian Investment Advisory Committee and Head of the German office in Frankfurt of Advent International.

Current Board Mandates

Listed companies:
Dufrey AG and InPost Poland.

Not listed companies
or organizations:
Hermes Germany GmbH



STEVEN TADLER
Independent Director,
Non-Executive,
born 1959, American

Education

Master in Business Administration from Harvard Business School. B.S., with distinction, from the University of Virginia.

Professional Background

1985 Joined Advent International as Managing Partner and held that position until 2019. Since 2020 Managing Director at Exeter Capital, a private equity firm focused on investing in consumer-facing businesses. Serves as a Director of Advent International Corp (since 2002) and wTe Corporation (since 1989). Served previously on the Board of Directors of Dufrey AG (2010 - 2013), Skill-soft (2010 - 2014), Transunion (2012 - 2017), Bojangles' (2011 - 2019).

Current Board Mandates

Listed companies:
Dufrey AG

Not listed companies
or organizations:
Advent International Corp (non-executive) and wTe Corporation.



LYNDA TYLER-CAGNI
Independent Director,
Non-Executive,
born 1956, British and Italian

Education

B.A. (Hons) in Languages, Economics & Politics from the University of Kingston, London.

Professional Background

Lynda Tyler-Cagni held various global executive positions with Fast Retailing, Uniqlo and Zegna. She is the founder and CEO at Only the Best, an agency advising and representing talent primarily in fashion, luxury and retail. She also served as a Director of Atlantia SpA, an Italian listed global infrastructure operator until November 2018. Ms. Tyler-Cagni previously served on the Board of World Duty Free Group as a non-executive and independent member and chair of the HR & Remuneration Committee (from 2013 until the acquisition of World Duty Free Group by Dufrey AG in 2015).

Current Board Mandates

Listed companies:
Dufrey AG

Not listed companies
or organizations:
EDHEC Paris and Bloch International Pty Ltd



EUGENIA M. ULASEWICZ
Independent Director,
Non-Executive,
born 1953, American

Education

Bachelor's degree from the University of Massachusetts, Amherst.

Professional Background

Ms Ulasewicz had a successful career serving in many roles as a global retail industry executive, most recently as President, Burberry Americas until 2013. She serves on the Board of Directors of Signet Jewelers (since 2014), is Chair of the Corporate Citizenship & Sustainability Committee and a member of the Compensation Committee, Vince Holding Corp (since 2014), is Chair of the Compensation Committee and a member of Audit Committee, and ASOS Plc (since 2020) where she is Chair of the ESG Committee and a member of Audit and Remuneration Committees. She served on the Board of Directors of Hudson, Ltd (2018-2020) and Bunzl plc (2011-2020).

Current Board Mandates

Listed companies:
Dufrey AG, Signet Jewelers Ltd., Vince Holding Corporation, and ASOS Plc.

Not listed companies
or organizations:
None

Diversity and independence

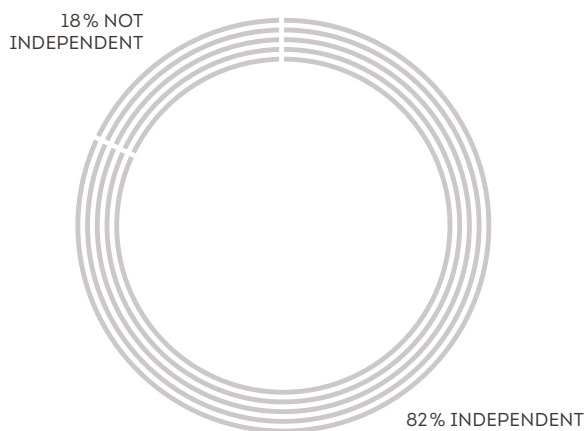
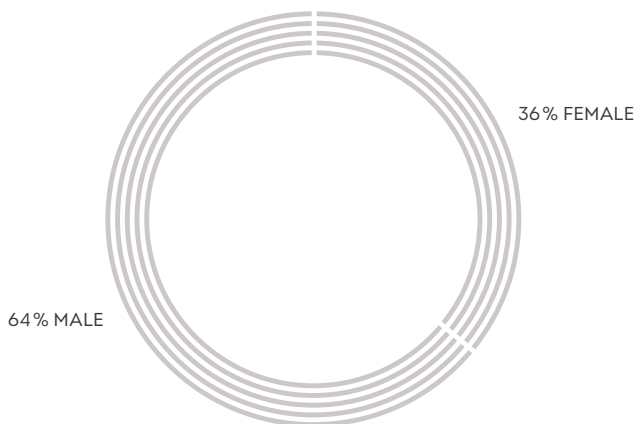
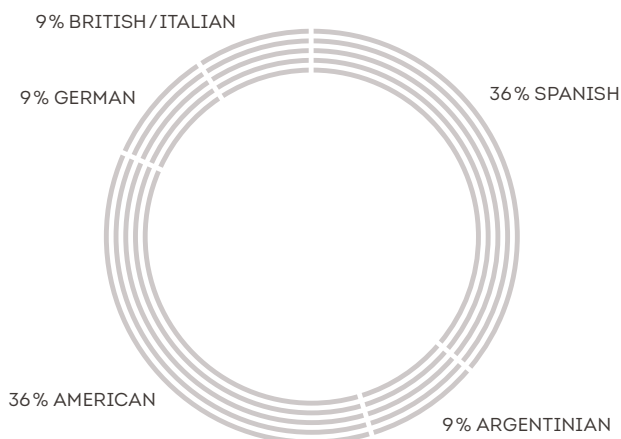
As of December 31, 2021, the Board of Directors has 64% male and 36% female members, including the Lead Independent Director.

Due to his intense involvement with the Company's management, the Chairman of the Board of Directors, Mr. Juan Carlos Torres Carretero is considered an executive Chairman. In his executive role, a substantial amount of his time is devoted to the Company's operations where he works very closely with the CEO to pursue value-enhancing initiatives including strategically important relationships, joint ventures or acquisitions, strengthening the Company's partnerships with governments, large suppliers and airport authorities. He also supports re-financing activities and capital markets transactions of the Company. Mr. Julián Díaz González acts as Chief Executive Officer. All other current members of the Board of Directors are non-executive members and are also considered independent. As of December 31, 2021, the Board of Directors therefore consists of 82% independent members.

Over the past years, the Board of Directors has been consistently renewed. 64% of the Board members have a tenure of 5 years or less.

None of the current members of the Board of Directors (except Julián Díaz González as CEO) have ever been in a managerial position at Dufry AG or any of its subsidiaries. For information on related parties and related party transactions please refer to Note 41 on page 210 of the Consolidated Financial Statements and to the information provided in the Remuneration Report on page 260 ff. of this Annual Report.

DIVERSITY OF THE BOARD OF DIRECTORS



BOARD OF DIRECTORS AND BOARD COMMITTEES AS OF DECEMBER 31, 2021

BOARD OF DIRECTORS

Chairman: Juan Carlos Torres Carretero	Lead Independent Director: Heekyung Jo Min	
Jorge Born	Julián Díaz González	Mary J. Steele Guilfoile
Luis Maroto Camino	Joaquín Moya-Angeler Cabrera ¹	Ranjan Sen
Steven Tadler	Lynda Tyler-Cagni	Eugenia M. Ulasewicz ¹

¹ Member of the Board of Directors since the Annual General Meeting of Shareholders held on May 18, 2021.

AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE
Jorge Born, Chairman	Jorge Born, Chairman	Luis Maroto Camino, Chairman
Mary J. Steele Guilfoile	Heekyung Jo Min	Eugenia M. Ulasewicz
Luis Maroto Camino	Steven Tadler	Joaquín Moya-Angeler Cabrera
Steven Tadler	Lynda Tyler-Cagni	

OVERVIEW INDIVIDUAL ATTENDANCE BOARD AND COMMITTEE MEETINGS

MEMBER OF THE BOARD OF DIRECTORS	BOARD MEETINGS	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE
Juan Carlos Torres Carretero	11/11	-	-	-
Heekyung Jo Min ^{1,2}	11/11	-	3/3	2/2
Jorge Born ¹	11/11	4/4	5/5	2/2
Julián Díaz González	11/11	-	-	-
Mary J. Steele Guilfoile	11/11	4/4	-	-
Luis Maroto Camino ⁴	10/11	4/4	-	5/5
Joaquín Moya-Angeler Cabrera ^{3,5}	6/6	-	-	4/4
Ranjan Sen	11/11	-	-	-
Steven Tadler ^{4,5}	4/11	1/4	2/5	0/1
Lynda Tyler-Cagni	11/11	-	5/5	-
Eugenia M. Ulasewicz ^{3,4}	6/6	-	-	5/5
Number of meetings in fiscal year 2021	11	4	5	7
Average attendance ratio ⁶	99%	100%	100%	100%

¹ Member of the Remuneration Committee until the Annual General Meeting of Shareholders on May 18, 2021.

² Member of the Nomination Committee since the Annual General Meeting of Shareholders on May 18, 2021.

³ Member of the Board of Directors since the Annual General Meeting of Shareholders on May 18, 2021.

⁴ Member of the Remuneration Committee since the Annual General Meeting of Shareholders on May 18, 2021.

⁵ Mr. Tadler was present at a reduced number of Board and Committee Meetings due to a health issue. In accordance with Art. 17 para. 3 of the Articles of Incorporation, the Board of Directors appointed Mr. Moya-Angeler Cabrera to replace Mr. Tadler in the Remuneration Committee as of August 7, 2021 for a term of office until completion of the next Annual General Meeting of Shareholders. Until August 7, 2021, Mr. Tadler was invited to 1 meeting of the Remuneration Committee. After August 7, 2021, Mr. Cabrera was invited to 4 meetings of the Remuneration Committee.

⁶ The average attendance ratio is calculated excluding Mr. Tadler due to the aforementioned reason. The average attendance ratio regarding the Committees refers directly to the members of the respective Committee. Additional participants who participate as guests in Committee meetings are not included in the percentage calculations. For the newly elected Board members, their attendance ratio is calculated as of the date of election at the General Meeting of Shareholders or the appointment by the Board of Directors, as the case may be.

3.3 RULES IN THE ARTICLES OF INCORPORATION REGARDING THE NUMBER OF PERMITTED MANDATES OUTSIDE THE COMPANY

For the website link regarding the Articles of Incorporation referred to in the following chapters please see page 259 of this Corporate Governance Report.

In accordance with Article 24 para. 2 of the Articles of Incorporation, dated May 18, 2021, no member of the Board of Directors may hold more than four additional mandates in listed companies and ten additional mandates in non-listed companies. The following mandates are not subject to the limitations under para. 2 of this Article:

- a) mandates in companies which are controlled by the Company or which control the Company;
- b) mandates held at the request of the Company or any company controlled by it. No member of the Board of Directors may hold more than ten such mandates; and
- c) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Board of Directors may hold more than ten such mandates.

Mandates shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable foreign register. Mandates in different legal entities that are under joint control or the same beneficial ownership are deemed one mandate.

3.4 ELECTION AND TERMS OF OFFICE

In accordance with Article 13 of the Articles of Incorporation, dated May 18, 2021:

- The Board of Directors shall consist of at least three and at most eleven members.
- Members of the Board of Directors and the Chairman of the Board of Directors shall be elected for a term of office extending until completion of the next Annual General Meeting of Shareholders.
- The members of the Board of Directors and the Chairman of the Board of Directors may be re-elected without limitation.
- If the office of the Chairman of the Board of Directors is vacant, the Board of Directors shall appoint a Chairman from among its members for a term of office extending until completion of the next Annual General Meeting of Shareholders.
- Except for the election of the Chairman of the Board of Directors and the members of the Remuneration Committee by the General Meeting of Shareholders, the Board of Directors determines its own

organization. The Board of Directors shall elect a Vice-Chairman. It shall appoint a Secretary who does not need to be a member of the Board of Directors.

All current members of the Board of Directors were elected in individual elections at the Annual General Meeting of Shareholders held on May 18, 2021. The Annual General Meeting of Shareholders re-elected Juan Carlos Torres Carretero as Chairman of the Board of Directors. Ms. Eugenia M. Ulasewicz, Mr. Steven Tadler and Mr. Luis Maroto Camino were elected in individual elections as members of the Remuneration Committee at this Annual General Meeting of Shareholders.

3.5 INTERNAL ORGANIZATIONAL STRUCTURE

Except for the election of the Chairman of the Board of Directors and the members of the Remuneration Committee (which are to be elected by the General Meeting of Shareholders), the Board of Directors determines its own organization. It shall elect the Lead Independent Director or a Vice-Chairman, the members of the Audit Committee and of the Nomination Committee, and appoint a Secretary who does not need to be a member of the Board of Directors.

As of December 31, 2021, Dufrey AG has three committees: the Audit Committee, the Nomination Committee and the Remuneration Committee. All three Committees are assisting the Board of Directors in fulfilling its duties and have also decision authority to the extent described below.

ESG-related oversight by the Board of Directors

At the level of the Board of Directors, the implementation of Dufrey's ESG strategy is supervised by the Lead Independent Director. The entire Board of Directors is quarterly informed on the ESG strategy implementation and additionally receives detailed updates at least twice a year.

The interdisciplinary ESG Committee defines and drives the implementation of the ESG strategy. The ESG Committee consists of the CEO, CFO, CEO Operations, Chief Commercial Officer, Chief Diversity & Inclusion Officer, Group General Counsel, Global Chief Corporate Officer, Chief Compliance Officer, Global Internal Audit Director, Global Head of Investor Relations and the Global Head of Corporate Communications & Public Affairs. This Committee meets at least every two months.

The day-to-day implementation of the ESG strategy is executed by the ESG Department as part of the Corporate Communications & Public Affairs department.

Audit Committee

Members as of December 31, 2021: Jorge Born (Chairman Audit Committee), Mary J. Steele Guilfoile, Luis Maroto Camino, Steven Tadler.

The members of the Audit Committee are all non-executive and independent members of the Board of Directors. Pursuant to item 14 of the Swiss Code of Best Practice for Corporate Governance (SCBP), an independent member is a non-executive member, who has not been an executive member of the Dufrey Group in the last three years and has no or comparatively minor business relations with the Company. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The Audit Committee assists the Board of Directors in fulfilling its duties of supervision of management. It performs the following duties and responsibilities:

- Review and assessment of the performance and independence of the Auditors;
- Review and assessment of the audit plan and the audit results and monitoring of the implementation of the findings by management;
- Review of Auditors' reports and discuss their contents with the Auditors and the management;
- Review the effectiveness of the internal audit function, its professional qualifications, resources, independence and its cooperation with external audit;
- Approval of the annual internal audit concept and the annual internal audit report, including the response of the management thereto;
- Assessment of the risk management and of the proposed measures to reduce risks;
- Assessment of the compliance levels and risk management;
- Make a proposal to the Board of Directors with respect to the annual and interim statutory and consolidated financial statements.

The Audit Committee regularly reports to the Board of Directors on its decisions, assessments, findings and proposes appropriate actions. The Audit Committee generally meets at the same dates the Board of Directors meetings take place (usually 4-5 times per year), although the Chairman may call meetings as often as business requires.

In fiscal year 2021, the Audit Committee held 4 meetings (Q1: 1 meeting, Q2: 1 meeting, Q3: 1 meeting, and Q4: 1 meeting) with management to review the business, better understand laws, regulations and policies impacting the Dufrey Group and its business and support the management in meeting the requirement and expectations of stakeholders.

Due to the COVID-19 pandemic and related travel restrictions, 2 of these meetings were held as physical meetings and 2 as video conference meetings. The length of the physical meetings and video conferences was approximately 2 to 3 hours in 2021. The auditors attended 2 meetings via video conference. The Chairman of the Board of Directors usually participates as a guest in the Audit Committee meetings. Members of the Global Executive Committee attended the meetings or video conferences of the Audit Committee as follows: CEO 4 meetings and the CFO (who acts as Secretary of the Audit Committee) 4 meetings.

Nomination Committee

Members as of December 31, 2021: Jorge Born (Chairman Nomination Committee), Heekyung Jo Min, Steven Tadler, Lynda Tyler-Cagni.

The members of the Nomination Committee are all non-executive and independent members of the Board of Directors. Pursuant to item 14 of the Swiss Code of Best Practice for Corporate Governance (SCBP), an independent member is a non-executive member, who has not been an executive member of the Dufrey Group in the last three years and has no or comparatively minor business relations with the Company. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The Nomination Committee assists the Board of Directors in fulfilling its nomination related matters. It performs the following duties and responsibilities:

- Assure the long-term planning of appropriate appointments to the positions of the CEO and the Board of Directors;
- Review the curriculum vitae, credentials and experience of the candidates proposed by the Board of Directors to fill vacancies on the Board of Directors or for the position of the CEO;
- Make recommendations on Board composition and balance;
- Present to the Board a proposal of succession plan for the position of the CEO at least once a year;
- Present to the Board a proposal of succession plan for the position of the Chairman of the Board;
- Review the adequacy of the selection system and criteria used for the appointment of the members of the Global Executive Committee.

The Nomination Committee meets as often as business requires (usually 2-4 meetings per year).

The Nomination Committee held 5 meetings (3 of which by video conference) in the fiscal year 2021 that lasted about 2 to 3 hours (Q1: 1 meeting, Q2: 2 meetings, Q3: 1 meeting and Q4: 1 meeting). Members of the Global Executive Committee attended these meetings or video conferences as follows: CEO 5 meetings.

Remuneration Committee

Members as of December 31, 2021: Luis Maroto Camino (Chairman Remuneration Committee), Eugenia Ulasewicz, Joaquín Moya-Angeler Cabrera (who was appointed by the Board of Directors to replace Mr. Tadler as of August 2021 for a term of office until completion of the next Annual General Meeting of Shareholders, and in compliance with Article 17 para. 3 of the Articles of Incorporation).

The members of the Remuneration Committee are all non-executive and independent members of the Board of Directors. Pursuant to item 14 of the Swiss Code of Best Practice for Corporate Governance (SCBP), an independent member is a non-executive member, who has not been an executive member of the Dufrey Group in the last three years and has no or comparatively minor business relations with the Company. The members shall be appointed by the General Meeting of Shareholders until the next Annual General Meeting of Shareholders and be re-eligible.

The Remuneration Committee assists the Board of Directors in fulfilling its remuneration related matters. It performs the following duties and responsibilities:

- Review and assess the remuneration system of the Company and the Group (including the management incentive plans) and make proposals in connection thereto to the Board of Directors;
- Make recommendations regarding the proposals of the Board of Directors for the maximum aggregate amount of compensation of the Board of Directors and the Global Executive Committee to be submitted to the Annual General Meeting of Shareholders for approval;
- Make proposals in relation to the remuneration package of the CEO and the members of the Board of Directors;
- Make proposals on the grant of options or other securities under any management incentive plan of the Company;
- Review and recommend to the Board of Directors the remuneration report.

The Remuneration Committee meets as often as business requires (usually 4 meetings per year).

The Remuneration Committee held 7 meetings (2 of which by video conferences) in the fiscal year 2021 that lasted about 2 to 3 hours (Q1: 2 meetings, Q3: 3 meetings, Q4: 2 meetings). The Chairman of the Board of Directors usually participates as a guest in the Remuneration Committee meetings. Members of the Global Executive Committee attended these meetings or video conferences as follows: CEO 7 meetings; Group General Counsel: 1 meeting.

Work method of the Board of Directors

As a rule, the Board of Directors meets about six to seven times a year (usually at least once per quarter). Additional meetings or conference calls are held as and when necessary. The Board of Directors held 11 meetings during fiscal year 2021. Due to the COVID-19 pandemic and related travel restrictions in fiscal year 2021, the Board of Directors held 5 of these meetings as physical meetings and 6 as video conference meetings. These meetings of the Board of Directors lasted about 4 hours. The Chairman determines the agenda and items to be discussed at the Board meetings. All members of the Board of Directors can request to add further items on the agenda.

The CEO, the CFO, and the Group General Counsel, also acting as Secretary to the Board, usually attend the meetings of the Board of Directors. Other members of the Global Executive Committee may attend meetings of the Board of Directors as and when required. Members of the Global Executive Committee attended these meetings of the Board of Directors in 2021 as follows: CEO 11 meetings, CFO 9 meetings, Group General Counsel 11 meetings, Global Chief Corporate Officer 2 meetings, Chief Commercial Officer 2 meetings, CEO Operations 1 meeting, Chief Diversity & Inclusion Officer 1 meeting.

The Board of Directors also engages specific advisors to address specific matters when required. External financial advisors attended pertinent portions of 1 meeting of the Board of Directors in 2021. The external Auditors attended 2 meetings of the Audit Committee in 2021.

3.6 DEFINITION OF AREAS OF RESPONSIBILITY

The Board of Directors is the ultimate corporate body of Dufrey AG. It further represents the Company towards third parties and shall manage all matters which by law, the Articles of Incorporation or the Board regulations have not been delegated to another body of the Company.

In accordance with the Board regulations (“Organisationsreglement”), the Board of Directors has delegated the operational management of the Company to the CEO who is responsible for overall management of the Dufrey Group. The following responsibilities remain with the Board of Directors:

- Ultimate direction of the business of the Company and the power to give the necessary directives;
- Determination of the organization of the Company;
- Administration of the accounting system, financial control and financial planning;
- Appointment and removal of the members of the committees installed by itself as well as the persons entrusted with the management and representation of the Company, as well as the determination of their signatory power;
- Ultimate supervision of the persons entrusted with the management of the Company, in particular with respect to their compliance with the law, the Articles of Incorporation, regulations and directives;
- Preparation of the business report, the remuneration report and the General Meetings of Shareholders and to carry out the resolutions adopted by the General Meeting of Shareholders;
- Notification of the judge if liabilities exceed assets;
- Passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid in shares;
- Passing of resolutions confirming increases in share capital and the amendments of the Articles of Incorporation entailed thereby;
- Non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Swiss Merger Act;
- To approve any non-operational or non-recurring transaction not included in the annual budget and exceeding the amount of CHF 10,000,000;
- To issue convertible debentures, debentures with option rights or other financial market instruments;
- To approve the annual investment and operating budgets of the Company and the Dufrey Group;
- To approve the executive regulations promulgated in accordance with the board regulations; and
- To propose an independent voting rights representative for election to the General Meeting of Shareholders, and to appoint an independent voting rights representative in the event of a vacancy.

Except for the Chairman of the Board of Directors, who has single signature authority, the members of the Board have joint signature authority, if any.

3.7 INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS THE SENIOR MANAGEMENT

The Board of Directors ensures that it receives sufficient information from the management to perform its supervisory duty and to make the decisions that are reserved to the Board through several channels as shown below.

Management Information System (MIS)

Dufrey Group has an internal management information system that consists of financial statements, performance indicators and risk management. Information to management is provided on a regular basis according to the cycles of the business: sales on a weekly basis; income statement, cash management and key performance indicators (KPI) including customer, margins and investment information, balance sheet and other financial statements on a monthly basis. Management information is prepared on a consolidated basis as well as on a regional basis. Financial statements and key financial indicators / ratios are submitted to the entire Board of Directors on a quarterly basis. These quarterly updates also include non-financial information such as, but not exclusively, progress on the implementation of the company's ESG strategy as well as status updates from the Global Internal Audit & Investigations Department.

Board Meetings and CEO Reports

During Board meetings, each member of the Board may request information from the other members of the Board, as well as from the members of the management present on all affairs of the Company and the Group. Outside of Board meetings, each member of the Board may request from the CEO information concerning the course of business of the Company and the Group and, with the authorization of the Chairman, about specific matters.

The CEO reports at each meeting of the Board of Directors on the course of business of the Company and the Group in a manner agreed upon from time to time between the Board and the CEO. Apart from the meetings, the CEO reports immediately any extraordinary event and any change within the Company and within the Dufrey Group to the Chairman.

Reports from Global Internal Audit & Investigations Department

The Global Internal Audit department provides independent risk-based and objective assurance reviews and performs loss prevention analysis to group companies through different activity streams. Assurance execution formats were rapidly adapted during mobil-

ity restrictions in order to maximize the needed assurance coverage during the crisis. With this business context in mind, the key risks were identified and traced to the related processes and controls. A circumstantial risk outlook was then mapped and an appropriately scoped auditing plan built for the scenario. The department continues to develop a detailed review and auditing plan on a yearly basis with quarterly reassessments and submits it to the Audit Committee.

Internal Audit

Internal audit is an independent function that provides objective assurance and consulting activity, with the aim of improving the organization's operations. The selection of Internal Audit reviews to be executed during the year is based on a specific methodology throughout the Dufrey Group and includes the consideration of internal and external factors. Regular follow-up is conducted to ensure that risk mitigation and control improvement measures are implemented on a timely basis.

Global Investigations

The Global Investigations activity was created to prevent losses and misappropriations within the Group. The day-to-day work is designed to leverage profitability using advanced data mining, machine learning and anti-fraud techniques. Currently, validations are performed monthly or bi-monthly for all Group companies and results are proven to provide valuable information for loss prevention purposes. Additionally, Dufrey is continuously evolving and implementing techniques to establish validations that can enhance the coverage and/or create a higher assurance level over the key retail risks.

All results of the Global Internal Audit & Investigations activities are communicated to key management in charge and to the Group's senior management, including the members of the Global Executive Committee and the Audit Committee on a regular basis.

2021 Focus Points of Global Internal Audit & Investigations

In fiscal year 2021, Global Internal Audit conducted over 20 reviews, with a global or operation-level scope examining activities, risk exposures and processes, thereby considering special requirements created by the circumstances of the COVID-19 pandemic detailed above. In line with the initiatives implemented by the Group, to adapt the Group to the new business environment and to prepare the organization for and beyond the recovery phase, the Global Internal Audit's approach was to focus all efforts on assuring key retail risk around inventory and cash management glob-

ally and continuously evaluating the correct implementation of new processes and procedures, as well as on executing specific reviews with an operational scope as part of the normal assurance activities.

Financial and Environmental Risk Management

Detailed information on the financial risk management is provided in Notes 36 to 40 in the consolidated financial statements of this Annual Report. Information on the overall Group Risk Management, which includes environmental risk management is provided in the ESG Report Annex on page 282 ff of this report and on the sustainability website; <https://www.dufrey.com/en/sustainability>.

Meetings and Attendance

For attendance of the members of the Global Executive Committee at meetings of the Board of Directors or meetings of the Board Committees please refer to section "3.5 Internal organizational structure" above, which also includes the detailed description of the Audit Committee's organization and working methods.

4. GLOBAL EXECUTIVE COMMITTEE

4.1 MEMBERS OF THE GLOBAL EXECUTIVE COMMITTEE

As of December 31, 2021, the Global Executive Committee comprised seven executives compared with eight members as of December 31, 2020.

The Global Executive Committee under the control of the CEO conducts the operational management of the Company pursuant to the Company's board regula-

tions. The CEO reports to the Board of Directors on a regular basis.

The following table sets forth the name, nationality, position and year of appointment of the respective members, followed by their Curricula Vitae with a short description of each member's business experience, education and activities.

All agreements entered into with the members of the Global Executive Committee are entered for an indefinite period of time.

GLOBAL EXECUTIVE COMMITTEE AS OF DECEMBER 31, 2021

NAME	NATIONALITY	POSITION	GEC MEMBER SINCE YEAR
Julián Díaz González	Spanish	Chief Executive Officer (CEO)	2004
Yves Gerster	Swiss	Chief Financial Officer (CFO)	2019
Eugenio Andrades	Spanish	Chief Executive Officer Operations (CEOO)	2016
Andrea Belardini	Italian	Chief Commercial Officer (CCO)	2019
Sarah Branquinho	British	Chief Diversity & Inclusion Officer (CDIO)	2021
Pascal C. Duclos	Swiss	Group General Counsel (GGC)	2005
Luis Marin	Spanish	Global Chief Corporate Officer (GCCO)	2014

NEW CEO APPOINTED AS OF JUNE 1, 2022

NAME	NATIONALITY	POSITION	GEC MEMBER SINCE YEAR
Xavier Rossinyol	Spanish	Chief Executive Officer (CEO)	2022

Changes in the Global Executive Committee in fiscal year 2022

On February 21, 2022, Dufrey announced that Julián Díaz Golzález will step down from his position as Chief Executive Officer on May 31, 2022 and will not stand for reelection as member of the Board of Directors at the 2022 AGM. Xavier Rossinyol has been appointed as new Chief Executive Officer of Dufrey effective June 1, 2022. In order to ensure a smooth transition, Xavier Rossinyol will join Dufrey as designated CEO and member of the Global Executive Committee on March 1, 2022.

Xavier Rossinyol was already part of Dufrey's management team from 2004 to 2015, first as Chief Financial Officer until 2012, and then as Chief Operating Officer EMEA and Asia until 2015. In the past nearly seven years, he has been CEO of gategroup, the leader in airline catering and on-board retail.

Details regarding Mr. Rossinyol's Curriculum Vitae are available on Dufrey's website <https://www.dufrey.com/en/company/our-management>.

4.2 EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND VESTED INTERESTS



JULIÁN DÍAZ GONZÁLEZ
Chief Executive Officer,
born 1958, Spanish

Education

Degree in business administration from Universidad Pontificia Comillas I.C.A.D.E., de Madrid.

Professional Background

1989 – 1993 General Manager at TNT Leisure, S.A. 1993 – 1997 Division Director at Aldeasa. 1997 – 2000 various managerial and business positions at Aeroboutiques de Mexico, S.A. de C.V. and Deor, S.A. de C.V. 2000 – 2003 General Manager of Latinoamericana Duty-Free, S.A. de C.V. Since 2004 Chief Executive Officer at Dufry AG.

Current Board Mandates

Dufry AG.



YVES GERSTER
Chief Financial Officer,
born 1978, Swiss

Education

Degree in Business Administration & Finance, University of Basel.

Professional Background

1999 – 2003 Assistant Group Treasurer at Danzas Management AG. 2003 – 2006 Assistant Group Treasurer at Bucher Industries AG. November 2006 – 2019 Global Head Group Treasury at Dufry International AG. Since April 2019 Chief Financial Officer at Dufry AG.



EUGENIO ANDRADES
Chief Executive Officer Operations, born 1968, Spanish

Education

Degree in Mining Engineering at Politécnica University of Madrid. MS of Economics and Strategy of Colorado School of Mines, Colorado / USA.

Professional Background

Prior to 1996 Consultant at McKinsey & Co and Carboex, a subsidiary of Endesa. 1996 – 2001 Director of Strategy & Development and Investor Relations at Aldeasa. 2001 Chief Executive Officer Jordan and Middle East region at Aldeasa. 2002 – 2007 Director of Strategy & Development and Investor Relations at Aldeasa. 2007 – 2010 Commercial Director and Operations Coordinator at Aldeasa. 2011 – 2014 Chief Commercial Officer at World Duty Free Group. 2014 – 2015 Chief Executive Officer at World Duty Free Group. 2016 – 2017 Chief Executive Officer Division UK, Central and Eastern Europe at Dufry AG. 2018 Chief Executive Officer Operations and Strategy at Dufry AG. January 2019 – August 2020 Chief Executive Officer Europe, Africa and Strategy at Dufry AG. Since September 2020 Chief Executive Officer Operations at Dufry AG.



ANDREA BELARDINI
Chief Commercial Officer,
born 1968, Italian

Education

Degree in Business and Economics, University of Rome (La Sapienza).

Professional Background

1991-1996 various positions as Controller and Project Manager at Carlson Wagonlit Travel. 1997-1999 Director of Operations Italy at Carlson Wagonlit Travel. 1999-2000 Vice President Operations South Europe at Carlson Wagonlit Travel. 2000-2004 Executive Vice President Strategy & Development at Aeroporti di Roma. 2004-2009 Executive Vice President Commercial Business Management & Development at Aeroporti di Roma. 2009-2015 Chief Executive Officer Europe at Nuance Group (since 2013 also Global Chief Commercial Officer at Nuance Group). 2016 - August 2020, Chief Executive Officer Division Asia Pacific and Middle East at Dufrey AG. Since September 2020 Chief Commercial Officer at Dufrey AG.



SARAH BRANQUINHO
Chief Diversity & Inclusion Officer,
born 1956, British

Education

Postgraduate studies, Humboldt University, Berlin. BA (Hons, 1st class) in Modern European Studies (Economics, French and German), Loughborough University (UK).

Professional Background

1984-1995 Commercial Director, TFWA. 1995-1998 Secretary General European Travel Retail Forum and Focus 99. 1998-2004 Business Relations Director World Duty Free. 2004-2015 External Affairs Director World Duty Free. 2015-2018 External Affairs Director at Dufrey AG. Since July 2021 Chief Diversity & Inclusion Officer at Dufrey AG. Served also in industry roles (alongside her business roles) for: 2009-2018 Chair of the UK Travel Retail Forum (UKTRF), Board member ETRC. 2012-2018 President of the European Travel Retail Confederation (ETRC). Since 2019 President of the Duty Free World Council.



PASCAL C. DUCLOS
Group General Counsel,
born 1967, Swiss

Education

Licence en droit from Geneva University School of Law, L.L.M. from Duke University School of Law. Licensed to practice law in Switzerland and admitted to the New York Bar.

Professional Background

1991-1997 Senior attorney at law at Geneva law firm Davidoff & Partners. Also academic assistant at the University of Geneva School of Law (1994-1996). 1999-2001 Attorney at law at New York law firm Kreindler & Kreindler. 2001-2002 Financial planner at UBS AG in New York. 2003-2004 Senior foreign attorney at law at the Buenos Aires law firm Beretta Kahale Godoy. Since 2005 General Counsel and Secretary to the Board of Directors at Dufrey AG.



LUIS MARIN
Global Chief Corporate Officer,
born 1971, Spanish

Education

Degree in Economic Sciences and Business Administration from Universidad de Barcelona.

Professional Background

1995-1998 Auditor at Coopers & Lybrand. 1998-2001 Financial Controller at Derbi Motocicletas - Nacional Motor S.A. 2001-2004 Head of Finance and Administration of Spanish subsidiaries of Areas (member of the French group Elior). Joined Dufrey in 2004, as Business Controlling Director and since 2012 also responsible for mergers and acquisitions. 2014 Appointed Chief Corporate Officer. Since 2018 Global Chief Corporate Officer at Dufrey AG.

Diversity

As of December 31, 2021, the Global Executive Committee has 86% male and 14% female members.

The Global Executive Committee has been consistently renewed over the past years. As of December 31, 2021, 43% of the Global Executive Committee members have been in their GEC positions for a period of 5 years or less.

Changes in the Global Executive Committee in fiscal year 2021

As of January 1, 2021, Salvatore Aricò joined the Global Executive Committee as Chief Organization & Transformation Officer and stepped down from his position and member of the Global Executive Committee again as at September 30, 2021. Roger Fordyce stepped down from his position as Chief Executive Officer North America and member of the Global Executive Committee as at June 30, 2021. Sarah Branquinho was appointed Chief Diversity & Inclusion Officer and member of the Global Executive Committee as of July 1, 2021.

Details regarding the Curricula Vitae of Roger Fordyce and Salvatore Aricò are available on page 261 in the Annual Report 2020. The Annual Report 2020 can be downloaded from the Company website under the following link:

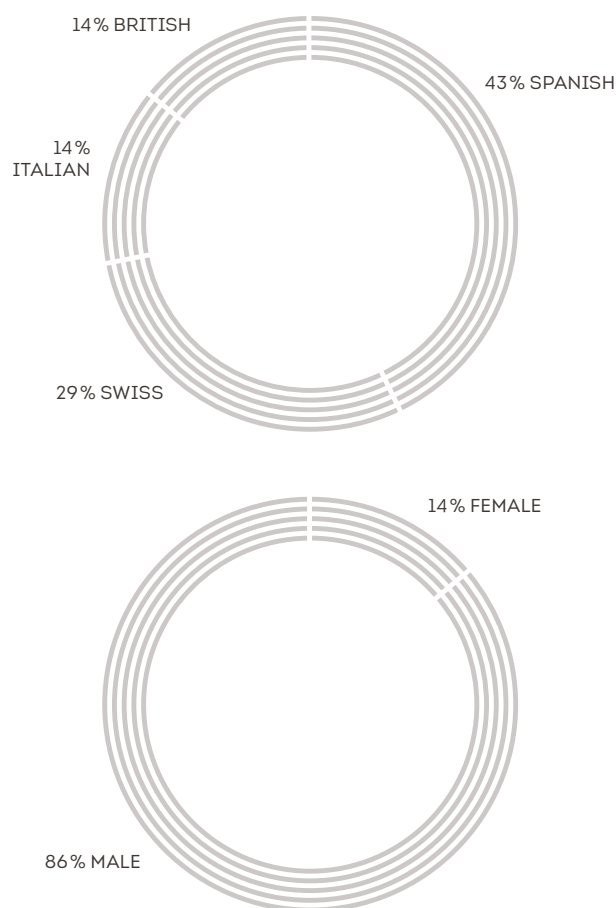
www.dufry.com/en/investors/ir-reports-presentations-and-publications

page section "Presentation of results and other publications - select Financial Reports".

Other activities and vested interests

As of December 31, 2021, none of the members of the Global Executive Committee of Dufry AG has had other activities in governing and supervisory bodies of, or advisory functions to, important Swiss or foreign organizations, institutions or foundations under private and public law outside Dufry Group, or held any public or political office. Julián Díaz González is a member of the Board of Directors of Dufry AG as mentioned in his Curriculum Vitae.

DIVERSITY OF THE GLOBAL EXECUTIVE COMMITTEE



4.3 RULES IN THE ARTICLES OF INCORPORATION REGARDING THE NUMBER OF PERMITTED MANDATES OUTSIDE THE COMPANY

In accordance with Article 25 para. 1 of the Articles of Incorporation, dated May 18, 2021, no member of the Global Executive Committee may hold more than two additional mandates in listed companies and four additional mandates in non-listed companies. The following mandates are not subject to the limitations under para. 1 of this Article:

- a) mandates in companies which are controlled by the Company or which control the Company;
- b) mandates held at the request of the Company or any company controlled by it. No member of the Global Executive Committee may hold more than ten such mandates; and
- c) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Global Executive Committee may hold more than ten such mandates.

For definition of "mandate" please refer to section 3.3 above. For the website link regarding the Articles of Incorporation please see page 259 of this Corporate Governance Report.

4.4 MANAGEMENT CONTRACTS

Dufrey AG does not have management contracts with companies or natural persons not belonging to the Group.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

5.1 CONTENT AND METHOD OF DETERMINING THE COMPENSATION AND SHAREHOLDING PROGRAMS

Detailed information of compensation, shareholdings and loans to active and former members of the Board of Directors and of the Global Executive Committee in fiscal year 2021 is included in the Remuneration Report on pages 260 to 277 of this Annual Report.

5.2 DISCLOSURE OF RULES IN THE ARTICLES OF INCORPORATION REGARDING COMPENSATION OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE MANAGEMENT

For rules in the Articles of Incorporation regarding the approval of compensation by the General Meeting of Shareholders, the supplementary amount for changes in the executive management as well as the general compensation principles please refer to Articles

20 - 22 of the Articles of Incorporation. The Articles of Incorporation do not contain any rules regarding loans, credit facilities or post-employment benefits for the members of the Board of Directors and executive management. The rules regarding agreements with members of the Board of Directors and of the executive management in terms of duration and termination are stipulated in Article 23.

Dufrey's Articles of Incorporation are available on the Company website www.dufrey.com/en/investors/corporate-governance - Articles of Incorporation.

6. SHAREHOLDERS' PARTICIPATION RIGHTS

For the website link regarding the Articles of Incorporation referred to in the following chapters please see the link above.

6.1 GENERAL MEETING OF SHAREHOLDERS IN 2021 UNDER THE COVID-19 SITUATION

Due to the COVID-19 pandemic, the Annual General Meeting of Shareholders held on May 18, 2021, was held without the presence of shareholders (same as in the year 2020). This was based on Article 27 of the Ordinance 3 issued by the Swiss Federal Council on measures to prevent the spread of COVID-19. The shareholders were able to exercise their rights at the General Meetings of Shareholders through the independent voting rights representative. The proxy and voting instruction forms could either be sent by mail or via email in a scanned form, and shareholders were also able to use the electronic voting platform (www.dufrey.netvote.ch) for their voting instructions. The Board of Directors will decide how the 2022 General Meeting of Shareholders will be conducted in time before the publication of the invitation to the 2022 Annual General Meeting of Shareholders.

6.2 VOTING RIGHTS AND REPRESENTATION

Each share recorded as a share with voting rights in the share register confers one vote on its registered holder. Each shareholder duly registered in the share register on the record date may be represented at the General Meeting of Shareholders by the independent voting rights representative or any person who is authorized to do so by a written proxy. A proxy does not need to be a shareholder. Shareholders entered in the share register as shareholders with voting rights on a specific qualifying date (record date) designated by the Board of Directors shall be entitled to vote at the General Meeting of Shareholders and to exercise their

votes at the General Meeting of Shareholders. See section 6.5 below.

Nominees are only entitled to represent registered shares held by them at a General Meeting of Shareholders if they are registered in the share register in accordance with Article 5 para. 4 of the Articles of Incorporation and if they hold a valid written proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the General Meeting of Shareholders. Shares held by a nominee for which it is not able to produce such a proxy count as not being represented at the General Meeting of Shareholders.

6.3 THE INDEPENDENT VOTING RIGHTS REPRESENTATIVE

In accordance with Article 10 para. 3 of the Articles of Incorporation, dated May 18, 2021, the independent voting rights representative shall be elected by the General Meeting of Shareholders for a term of office extending until completion of the next Annual General Meeting of Shareholders. Re-election is possible. If the Company does not have an independent voting rights representative, the Board of Directors shall appoint the independent voting rights representative for the next General Meeting of Shareholders.

The Company may also make arrangements for electronic voting (Article 11 para. 5). Resolutions passed by electronic voting shall have the same effect as votes by ballot.

The Annual General Meeting of Shareholders held on May 18, 2021, re-elected Altenburger Ltd legal + tax, Kuesnacht-Zurich, as the independent voting rights representative until the completion of the Annual General Meeting of Shareholders in 2022. Altenburger Ltd legal + tax is independent from the Company and has no further mandates for Dufrey AG.

For the upcoming Annual General Meeting of Shareholders on May 17, 2022, the Company will once more enable its shareholders to send their voting instructions electronically to the independent voting rights representative Altenburger Ltd legal + tax through the platform: www.dufrey.netvote.ch

The corresponding instructions regarding registration and voting procedures on this electronic platform will be sent to the shareholders together with the invitation to the General Meeting of Shareholders.

6.4 QUORUMS

The General Meeting of Shareholders shall be duly constituted irrespective of the number of shareholders present or of shares represented. Unless the law or Articles of Incorporation provide for a qualified majority, an absolute majority of the votes represented at a General Meeting of Shareholders is required for the adoption of resolutions or for elections, with abstentions, blank and invalid votes having the effect of "no" votes. The Chairman of the Meeting shall have a casting vote.

A resolution of the General Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented shall be required for:

1. a modification of the purpose of the Company;
2. the creation of shares with increased voting powers;
3. restrictions on the transfer of registered shares and the removal of such restrictions;
4. restrictions on the exercise of the right to vote and the removal of such restrictions;
5. an authorized or conditional increase in share capital;
6. an increase in share capital through the conversion of capital surplus, through a contribution in kind or in exchange for an acquisition of assets, or a grant of special benefits upon a capital increase;
7. the restriction or denial of pre-emptive rights;
8. the change of the place of incorporation of the Company;
9. the dismissal of a member of the Board of Directors;
10. an increase in the maximum number of members of the Board of Directors;
11. a modification of the eligibility requirements of the members of the Board of Directors (Article 24 para. 1 of the Articles of Incorporation);
12. the dissolution of the Company;
13. other matters where statutory law provides for a corresponding quorum.

6.5 CONVOCAATION OF THE GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders shall be called by the Board of Directors or, if necessary, by the Auditors. One or more shareholders with voting rights representing in the aggregate not less than 10% of the share capital can request, in writing, that a General Meeting of Shareholders be convened. Such request must be submitted to the Board of Directors, specifying the items and proposals to appear on the agenda.

The General Meeting of Shareholders shall be convened by notice in the Swiss Official Gazette of Commerce (SOGC) not less than 20 days before the date fixed for the Meeting. Registered shareholders will also be informed by ordinary mail.

6.6 AGENDA

The invitation for the General Meeting of Shareholders shall state the day, time and place of the Meeting, and the items and proposals of the Board of Directors and, if any, the proposals of the shareholders who demand that the General Meeting of Shareholders be called or that items be included in the agenda.

One or more shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 may request that an item be included in the agenda of a General Meeting of Shareholders. Such a request must be made in writing to the Board of Directors at the latest 60 days before the Meeting and shall specify the agenda items and the proposals made.

6.7 REGISTRATION INTO THE SHARE REGISTER

The record date for the inscription of registered shareholders into the share register in view of their participation in the General Meeting of Shareholders is defined by the Board of Directors. It is usually around 2 weeks before the Meeting. Shareholders who dispose of their registered shares before the General Meeting of Shareholders are no longer entitled to vote with such disposed shares.

7. CHANGE OF CONTROL AND DEFENSE MEASURES

Dufrey's Articles of Incorporation are available on the Company website www.dufrey.com/en/investors/corporate-governance - Articles of Incorporation.

7.1 DUTY TO MAKE AN OFFER

An investor who acquires more than 33 $\frac{1}{3}$ % of all voting rights (directly, indirectly or in concert with third parties) whether they are exercisable or not, is required to submit a takeover offer for all shares outstanding (Article 135 Financial Market Infrastructure Act, FMIA). The Articles of Incorporation of the Company contain neither an opting-out nor an opting-up provision (Article 125 para. 4 FMIA).

7.2 CLAUSES ON CHANGE OF CONTROL

In case of change of control, the share-based compensation as disclosed in the Remuneration Report shall vest immediately.

In case of change of control, all amounts drawn under the EUR 1,300,000,000 multicurrency term and revolving credit facilities agreement shall become immediately due and payable. Furthermore, upon the occurrence of a change of control, Dufrey will be required to repurchase the EUR 800,000,000 Senior Notes due 2024, the EUR 750,000,000 Senior Notes due 2027, the CHF 300,000,000 Senior Notes due 2026 and the EUR 725,000,000 Senior Notes due 2028 at a purchase price equal to 101% of their respective principal amount, plus accrued and unpaid interest.

In addition, upon the occurrence of a change of control with respect to the CHF 500,000,000 Senior Convertible Bonds due 2026 and the CHF 69,500,000 Mandatory Convertible Notes, Dufrey may be required, at the option of the holders, to redeem the bonds at 100% of the principal amount plus accrued and unpaid interest.

According to Article 23 of the Articles of Incorporation, employment and other agreements with the members of the Global Executive Committee may be concluded for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Agreements for an indefinite term may have a notice period of maximum twelve months. The current contracts with the members of the Global Executive Committee contain termination periods of twelve months or less.

8. AUDITORS

8.1 AUDITORS, DURATION OF MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR

Pursuant to the Articles of Incorporation, the Statutory Auditors shall be elected each year and may be re-elected. Deloitte AG have been the Statutory Auditors since 2021. Andreas Bodenmann has been the Lead Auditor since 2021.

After 17 years with Ernst&Young Ltd. serving as the auditors of the Company, the Board of Directors had decided for governance reasons to tender the audit mandate in 2020. After careful examinations of several offers received, the Board of Directors decided to propose to the Annual General Meeting of Shareholders held on May 18, 2021 Deloitte AG as the new Stat-

utory Auditors. The General Meeting elected Deloitte AG as Statutory Auditors for the financial year 2021 with 99.77% of the votes represented.

8.2 AUDITING FEE

The auditing fees for 2021 for the audit of the consolidated and statutory financial statements of Dufrey AG and its subsidiaries are CHF 4.4 million.

8.3 ADDITIONAL FEES

During 2021, Deloitte AG billed additional fees for audit-related services (half-year review), agreed-upon procedures and tax services in the amount of CHF 0.2 million, CHF 0.4 million and CHF 0.1 million, respectively.

8.4 SUPERVISORY AND CONTROL INSTRUMENTS PERTAINING TO THE AUDIT

The Audit Committee as a committee of the Board of Directors reviews and evaluates the performance and independence of the Statutory Auditors at least once each year. Based on its review, the Audit Committee recommends to the Board of Directors which external Auditor should be proposed for election at the General Meeting of Shareholders. The decision regarding this agenda item is then taken by the Board of Directors. As explained under section 8.1, the Board of Directors proposed to the Annual General Meeting of Shareholders on May 18, 2021, to elect Deloitte as new Statutory Auditors, and the General Meeting elected Deloitte.

When evaluating the performance and independence of the Statutory Auditors, the Audit Committee puts special emphasis on the following criteria: Global network of the audit firm, professional competence of the lead audit team, understanding of Dufrey's specific business risks, personal independence of the lead auditor and independence of the audit firm as a company, coordination of the Statutory Auditors with the Audit Committee and the Senior Management / Finance Department of Dufrey Group, practical recommendations with respect to the application of IFRS regulations.

Within the yearly approved budget, there is also an amount permissible for non-audit services that the Statutory Auditors may perform. Within the scope of the approved and budgeted amount, the Chief Financial Officer can delegate non-audit related mandates to the Auditors.

The Audit Committee agrees the scope of and discusses the results of the external audit with the Statutory Auditors. The Statutory Auditors prepare a comprehensive report addressed to the Board of Directors once per year, informing them in detail on the results of their audit. The Statutory Auditors also review the interim consolidated financial statements before they are released.

Representatives of the Statutory Auditors are regularly invited to meetings of the Audit Committee, namely to attend during those agenda points that deal with accounting, financial reporting or auditing matters.

In addition, the Audit Committee reviews regularly the internal audit plan. Internal Audit reports are communicated to management in charge and the Company's senior management on an on-going basis and 2 briefings were done to the Audit Committee in 2021.

During the fiscal year 2021, the Audit Committee held 4 meetings (2 of which by video conferences). The Statutory Auditors were present at 2 of those meetings. The Board of Directors has determined the rotation interval for the Lead Auditor to be seven years, as defined by the Swiss Code of Obligation. The last rotation of the Lead Auditor was also in conjunction with the change to Deloitte AG as new Statutory Auditors and occurred in 2021.

9. INFORMATION POLICY

Dufrey is committed to an open and transparent communication with its shareholders, financial analysts, potential investors, the media, customers, suppliers and other interested parties.

Dufrey AG publishes its financial reports on a half-year basis (Half-Year Report, Annual Report) in English. The Company further releases quarterly trading updates for Q1 and Q3. All financial reports and media releases containing financial information are available on the Company website www.dufrey.com/en.

In addition, Dufrey AG organizes presentations and conference calls with the financial community and media to further discuss details of the reported earnings or on any other matters of importance. The Company undertakes roadshows for institutional investors and participates at broker conferences and seminars on a regular basis.

Details and information on the business activities, Company structure, financial reports, media releases and investor relations are available on the Company's website:

www.dufrey.com

The official means of publication of the Company is the Swiss Official Gazette of Commerce:

www.shab.ch

Web-links regarding the SIX Exchange Regulation push- / pull-regulations concerning ad-hoc publicity issues are:

www.dufrey.com/en/media/press-releases-ad-hoc-announcements

www.dufrey.com/en/media/press-release-registration-form

The current Articles of Incorporation are available on Dufrey's website under:

www.dufrey.com/en/investors/corporate-governance

page section "Featured downloads - Articles of Incorporation".

The financial reports are available under:

www.dufrey.com/en/investors/ir-reports-presentations-and-publications

page section "Presentation of results and other publications - select Financial Reports".

For the Investor Relations and Corporate Communications contacts, the Corporate Headquarter address and a summary of anticipated key dates in 2022 please refer to pages 280 / 281 of this Annual Report.

10. ORDINARY BLACK-OUT PERIODS

During the period of 4 weeks prior to the public announcement of its annual financial statements and 15 calendar days prior to the public announcement of its half-year financial statements and Q1 and Q3 trading updates, and until and including the day of publication, the members of the Board of Directors and the Global Executive Committee, members of the management bodies of a Dufrey Group company as well as employees who have access to financial information of Dufrey or to other inside information, as specified in Dufrey's

internal guidelines, are prohibited to trade in Dufrey equity or debt securities or any financial instruments derived therefrom. The black-out periods are subject to exemptions provided by Swiss law (e.g., for share buyback programs).

REMUNERATION REPORT

DEAR SHARE- HOLDERS

In the name of the Board of Directors and the Remuneration Committee, I am pleased to introduce the 2021 Remuneration Report.

2021 was a very demanding year for the travel retail and tourism industry, as the COVID-19 pandemic continued to show its negative effects in terms of travel restrictions and limitations around the world. As reported by our CEO and CFO in their letters, we saw gradual improvements in the business environment during the first half of the year, and a strong re-bounce of travel, predominantly in the Western hemisphere, during the second half. Across the entire company, our teams have shown a remarkable performance and strong commitment to Dufry enabling us to reopen shop-by-shop and to safeguard our leadership position in global travel retail despite the ongoing challenges.

Dufry was able to increase turnover by 53.2% compared to 2020, organically reaching a level of 46.5% of pre-crisis 2019. Equity Free Cash Flow strongly improved and amounted to CHF -33.4 million in total for the year 2021, significantly better than expected and achieved through cost savings and continued tight cash management. Overall savings for full year 2021 amounted to CHF 1,919.7 million consisting of MAG reliefs, personnel and other expense savings. We are prepared to take full advantage of the expected recovery in traveling and travel retail during 2022 and beyond.

In this Remuneration Report, we outline our current remuneration policies and the decisions made in relation to the 2021 compensation of the Board of Directors and the Global Executive Committee.

At the 2021 General Meeting of Shareholders, two binding votes on the aggregate maximum remuneration amount for the Board of Directors and for the Global Executive Committee as well as a consultative

vote on the Remuneration Report were conducted, so that shareholders could express their opinion on our remuneration programs and principles. While the shareholders approved the remuneration amounts for the Board of Directors and for the Global Executive Committee with a voting result of 86.57% and 88.74% respectively, the consultative vote on the Remuneration Report was approved with a rate of 63.65% only. Following this result, the company reached out to investors and proxy advisors to understand and address their concerns. Further details on the outcomes of this dialogue are included in this report.

The Remuneration Committee focused its activities during fiscal year 2021 on the annual review of the remuneration programs for the Board of Directors and the Global Executive Committee, the performance objective setting for the incentive plans and their performance assessment. In addition, the Remuneration Committee reviewed the remuneration for each member of the Board of Directors and of the Global Executive Committee, as well as the Remuneration Report and the voting proposals on remuneration to the General Meeting of Shareholders. Furthermore, in 2021 and early 2022, the Remuneration Committee discussed how to include Environmental, Social and Governance (ESG) topics into the compensation structure of the Global Executive Committee going forward. ESG targets should be rigorously aligned with Dufry's overall strategy, long-term oriented, measurable, and any compensation should be strictly linked to achievement of the ESG targets. An additional discussion by the Remuneration Committee was on the possible introduction of a relative Total Shareholder Return (TSR) metric. Final work needs to be done and decisions taken on both matters, but the Remuneration Committee and the Board of Directors intend to introduce such additional measures to the long-term incentive for the Global Executive Committee in 2022.

To improve the performance alignment of our executive remuneration framework in these challenging times and also take account of shareholder feedback, several changes to the remuneration programs were implemented in fiscal year 2021:

- In order to reflect the short-term priorities of the Group navigating through the Covid-19 pandemic, the performance objectives for the annual bonus of the Global Executive Committee focus on the Group turnover, with a 50 % weighting, and the Group cost savings, with a 50 % weighting, similar to fiscal year 2020. The respective targets were set at the beginning of the fiscal years;
- In order to foster the long-term commitment and pay-for-performance alignment of our executives, a grant of performance share units (PSU) was awarded in the reporting year (unlike in the previous year, when the PSU plan was suspended for the one-year period 2020 and no PSU were granted). The vesting of those performance share units is conditional upon the achievement of two performance conditions: Cumulative Adjusted EPS with a 50 % weighting and Cumulative Equity Free Cash Flow with a 50 % weighting. Those objectives reflect the mid- and long-term priorities of the Group. The three-year performance period of the PSU remained unchanged compared with earlier PSU plans;
- Regular basic salary payments in fiscal year 2021 compared to a 30 % voluntary salary reduction for the period April to June 2020. A single member of the Global Executive Committee (not the CEO) received a pre-defined basic salary increase in 2021 related to the increase in experience and responsibility. All other members of the Global Executive Committee did not receive any basic salary increase in the reporting year.

Furthermore, the fees for the Chairs of Board Committees were raised for the first time in the last seven

years to compensate for the additional workload of the Chairpersons and the increasing complexities in the committee work.

As in previous years, we will submit the Remuneration Report 2021 for a consultative vote at our Annual Shareholders' Meeting on May 17, 2021.

On behalf of the Remuneration Committee and the entire Board of Directors, I would like to thank you for your continued contributions, your trust in Dufrey and in our long-term strategy and I trust that you will find this report informative.

Yours sincerely,



Luis Maroto Camino
Chairman of the Remuneration Committee

REMUNERATION AT A GLANCE

SUMMARY OF REMUNERATION SYSTEM FOR FISCAL YEAR 2021 BOARD OF DIRECTORS

In order to ensure their independence in performing their supervisory function, non-executive members of the Board of Directors receive a fixed remuneration in cash only.

BOARD FEES (GROSS):	(TCHF)
Chairman of the Board	2,010.5
Board member	250.0
ADDITIONAL FEES (GROSS):	(TCHF)
Lead Independent Director	100.0
ESG responsibility	100.0
Chair Audit Committee	100.0
Chair Remuneration or Nomination Committee	75.0
Committee member	50.0

The executive Chairman of the Board of Directors may receive an annual bonus based on performance criteria and capped at 130% of his fixed fee.

SUMMARY OF REMUNERATION SYSTEM FOR FISCAL YEAR 2021 GLOBAL EXECUTIVE COMMITTEE

The remuneration of the Global Executive Committee consists of fixed and variable elements. Basic salary and other benefits form the fixed remuneration.

Variable remuneration drives and rewards best-in-class performance based on ambitious and stretched targets. It consists of an annual cash bonus and a grant of performance share units (PSU).

Basic salary	Pay for the position
Benefits	Covers retirement, death and disability risks, allowances in kind
Annual cash bonus	Drive and reward annual performance
PSU plan	Drive and reward long-term performance, align with shareholders' interests, 3-years performance period

Remuneration policy and principles

In order to ensure the company's sustainable success, it is critical to attract, develop and retain the right talents. Dufrey's remuneration programs are designed to support this fundamental objective and are based on the following principles:

- Pay for performance;
- Shareholder interests;
- Competitiveness;
- Transparency.

REMUNERATION FOR FISCAL YEAR 2021 BOARD OF DIRECTORS

The remuneration awarded to the Board of Directors for fiscal year 2021 is within the limits approved at the 2020 and 2021 Annual General Meetings of Shareholders (AGM).

REMUNERATION PERIOD	APPROVED BY AGM (TCHF)	TOTAL COMPENSATION* (TCHF)
AGM 2020 – AGM 2021	8,500.0	7,179.8
AGM 2021 – AGM 2022	8,500.0	7,761.3

* Reconciled between reported Board compensation for fiscal years 2020 and 2021 and corresponding compensation from one Annual General Meeting of Shareholders to the next.

REMUNERATION FOR FISCAL YEAR 2021 GLOBAL EXECUTIVE COMMITTEE

The remuneration awarded to the Global Executive Committee for fiscal year 2021 is within the limits approved at the 2020 Annual General Meeting of Shareholders.

REMUNERATION PERIOD	APPROVED BY AGM (TCHF)	TOTAL COMPENSATION (TCHF)
Fiscal year 2021	34,000.0	21,310.3

Annual bonus for fiscal year 2021

130% of target: The total combined performance ratio for the two targets Turnover and Cost savings was 141%, leading to the annual bonus being capped at the maximum payout of 130%.

PSU grant and vesting in fiscal year 2021

The grant value of the PSU awarded in 2021 amounts to 26% of the total compensation for FY 2021.

The PSU awarded in FY 2019 will not vest in May 2022, as the minimum performance threshold was not achieved.

Remuneration governance

- Authority for decisions related to remuneration are governed by the Articles of Incorporation and the Board Regulations of Dufrey AG.
- The maximum aggregate amounts of remuneration of the Board of Directors and of the Global Executive Committee are subject to binding votes at the AGM.
- In addition, the Remuneration Report for the preceding period is subject to a consultative vote at the AGM.
- The Board of Directors is supported by the Remuneration Committee in preparing all remuneration-related decisions regarding the Board of Directors and the Global Executive Committee.

INTRODUCTION

The long-term success of Dufrey depends on our ability to attract, motivate and retain outstanding individuals who will ensure that we can further expand our global market leadership position in travel retail over the next years, remain a strong company with a sound balance sheet and cash flows, be a reliable employer, and offer good and fair working environments for our staff.

In order to achieve these goals, we continue to provide appropriate and competitive remuneration to all our employees and to support their development and working careers. Our executive compensation system is aligned with the strategy of being a high-performance organization and takes into account the short-term and long-term objectives of our business. Dufrey operates a short-term annual bonus and a long-term incentive plan with a set of pre-defined performance targets for each.

The current Remuneration Report describes our remuneration principles and programs, as well as the governance framework related to the remuneration of the Board of Directors and of the Global Executive Committee. The report also provides information on the remuneration paid to the members of the Board of Directors and the Global Executive Committee for fiscal year 2021. The report is prepared in accordance with Articles 13 - 17 of the Ordinance against excessive Compensation (OaeC) in Listed Stock Corporations, item 5 of the Annex to the Corporate Governance Directive (DCG) of SIX Exchange Regulation governing disclosure of remuneration systems and remuneration paid to members of the Board of Directors and the Global Executive Committee, and the principles of the Swiss Code of Best Practice for Corporate Governance of *economiesuisse*.

The Remuneration Report will be submitted to the General Meeting of Shareholders on May 17, 2022 for a consultative vote.

REMUNERATION GOVERNANCE

ARTICLES OF INCORPORATION AND SHAREHOLDERS

Dufrey's Articles of Incorporation contain specific provisions on remuneration. The Articles of Incorporation, and any amendments thereof, are subject to approval by the General Meeting of Shareholders. The remuneration provisions include rules concerning the election, the constitution and the powers of the Remuneration Committee (Art. 17 and 18); the approval of remuneration by the General Meeting of Shareholders (Art. 20); the supplementary amount in case of changes on the Global Executive Committee (Art. 21); the general remuneration principles (Art. 22); the agreements with members of the Board of Directors and of the Global Executive Committee (Art. 23); as well as the maximum number of mandates outside the company that a member of the Board of Directors or of the Global Executive Committee may hold (Art. 24 and 25). The Articles of Incorporation are available on the Company website under:

www.dufrey.com/en/investors/corporate-governance page section "Featured downloads - Articles of Incorporation".

Pursuant to Dufrey's Articles of Incorporation, the General Meeting of Shareholders has to approve the proposal of the Board of Directors in relation to the maximum aggregate amounts of remuneration of the Board of Directors for the period until the next Annual General Meeting of Shareholders and of the Global Executive Committee for the following fiscal year. The votes on these maximum aggregate amounts of remuneration have a binding effect. Thereafter, the decision authority on the individual remuneration of the members of the Board of Directors and of the Global Executive Committee (within the limits approved by the General Meeting of Shareholders) is with the Board of Directors. In addition, the Remuneration Report is submitted to the Annual General Meeting of Shareholders for an advisory vote on a yearly basis, so that shareholders can express their opinion on the remuneration policy and programs.

Following the rather low 63.65% approval rate of the Remuneration Report 2020 at the Annual General Meeting of Shareholders 2021, the company reached out to investors and proxy advisors to understand and address their concerns on the remuneration policy and programs.

REMUNERATION COMMITTEE

MEMBER OF THE BOARD OF DIRECTORS	ELECTED BOARD MEMBER SINCE	IN THE REMUNERATION COMMITTEE SINCE
Luis Maroto Camino	2019	Annual General Meeting 2021
Steven Tadler ¹	2018	Annual General Meeting 2021 until August 2021
Eugenia M. Ulasewicz	2021	Annual General Meeting 2021
Joaquín Moja-Angeler Cabrera ¹	2021	August 2021

¹ Mr. Moya-Angeler Cabrera replaced Mr. Tadler in the Remuneration Committee as of August 2021.

Dufry's response to the stakeholders' feedback includes:

- A simplified disclosure within the Remuneration Report and additional relevant information.
- To provide a more detailed performance assessment ex-post for the annual bonus and the vesting of the performance share units (PSU) plan. The performance targets used in the incentives of the Global Executive Committee are a commercially sensitive information, and as such, are not disclosed.
- To base the annual bonus solely on pre-defined financial targets (performance objectives in 2021 are Turnover and Cost savings).
- To well balance between short-term and long-term remuneration, taking into account that PSU were granted and the fact that no grant of PSU was done for fiscal year 2020.
- PSU plan with two different performance conditions (cumulative adjusted EPS and cumulative Equity Free Cash Flow).

BOARD OF DIRECTORS AND REMUNERATION COMMITTEE

Based on Dufry's Articles of Incorporation and applicable law, the Board of Directors has the overall responsibility for defining the remuneration policy of the Group, as well as the general terms and conditions of employment for members of the Global Executive Committee. It approves the individual remuneration of the members of the Board of Directors and the Global Executive Committee (within the limits approved by the General Meeting of Shareholders).

The Remuneration Committee, which consists of three non-executive independent members of the Board of Directors, supports the Board of Directors in fulfilling all remuneration related duties. The General Meeting of Shareholders held on May 18, 2021, elected Ms. Eugenia

M. Ulasewicz, Mr. Steven Tadler and Mr. Luis Maroto Camino (all individually elected) as members of the Remuneration Committee for a term of office until completion of the next Annual General Meeting of Shareholders in 2022. Luis Maroto Camino was appointed as Chairman of the Remuneration Committee. In August 2021, the Board of Directors appointed Mr. Joaquín Moya-Angeler Cabrera as member of the Remuneration Committee, to replace Mr. Tadler.

The Remuneration Committee has the following powers and duties:

- Review and assess the remuneration system of the Company and the Group (including the management incentive plans) and make proposals in connection thereto to the Board of Directors;
- Make recommendations regarding the proposals of the Board of Directors for the maximum aggregate amount of compensation of the Board of Directors and the Global Executive Committee to be submitted to the Annual General Meeting of Shareholders for approval;
- Make proposals in relation to the remuneration package of the Group CEO and the members of the Board of Directors;
- Make proposals on the grant of options or other securities under any management incentive plan of the Company;
- Review and recommend to the Board of Directors the remuneration report.

The Remuneration Committee discusses the annual compensation of the members of the Board of Directors (board fees, committee fees, target bonus for the Chairman) in separate meetings. The Chairman of the Board of Directors and the Chief Executive Officer usually participate in these meetings without any voting rights and they leave the room when their own compensation is discussed. The Remuneration Committee submits its proposals to the full Board of Directors an-

DECISION AUTHORITIES

LEVELS OF AUTHORITY	CEO	REMUNERATION COMMITTEE	BOARD OF DIRECTORS	AGM
Remuneration policy and principles		Proposes	Approves	
Maximum aggregate remuneration amount for the Board of Directors		Proposes	Reviews and proposes	Approves (binding vote)
Remuneration of the Board Chairman		Proposes	Approves*	
Individual remuneration of the Board members		Proposes	Approves*	
Maximum aggregate remuneration amount for the Global Executive Committee		Proposes	Reviews and proposes	Approves (binding vote)
Remuneration of the CEO		Proposes	Approves*	
Individual remuneration of the other members of the Global Executive Committee	Proposes to Remuneration Committee	Proposes to Board of Directors	Approves*	
Remuneration Report		Proposes	Approves	Consultative vote

* Within the overall limits approved by the Annual General Meeting of Shareholders.

nually and the Board of Directors decides collectively on the remuneration of its members with all Board members being present during the discussion.

The Remuneration Committee annually reviews and proposes for approval to the Board of Directors the remuneration for the members of the Global Executive Committee, other than the CEO upon proposal by the CEO. The CEO's remuneration is determined by the Remuneration Committee and submitted to the full Board of Directors for approval.

The Remuneration Committee meets as often as business requires but at least four times annually. The Chairman of the Remuneration Committee reports to the Board of Directors after each meeting on the activities of the committee. The minutes of the committee meetings are made available to all members of the Board of Directors.

In the reporting year, the Remuneration Committee held 7 meetings. The duration of the meetings ranged from two to three hours. The members of the Remuneration Committee (except Mr. Tadler) attended all meetings in fiscal year 2021.

The Remuneration Committee may decide to consult external advisors. In fiscal year 2021, Homburger AG and PricewaterhouseCoopers AG (PwC) were consulted for specific remuneration matters. Other divisions of PwC provided services as Tax and HR advisors for other internal projects.

For further details regarding the responsibilities of the Remuneration Committee and the meetings held in fiscal year 2021 please refer to section 3.5 Internal Organizational Structure of the Corporate Governance Report.

METHOD FOR DETERMINING REMUNERATION AND BENCHMARKING

Dufrey reviews the remuneration of the Global Executive Committee members annually to ensure that it remains competitive to attract and retain talent in the evolving context in which the company operates. The last benchmarking analysis on the remuneration of the Global Executive Committee members was conducted with PwC in fiscal year 2021, using third party remuneration survey data and disclosed information from other Swiss listed companies. The peer group for compensation benchmarking has been selected considering factors such as Swiss listing, geographic spread of the business, demographic size of employee base and complexity of the industry. The list of companies in 2021 included ABB, Adecco, Barry Callebaut, Clariant, Ems-Chemie, Geberit, Georg Fischer, Lafarge Holcim, Lindt, Lonza, Nestlé, Novartis, Richemont, Roche, Sika, Sonova, Straumann, Swatch Group and Swisscom. The peers remained the same as in 2020 and 2019, as Dufrey considers the selected comparison criteria still valid going forward.

REMUNERATION OF THE BOARD OF DIRECTORS

REMUNERATION PRINCIPLES

The remuneration of the members of the Board of Directors is set to attract and retain highly qualified individuals to serve on the Board of Directors. The Board of Directors determines the amount of remuneration of its members, taking into account their responsibilities, experience and the time they invest in their activity as members of the Board of Directors.

REMUNERATION SYSTEM

Non-executive board members

To guarantee their independence in exercising their supervisory duties, the non-executive members of the Board of Directors receive a fixed cash remuneration only and do not participate in Dufrey employee benefits plans. Remuneration to the non-executive members of the Board of Directors is not tied to particular performance targets.

The remuneration of the Board of Directors consists of an annual Board fee of TCHF 250.0. The functions as Lead Independent Director and oversight for ESG are remunerated with an additional amount of TCHF 100.0 p.a. each. The Chair of the Audit Committee is remunerated with TCHF 100.0 p.a. and the Chairs of the Remuneration Committee and of the Nomination Committee with TCHF 75.0 p.a. each. The other

Committee members receive an additional remuneration of TCHF 50.0 p.a.

The fees for the Chair of each Committee have been increased in fiscal year 2021 to account for the increased workload for the Chairs of the Committees, driven by the extended requirements on non-financial reporting and related audit as well as a quickly changing landscape of remuneration determination and transparency, also driven by recent regulation in and outside of Switzerland. None of the other fees were increased in previous years.

The CEO does not receive any remuneration for his function as Board member.

The remuneration of the Board of Directors is paid quarterly and may be subject to regular social security contributions, depending on the citizenship and residence country of each Board member.

Executive Chairman

The Chairman of the Board of Directors, who is traditionally intensely involved with the Company's management, is considered an executive Chairman. In his executive role, a substantial amount of his time is devoted to the company's operations where he works very closely with the CEO to pursue value-enhancing initiatives including strategically important relationships, joint ventures or acquisitions, strengthening the Company's partnerships with governments, large sup-

REMUNERATION STRUCTURE OF THE BOARD OF DIRECTORS

POSITION / RESPONSIBILITY	ANNUAL FEE 2021 IN TCHF	REDUCED ANNUAL FEE 2020 ¹ IN TCHF	ANNUAL FEE 2020 ¹ IN TCHF
Chairman of the Board of Directors	2,010.5	1,859.7	2,010.5
Lead Independent Director ²	100.0	92.5	100.0
Member of the Board of Directors ³	250.0	231.3	250.0
Member responsible for the oversight on Dufrey's ESG initiatives ²	100.0	92.5	100.0
Chair of the Audit Committee ²	100.0	46.3	50.0
Chair of the Remuneration Committee or Nomination Committee ²	75.0	46.3	50.0
Member of the Committees ²	50.0	46.3	50.0

Fees mentioned in the table are gross amounts.

¹The annual fees for fiscal year 2020 were voluntarily reduced by 30% for the second quarter (April to June 2020) due to the COVID-19 situation as shown in the middle column.

²The fees mentioned for the position of Lead Independent Director, Supervision of ESG strategy, Chair or Membership of a Committee are in addition to the annual board fee as member of the Board of Directors.

³The CEO does not receive additional compensation as a Board member.

pliers and airport authorities. He also supports re-financing activities and capital market transactions of the Company.

As in previous years, the Chairman receives a fixed remuneration of TCHF 2,010.5 and is eligible for a performance bonus. The performance bonus at target amounts to 100% of the fixed remuneration. The actual payout is capped at 130% of target. The bonus in 2021 was based on the same metrics than the annual bonus for the members of the Global Executive Committee: Turnover with 50% weight and Cost savings with 50% weight (2020: bonus based on liquidity improvement, incorporation of additional long-term shareholders and the merger of Hudson Ltd.). No payout occurs if the performance is not at least 75% of the combined set target. The Chairman's bonus can be paid either in cash or in an equivalent number of shares allocated to him or as a mix between the two. The Board of Directors decided that the bonus for the Chairman for fiscal year 2021 will be paid in cash (2020: in cash). The fixed remuneration is paid quarterly, the bonus is paid out during the second quarter of the following year.

REMUNERATION OF THE BOARD OF DIRECTORS FOR FISCAL YEAR 2021

The table on page 268 is audited according to Article 17 of the Ordinance against Excessive Compensation in Listed Stock Corporations.

SUMMARY OF REMUNERATION IN FISCAL YEARS 2021 AND 2020

The annual base fee as member of the Board of Directors remained unchanged compared with the previous year. However, in 2020, the base fee and the additional fees paid to the members of the Board of Directors had been voluntarily reduced by 30% for the three-months period April to June 2020 in the context of the COVID-19 pandemic. All members of the Board of Directors had agreed to and participated in this fee reduction.

The executive Chairman of the Board of Directors received a fixed fee of TCHF 2,010.5 (2020: reduced / paid-out fee of TCHF 1,859.7) and a performance bonus of TCHF 2,613.6 (2020: TCHF 2,523.2) in cash. The fixed Board fee for the Chairman position was last increased in 2017 and remained unchanged since then. The performance bonus amounted to 130% of the annual fixed fee (2020: 126%). For details of Dufrey's performance in fiscal year 2021, which was relevant for the performance bonus of the Chairman as well as the annual

bonus of the Global Executive Committee (identical metrics of Turnover and Cost savings), please refer to the details on page 273 in section "Performance in Fiscal Year 2021".

On December 31, 2021, the Board of Directors comprised 11 members (December 31, 2020: 10 Board members). For fiscal years 2021 and 2020, the remuneration for the members of the Board of Directors is shown in the remuneration table on page 268 and reflects the period from January 1 until December 31.

The remuneration increase of 9% compared with the previous year is mainly due to the changes in the total number of Board members, the composition of the Board of Directors and of its Committees, the increase of the committee fees for Chairpersons, the voluntary reduction of the Board and Committee fees in the context of the COVID-19 pandemic in fiscal year 2020 as well as the higher performance achievement related to the bonus of the executive Chairman.

OTHER REMUNERATION, LOANS OR GUARANTEES (AUDITED)

For fiscal years 2021 and 2020, no other remuneration (other than mentioned in the table on page 268) was paid directly or indirectly to current or former members of the Board of Directors or to their related parties. No member of the Board of Directors or their related parties were granted a loan or a guarantee during the reporting years. There was no loan outstanding at the end of the reporting years to any member of the Board of Directors or their related parties.

RECONCILIATION BETWEEN THE REPORTED BOARD REMUNERATION FOR FISCAL YEAR 2021 AND THE REMUNERATION AMOUNT APPROVED BY THE AGM FOR THE PERIOD FROM AGM 2021 UNTIL AGM 2022

The Annual General Meeting of Shareholders (AGM) held on May 18, 2021 approved a maximum aggregate amount of remuneration of the Board of Directors of CHF 8.5 million for the term of office from the AGM 2021 to the AGM 2022 (CHF 8.5 million from AGM 2020 to AGM 2021). The table on page 268 shows the reconciliation between the reported Board remuneration for fiscal year 2021 and the amount approved by the shareholders at the AGM 2021.

REMUNERATION OF THE BOARD OF DIRECTORS (AUDITED)

NAME, FUNCTION IN THOUSANDS OF CHF	2021			2020 ¹		
	REMUNERATION	SOCIAL SECURITY CONTRIBUTIONS ¹¹	TOTAL	REMUNERATION	SOCIAL SECURITY CONTRIBUTIONS ¹¹	TOTAL
Juan Carlos Torres Carretero, Chairman ^{2,5}	4,624.1	-	4,624.1	4,382.9	97.3	4,480.2
Heekyung Jo Min, Lead Independent Director ³	500.0	-	500.0	473.1	-	473.1
Jorge Born, Director	415.7	25.0	440.7	370.0	22.3	392.3
Julián Díaz González, Director and CEO ^{4,5}	-	-	-	-	-	-
Mary J. Steele Guilfoile, Director ^{5,6}	300.0	-	300.0	167.7	-	167.7
Luis Maroto Camino, Director	346.6	-	346.6	277.5	16.9	294.4
Joaquín Moya-Angeler Cabrera, Director ⁷	175.3	8.7	184.0	-	-	-
Ranjan Sen, Director ⁸	250.0	-	250.0	59.1	-	59.1
Steven Tadler, Director	361.2	-	361.2	323.8	-	323.8
Lynda Tyler-Cagni, Director	300.0	-	300.0	295.2	5.3	300.5
Eugenia M. Ulasewicz, Director ⁷	186.3	-	186.3	-	-	-
Subtotal for active members at Dec 31, 2021	7,459.2	33.7	7,492.9	6,349.3	141.8	6,491.1
Claire Chang, Director ⁹	133.6	6.7	140.3	323.8	16.2	340.0
Andrés Holzer Neumann, Director ^{5,10}	-	-	-	172.0	4.2	176.2
Total	7,592.8	40.4	7,633.2	6,845.1	162.2	7,007.3

Amounts mentioned in the table are gross amounts.

¹ The annual fees in 2020 were voluntarily reduced by 30% for the second quarter period April to June 2020, due to the COVID-19 situation.

² The remuneration for Mr. Torres Carretero includes a Board fee of CHF 2.01 million and a bonus of CHF 2.61 million (2020: CHF 1.86 million reduced Board fee and CHF 2.52 million bonus).

³ The remuneration for Ms. Heekyung Jo Min includes the fees for her responsibilities as Lead Independent Director and her responsibilities to oversee Dufrey's ESG initiatives.

⁴ Mr. Díaz González (CEO of the Company) does not receive any additional compensation as Board member.

⁵ In fiscal year 2020, the following Dufrey Board members also served as members of the Board of Directors of Hudson Ltd.: Juan Carlos Torres Carretero, Julián Díaz González, Andrés Holzer Neumann, and Mary J. Steele Guilfoile (prior to her election as member of the Dufrey Board of Directors on May 18, 2020. With her election to the Dufrey Board of Directors, she stepped down from the Hudson Board of Directors). Andrés Holzer Neumann received a Board fee of USD 0.09 million in 2020 as a member of the Board of Directors of Hudson Ltd. for the period January 1 to May 18, 2020 (May 18 is the date when he stepped down from the Board of Directors of Dufrey AG).

⁶ Director since AGM on May 18, 2020.

⁷ Director since AGM on May 18, 2021.

⁸ Director since EGM on October 6, 2020.

⁹ Director until AGM on May 18, 2021.

¹⁰ Director until AGM on May 18, 2020.

¹¹ Amount includes mandatory employer social security contributions.

RECONCILIATION BETWEEN REPORTED BOARD COMPENSATION AND AMOUNT APPROVED BY SHAREHOLDERS AT AGM

IN THOUSANDS OF CHF	BOARD COMPENSATION FOR FISCAL YEAR 2021 AS REPORTED	LESS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2021 TO THE AGM ON MAY 18, 2021 (4.5 MONTHS)	PLUS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2022 TO THE AGM ON MAY 17, 2022 (4.5 MONTHS)	TOTAL BOARD COMPENSATION FOR THE PERIOD FROM AGM 2021 TO AGM 2022	TOTAL MAXIMUM AMOUNT AS APPROVED BY SHAREHOLDERS AT THE AGM 2021 FOR PERIOD OF AGM 2021 TO AGM 2022	COMPENSATION RATIO
Total Board of Directors	7,633.2	(1,803.3)	1,931.4	7,761.3	8,500.0	91.3%

REMUNERATION OF THE GLOBAL EXECUTIVE COMMITTEE

REMUNERATION PRINCIPLES

Dufry aims to provide internationally competitive remuneration to the members of the Global Executive Committee that reflects the experience and the area of responsibility of each individual member. Moreover, the remuneration system is intended to support the execution of the business strategy, drive performance and strengthen the alignment with the shareholder interests. The remuneration system is built around the following principles:

Pay for Performance

A significant portion of the remuneration depends on the achievement of short-term and long-term performance targets.

Shareholder alignment

A significant portion of remuneration is paid in the form of equity, strengthening the alignment between the interests of the executives with those of the shareholders.

Competitiveness

Remuneration levels are competitive with the talent market of Dufry.

Transparency

The remuneration system and remuneration decisions are explained in a transparent way to internal and external stakeholders.

REMUNERATION SYSTEM

The remuneration of the members of the Global Executive Committee includes the following elements:

- Fixed basic salary in cash;
- Other indirect benefits, post-employment benefits;
- Performance-related bonus in cash;
- Long-term share-based incentive.

Basic salary

The annual basic salary is the fixed remuneration reflecting the scope and key areas of responsibilities of the position, the skills required to perform the role and the experience and competencies of the individual person. The basic salary is reviewed annually. Generally, salary increases for members of the Global Executive Committee are in line with increases for the broader workforce. In case of promotion, typically a more substantial salary increase may be warranted.

Nevertheless, a newly promoted Global Executive Committee member would get a base salary at the lower end of the expected range with a view to get increases alongside his/her growing experience. Also, higher salary increases may be warranted when there is an increase in responsibilities.

Other indirect benefits and post-employment benefits

Whenever applicable, members of the Global Executive Committee participate in the benefits plans available to all employees in their country of employment. Benefits consist mainly of retirement, insurance, and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents in respect to the risk of retirement, disability, death, and illness. The members of the Global Executive Committee with a Swiss employment contract participate in the Dufry's pension plans offered to all employees in Switzerland. These consist of the basic pension fund, in which base salaries up to an amount of TCHF 213.3 per annum are insured, as well as a supplementary plan in which base salaries in excess of this limit are insured up to the maximum amount permitted by law. Dufry's pension funds exceed the legal requirements of the Swiss Federal Law on occupational Retirement, Survivors, and Disability Pension Plans (BVG) and are in line with prevalent market practice. Members of the Global Executive Committee under foreign employment contracts are insured commensurately with market conditions and with their position. Each plan varies in line with the local competitive and legal environment and at a minimum, in accordance with the legal requirements of the respective country.

The Company limits further benefits to a minimum. Fringe benefits such as health insurance, company car, schooling or housing allowances have been granted to certain members of the Global Executive Committee. The monetary values of these benefits are included at their fair value in the remuneration tables.

Annual bonus

The annual bonus is a short-term variable incentive designed to reward the financial performance of the Group over a time horizon of one year.

The annual target bonus (i.e. assuming 100% achievement of the performance targets) is defined annually for each member of the Global Executive Committee and is expressed as a percentage of the annual basic salary. The target bonus amounts to 110% of the annual basic salary for the CEO and ranges from 50% to 109% of the annual basic salary for the other members of the Global Executive Committee (2020: 110%

REMUNERATION COMPONENTS

COMPONENT	INSTRUMENT	PURPOSE	INFLUENCED BY	PERFORMANCE OBJECTIVES IN 2021
Basic salary	- Basic remuneration - Paid in cash on a monthly basis	- Attract and retain best professionals	- Position - Competitive market environment - Experience of the person	
Other indirect benefits, post-employment benefits	- Allowances in kind - Social pension and insurance benefits	- Attract and retain - Protect against risks	- Legal requirements - Market practice	
Annual bonus	- Annual bonus in cash	- Pay for performance	- Financial performance of the Group for the fiscal year	- Turnover - Cost savings
Long-term share-based incentives (PSU)	- Performance Share Units (PSU)	- Reward long-term performance - Align with shareholder interests	- Financial performance of the Group over a three-year period	- Adjusted EPS - Equity Free Cash Flow

for the CEO and 70 % to 105 % for the other members of the Global Executive Committee).

The actual bonus paid out depends on the achievement of pre-defined Group financial objectives and may range from 0 % to 130 % of the target bonus.

The Group financial objectives for the annual bonus are determined annually by the Board of Directors upon recommendation by the Remuneration Committee and are set in line with the mid-term strategic plan and the annual budget. In fiscal years 2020 and 2021, travel and travel retail were among the most impacted sectors globally due to the COVID-19 pandemic. In this context, the Board of Directors had established in 2020 that it was essential to focus on two financial objectives that are absolutely critical for the company to recover from the crisis: the Group Turnover and the so-called MAG Reliefs (reliefs of the fixed minimal annual amount guaranteed to airport authorities and landlords). Those two targets were introduced in the annual bonus for fiscal year 2020 with a 50 % weight each. For fiscal year 2021, the Board of Directors decided that the Company still needed to focus on the turnover and cost savings and validated the performance objectives as follows: Group Turnover, with a 50 % weighting and Group Cost savings (including personnel expenses and operating expenses, as well as MAG Relief negotiations) with a 50 % weighting.

The performance of each target is measured as a percentage compared with the benchmark amount. For performance achievement percentage below 75 %, the bonus payout is zero. For a performance achievement of 100 %, the bonus payout amounts to 100 % of the annual target bonus. The bonus payout is capped to 130 % of the annual target bonus amount.

The Remuneration Committee considers the financial targets for the annual bonus to be commercially sensitive and that it would put the company at a competitive disadvantage to disclose those. However, a performance assessment and the connection between pay and performance are provided ex-post, as complementary to the remuneration tables.

The annual bonus is usually paid out in cash in the second quarter of the following year.

Share-based incentives (PSU)

In 2013, Dufrey introduced a Performance Share Unit (PSU) plan for the members of the Global Executive Committee. The purpose of the plan is to provide the members of the Global Executive Committee (and since fiscal year 2015 also selected members of the Senior Management team) with an incentive to make significant and extraordinary contributions to the long-term performance and growth of the Group, enhancing the value of the shares for the benefit of the shareholders. The share-based incentive is also in-

OVERVIEW OF THE TARGET AND MAXIMUM BONUS FOR THE GLOBAL EXECUTIVE COMMITTEE

	FISCAL YEAR 2021	FISCAL YEAR 2020
Target bonus amount for CEO	110% of annual basic salary	110% of annual basic salary
Target bonus amount for other members of the Global Executive Committee	50% to 109% of annual basic salary	70% to 105% of annual basic salary
Maximum annual bonus	130% of target bonus amount	130% of target bonus amount

PERFORMANCE OBJECTIVES FOR ANNUAL BONUS

	FISCAL YEAR 2021	FISCAL YEAR 2020
Performance objectives and weighting	Turnover (50%) Cost savings (50%)	Turnover (50%) MAG Relief (50%)
Minimum achievement level for payout (below which the payout is zero)	75% of the combined targets performance	75% of the combined targets performance
Maximum annual bonus	130% of the target bonus amount	130% of the target bonus amount

creasing the ability of Dufry Group to attract and retain persons of exceptional skills.

The value of the PSU grant is usually defined annually for each member of the Global Executive Committee. The number of PSU allocated to each member of the Global Executive Committee takes into account the basic salary as well as the prevailing share price. For fiscal year 2021, the value of the PSU grant amounts to 99% of the annual basic salary for the CEO and ranges from 62% to 114% of the annual basic salary for the other members of the Global Executive Committee (2020: no PSU were awarded to the members of the Global Executive Committee or members of the Senior Management team due to the particular circumstances related to the COVID-19 pandemic).

PSU are a conditional right to receive future shares of the company, if the vesting conditions are met on the vesting date in June 2024. From an economic point of view, the PSU are stock options with an exercise price of nil. They are expected to have no dilutive effect, as the shares are sourced from treasury shares held by the Company.

The performance targets of the 2021 PSU grant are the Cumulative adjusted EPS, with a 50% weighting, and the Cumulative Equity Free Cash Flow with a 50% weighting, measured over a three-year performance period.

The PSU vest on the vesting date based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50% targets achievement) and 2 shares (150% or more targets achievement).

In case of voluntary resignation or termination for cause, unvested PSU forfeit without any compensation. They continue to vest in case of termination by the employer without cause, retirement, disability or death and they are subject to immediate vesting in case of change of control.

The Remuneration Committee and the Board of Directors consider to introduce a relative Total Shareholder Return metric as well as ESG targets to future PSU plans.

Employment contracts

According to Article 23 of the Articles of Incorporation, employment and other agreements with the members of the Global Executive Committee may be concluded for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum duration of one year. Agreements for an indefinite term may have a notice period of maximum twelve months. The current employment contracts with the members of the Global Executive Committee contain termination periods of twelve months or less.

OVERVIEW OF PSU GRANT TO THE GLOBAL EXECUTIVE COMMITTEE

	FISCAL YEAR 2021	FISCAL YEAR 2020
PSU grant CEO	99% of annual basic salary	No grant
PSU grant other members of the Global Executive Committee	62% to 114% of annual basic salary	No grant

OVERVIEW OF THE PERFORMANCE OBJECTIVES OF THE PSU PLAN

	FISCAL YEAR 2021	FISCAL YEAR 2020	FISCAL YEAR 2020
Performance objectives	Cumulative adjusted EPS	Cumulative Equity Free Cash Flow	No grant
Rationale	Measures the company's profitability to investors	Measures the company's ability to generate cash	No grant
Definition	Cumulative EPS mainly adjusted for P & L charges such as acquisition related amortization and impairments of concession rights, impairment of goodwill, lease interest, transaction costs and other one-offs. The cumulative adjusted EPS over a three-year period is expressed as a nominal amount in CHF.	The cumulative Equity Free Cash Flow over a three-year period is expressed as a nominal amount in CHF.	
Weighting	50%	50%	No grant
Performance period	2021 - 2023	2021 - 2023	No grant
Minimum threshold	50% of targets achievement	50% of targets achievement	No grant
Target (100% vesting)	Cumulative adjusted EPS measured as nominal amount in CHF, corresponding to an improvement by CHF 26.50 compared to the adjusted EPS for fiscal year 2020	Cumulative EFCF measured as nominal amount in CHF, corresponding to an improvement by CHF 993 million compared to the EFCF for fiscal year 2020	No grant
Maximum threshold	150% of targets achievement or above	150% of targets achievement or above	No grant
Maximum vesting	2 shares per PSU (200%)	2 shares per PSU (200%)	No grant
Share allocation on vesting	At target 1 share per PSU; at maximum 2 shares per PSU.		

The performance objectives for the PSU granted in previous years are disclosed in the respective Remuneration Reports. *

* For the website link to previous financial reports please see page 259 of the Corporate Governance section.

TIMING OF THE PSU PLANS

	YEAR 2018	YEAR 2019	YEAR 2020	YEAR 2021	YEAR 2022	YEAR 2023	YEAR 2024
2018 PSU PLAN	Grant	Vesting period		No Vesting	Target achievements below 50%		
2019 PSU PLAN		Grant	Vesting period		No Vesting	Target achievements below 50%	
2020 PSU PLAN			No PSU granted in fiscal year 2020				
2021 PSU PLAN				Grant	Vesting period		Vesting TBD Assessment of Target achievements

REMUNERATION OF THE GLOBAL EXECUTIVE COMMITTEE FOR FISCAL YEAR 2021

SUMMARY OF REMUNERATION FOR FISCAL YEARS 2021 AND 2020

The table on page 274 is audited according to Article 17 of the Ordinance against Excessive Compensation in Listed Stock Corporations.

For fiscal year 2021, the remuneration of the Global Executive Committee includes the remuneration of nine members (six active from January 1 to December 31; one active as of July 1; two members who left the Global Executive Committee as at June 30 and September 30, respectively). The remuneration for fiscal years 2021 and 2020 on page 274 covers the period between January 1 and December 31.

Total remuneration for the members of the Global Executive Committee for 2021 amounts to TCHF 21,310.3 (2020: TCHF 27,789.7). This amount comprises annual basic salaries of TCHF 6,637.2 (2020: TCHF 7,315.6), annual short-term incentives of TCHF 7,359.1 (2020: TCHF 7,981.0), post-employment benefits of TCHF 1,417.6 (2020: TCHF 1,777.3), other indirect benefits of TCHF 396.4 (2020: TCHF 688.5) and share-based payments of TCHF 5,500.0 (2020: TCHF 0).

Explanatory comments to the remuneration table

The total remuneration awarded to the Global Executive Committee for fiscal year 2021 is 23% lower than for fiscal year 2020.

The change is mainly due to following factors:

- Change of composition of the Global Executive Committee with seven members as of July 1, 2021. Fiscal year 2021 also includes two members who left the GEC on June 30 (reflected remuneration period of 6 months) and on September 30 (reflected remuneration period of 12 months, including the notice period). This compares to 10 members from January 1 to August 31 and 8 members from September 1 to December 31 in fiscal year 2020;
- Full payment of basic salaries in fiscal year 2021 compared with a 30% voluntary salary reduction for the period from April to June 2020. One member of the Global Executive Committee had a pre-defined basic salary increase in 2021 related to the increase in experience and responsibility. The other members of the Global Executive Committee did not receive any salary increase in fiscal year 2021.
- The financial performance of the Group was higher in fiscal year 2021, resulting in a higher payout un-

der the annual bonus (see details in the section below on the performance in fiscal year 2021);

- No special bonus payment was made in fiscal year 2021, compared to a special bonus payment in the amount of TCHF 10,027.3 in fiscal year 2020;
- A regular PSU grant in fiscal year 2021 (subject to performance conditions and a three-year performance period) compared to no grant in fiscal year 2020.

The ratio between fixed and variable remuneration in fiscal year 2021 is shown in the charts on page 274. The charts reflect the composition of the different remuneration components of the members of the Global Executive Committee for fiscal year 2021 at target (assuming 100% performance achievement) and grant value for the PSU, at maximum and at actual (awarded compensation).

PERFORMANCE IN FISCAL YEAR 2021

Dufrey's 2021 results were characterized by a re-bounce of travel, predominantly in the Western hemisphere, leading to an acceleration in turnover and a stronger than initially expected cash generation. With shop openings and sales increasing along the course of the year, Dufrey reached turnover of CHF 3,915.4 million for fiscal year 2021, an increase of 53.2% compared to the previous year period, and organically representing 46.5% of the 2019 pre-pandemic level. Dufrey continued to apply a tight cost management, and achieved savings of CHF 1,919.7 million for 2021 (compared to 2019), almost double the amount of the initial savings targeted.

Equity Free Cash Flow reached CHF -33.4 million. Another main achievement during 2021 was the comprehensive refinancing of overall CHF 1.6 billion at attractive market terms, with no relevant maturities upcoming before 2024. In detail, the company raised CHF 500 million of new convertible bonds which are due in 2026 and successfully completed a voluntary incentivized conversion offer to holders of the existing CHF 350 million convertible bonds due 2023. Through a number of other financial initiatives, including the placing of EUR 725 million and CHF 300 million straight bonds, the company raised CHF 1,619.9 million of gross proceeds in total. As of year-end 2021, Dufrey has a debt maturity profile including bonds, bank loans and convertible bonds that stretches from 2024 to 2028. Net debt amounted to CHF 3,079.5 million as of December 31, 2021, a position below pre-crisis levels already.

REMUNERATION OF THE GLOBAL EXECUTIVE COMMITTEE (AUDITED)

REMUNERATION COMPONENT IN THOUSANDS OF CHF	2021		2020	
	GEC ¹	CEO ²	GEC ¹	CEO ²
Basic salary ³	6,637.2	1,891.0	7,315.6	1,732.8
Bonus on specific financial targets ⁴	7,359.1	2,704.1	7,981.0	2,337.3
Special bonus on individual, exceptional performance	n/a	n/a	10,027.3	1,079.8
Post-employment benefits ⁵	1,417.6	686.9	1,777.3	504.7
Other indirect benefits	396.4	36.5	688.5	23.1
Share-based compensation grant value (3 years performance period) ⁶	5,500.0	1,880.4	-	-
Total compensation awarded	21,310.3	7,198.9	27,789.7	5,677.7
Total realized compensation	15,810.3	5,318.5	29,234.6	6,093.3
Number of performance share units awarded ⁴	132,403	45,267	-	-

Amounts mentioned in the tables are gross amounts.

¹ The remuneration of the Global Executive Committee in fiscal year 2021 includes six members active from Jan 1 to Dec 31; one active as of July 1; and two members who left the GEC on June 30 and September 30, respectively. In fiscal year 2020 it included eight members as of September 1 (and ten members in period Jan to Aug 2020).

² The CEO has the highest compensation of the Global Executive Committee.

³ Fiscal year 2020 included a voluntary reduction of the basic salaries by 30% for the second quarter period April to June 2020, due to the COVID-19 situation.

⁴ In fiscal year 2021 Turnover and Cost savings. In fiscal year 2020 Turnover and MAG Relief.

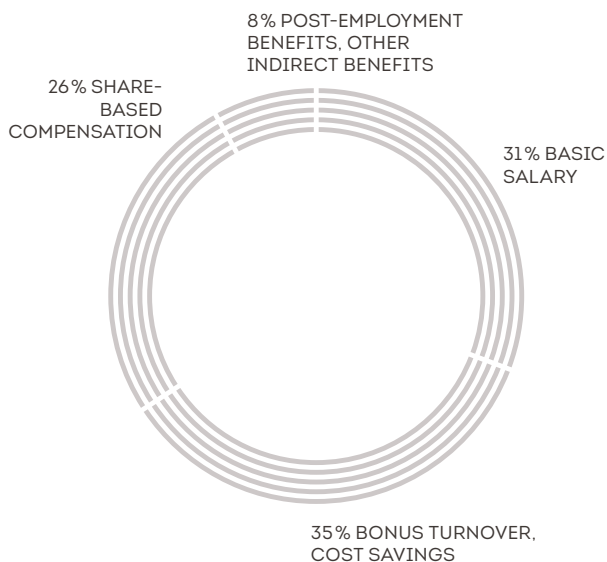
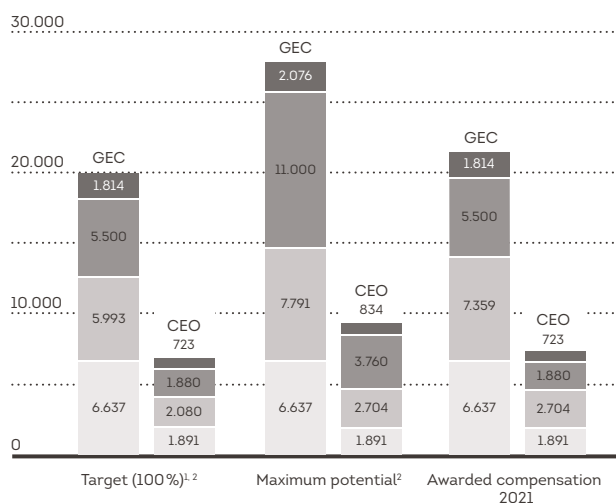
⁵ Amount includes employer social security contributions and pension contributions.

⁶ For valuation details of the Dufrey performance share units see Note 26.1 of the consolidated financial statements.

The disclosed value in the table corresponds to the grant value in the respective year (number of PSU granted multiplied by the PSU value at the date of grant. The PSU value assumes 100% target achievement.). In fiscal year 2021, 132,403 PSU were granted, while in fiscal year 2020, no PSU were granted.

REMUNERATION STRUCTURE GLOBAL EXECUTIVE COMMITTEE IN 2021

IN THOUSANDS OF CHF



¹ Reflects target compensation and for PSU grant value

² For PSU assuming same share price as at grant date

■ BASIC SALARY ■ SHARE-BASED COMPENSATION
 ■ BONUS ■ POST-EMPLOYMENT BENEFITS, OTHER INDIRECT BENEFITS

Note: Percentages refer to awarded compensation

At the beginning of 2022, Dufry further extended the covenant holiday until and including June 2023. The September and December 2023 testing require a 5x net debt/adjusted operating cash flow before the company will return to its 4.5x net debt/adjusted operating cash flow threshold in 2024. Dufry's liquidity position at year end 2021 amounted to CHF 2,243.9 million, an increase of CHF 338.2 million compared to the previous year. This provides the company with sufficient liquidity for further accelerating re-openings and growth in 2022.

Dufry engaged in more than 1,700 meetings, calls and interactions with equity and debt investors, analysts and rating agencies, thus continuing its strong relationship with the investor community. In 2021, Dufry has also taken its ESG strategy implementation one step further by defining science-based targets (SBTi) to achieve climate neutrality by 2025 for scopes 1+2 and to considerably reduce carbon footprint of scope 3 emissions. For scope 3, the company engages with suppliers to cover 50% of the product procurement through SBT committed suppliers by 2027 and reduce carbon footprint of the upstream logistics by 28% until 2030.

Performance under the annual bonus

For fiscal year 2021, the annual bonus amounts to 130% of target. This means that the annual accrued bonus amounts to 143% of the basic salary for the CEO and ranges from 65% to 142% of the basic salary for the other members of the Global Executive Committee (2020: annual bonus of pre-defined targets of 125% of annual basic salary for the CEO and between 79% and 119% of annual basic salary for the other members of the Global Executive Committee).

No vesting of the 2018 and 2019 PSU grants

The vesting performance criteria of the PSU granted in fiscal year 2019 have not been reached, and therefore no shares will be allocated in May 2022 (in total 81,334 PSU 2019 were outstanding at December 31, 2021). For the PSU plan 2018, no shares were allocated in May 2021, as the vesting performance criteria have not been reached (in total 129,546 PSU 2018 were outstanding at December 31, 2020).

Realized compensation in fiscal year 2021

As the PSU granted in 2018 did not vest in fiscal year 2021 and therefore no shares were allocated to the plan participants, the total realized compensation for the Global Executive Committee in fiscal year 2021 amounts to CHF 15,810.3 million, of which CHF 5,318.5 million is the payout to the Group CEO.

Potential shares from PSU plan

The total number of shares that can be allocated to all participants of the Dufry PSU plan would amount to the following (only the PSU 2021 will potentially vest): At target (100%) 394,807 shares, representing a total of 0.43% of the outstanding shares as at December 31, 2021. At maximum (i.e. at 2 shares per vested PSU) 789,614 shares, representing a total of 0.86% of the outstanding shares as at December 31, 2021. Historically, Dufry has always sourced its share-based compensation from treasury shares, so that no dilutive effect is expected from the PSU.

OTHER REMUNERATION, LOANS OR GUARANTEES (AUDITED)

In fiscal year 2021, in compliance with the employment contract, one former member of the Global Executive Committee received compensation of TCHF 772.8, including TCHF 42.1 of social security costs (during the notice period in 2021). No other remuneration was paid directly or indirectly to current or former members of the Global Executive Committee, or to their related parties, in 2021 or in the previous year 2020. No member of the Global Executive Committee or their related parties were granted a loan or a guarantee during the reporting years. There was no loan outstanding at the end of the reporting years to any member of the Global Executive Committee or their related parties.

RECONCILIATION BETWEEN THE REPORTED GLOBAL EXECUTIVE COMMITTEE REMUNERATION FOR FISCAL YEAR 2021 AND THE REMUNERATION AMOUNT APPROVED BY THE AGM

The Annual General Meeting of Shareholders held on May 18, 2020, approved a maximum aggregate amount of remuneration for the Global Executive Committee of CHF 34.0 million for the fiscal year 2021. The approved maximum aggregate amount reflects the maximum possible payout calculated for each remuneration element. The ratio of the actual remuneration awarded to the members of the Global Executive Committee, compared with the amount approved by the AGM, was 62.7%.

For fiscal year 2022, the AGM held on May 18, 2021, approved a maximum aggregate amount of remuneration for the Global Executive Committee of CHF 29.0 million. The remuneration ratio for 2022 will again be disclosed in the Remuneration Report 2022.

PERFORMANCE ACHIEVEMENTS UNDER THE ANNUAL BONUS IN FISCAL YEAR 2021

PERFORMANCE OBJECTIVES	RESULTS	PERFORMANCE ACHIEVEMENT		
		THRESHOLD	TARGET	CAP
Turnover (50 %)	With a Group turnover of CHF 3,915.4 million, the predetermined target was met.	0 %	200 %	
Cost savings (50 %)	With Group cost savings of CHF 1,817.4 ¹ million, the predetermined target was substantially exceeded.	0 %	200 %	
Combined performance ratio	The combined performance ratio amounts to 141 % of target. The overall payout is capped at 130 %.	75 %	100 %	130 %

¹ Excluding certain savings on mainly variable expenses

PERFORMANCE ACHIEVEMENTS UNDER THE PSU PLAN 2019

PERFORMANCE OBJECTIVES	RESULTS	VESTING PERCENTAGE		
		THRESHOLD	TARGET	MAXIMUM
Cumulative Adjusted EPS (100 %)	With a Cumulative Adjusted EPS of CHF -21.10, the predetermined target of CHF 23.82 was not met.	<50 %	100 %	150 %
Vesting ratio	No vesting of the PSU Plan 2019.	No Vesting	1 share per PSU	2 shares per PSU

PSU AWARDED FISCAL YEARS 2021 AND 2020

PLAN		GRANT	PERFORMANCE PERIOD	VESTING	NUMBER OF PSU OUTSTANDING	VESTING LEVEL IN % OF TARGET	NUMBER OF SHARES (VESTING)
LTI 2021	GEC (incl. CEO)	2021	2021-2023	June 2024	132,403	To be determined	To be determined
	Senior Mgt				262,404	To be determined	To be determined
LTI 2020	GEC (incl. CEO)	No PSU granted	n/a	n/a	0	n/a	n/a
	Senior Mgt				0	n/a	n/a

COMPENSATION RATIO FOR REMUNERATION OF GLOBAL EXECUTIVE COMMITTEE FOR 2021

IN THOUSANDS OF CHF	GEC COMPENSATION FOR FISCAL YEAR 2021 AS REPORTED	TOTAL MAXIMUM AMOUNT FOR GEC COMPENSATION AS APPROVED BY SHAREHOLDERS AT THE AGM 2020 FOR FISCAL YEAR 2021	COMPENSATION RATIO
Total Global Executive Committee	21,310.3	34,000.0	62.7 %

SHAREHOLDINGS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE GLOBAL EXECUTIVE COMMITTEE ON DECEMBER 31, 2021 AND 2020

The following members of the Board of Directors and of the Global Executive Committee of Dufry AG (including related parties) directly or indirectly hold shares or share options (including PSU) of the Company as at December 31, 2021 and 2020. Members not listed in the tables do not hold any shares or options.

IN THOUSANDS	DECEMBER 31, 2021			DECEMBER 31, 2020		
	SHARES	OUTSTANDING UNVESTED PSU ¹	PARTICIP.	SHARES	OUTSTANDING UNVESTED PSU ¹	PARTICIP.
MEMBERS OF BOARD OF DIRECTORS						
J. C. Torres Carretero, Chairman	556.2	-	0.61%	758.3	-	0.94%
H. Jo Min, Lead Independent Director	0.7	-	0.00%	0.7	-	0.00%
J. Born, Director	31.7	-	0.03%	31.7	-	0.04%
J. Diaz González, Director and Group CEO	153.2	57.4	0.23%	230.3	28.9	0.32%
S. Tadler, Director	19.0	-	0.02%	19.0	-	0.02%
L. Tyler-Cagni, Director	3.6	-	0.00%	3.6	-	0.00%
Total Board of Directors	764.4	57.4	0.91%	1,043.6	28.9	1.34%
MEMBERS OF GLOBAL EXECUTIVE COMMITTEE						
J. Diaz González, Director and Group CEO	153.2	57.4	0.23%	230.3	28.9	0.32%
Y. Gerster, CFO	3.7	20.3	0.03%	3.7	5.3	0.01%
E. Andrades, CEO Operations	2.0	22.3	0.03%	5.3	12.6	0.02%
L. Marin, Global Chief Corporate Officer	10.8	21.3	0.04%	10.8	9.0	0.02%
P. Duclos, Group General Counsel	-	21.3	0.02%	-	12.6	0.02%
A. Belardini, Chief Commercial Officer	19.1	21.3	0.04%	13.7	10.3	0.03%
S. Branquinho, Chief Diversity & Inclusion Officer	0.4	3.1	0.00%	n/a	n/a	n/a
ADDITIONAL FORMER MEMBERS OF GLOBAL EXECUTIVE COMMITTEE						
J. A. Gea, Deputy Group CEO	n/a	n/a	n/a	41.7	17.1	0.07%
R. Fordyce, CEO North America	n/a	n/a	n/a	4.5	-	0.01%
Total Global Executive Committee	189.2	167.0	0.39%	310.0	95.8	0.51%

¹ Outstanding unvested Performance Share Units (PSU) at target level

In addition to the above, Juan Carlos Torres holds a sale position of 0.12% through options (114,420 voting rights), and Julián Díaz González holds a sale position of 0.04% through options (40,200 voting rights) as of December 31, 2021 (as of December 31, 2020: the shareholders' group consisting, among others, of different entities controlled by Juan Carlos Torres and Julián Díaz González holds sale positions of 0.97% through options (778,160 voting rights). This group has been terminated as per June 18, 2021.

The detailed terms of these financial instruments are as disclosed to SIX Exchange Regulation and published on January 9, 2021. Disclosure notices are available on the SIX Exchange Regulation website: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

Deloitte.

Deloitte AG
Pfungstweidstrasse 11
8005 Zürich
Schweiz

Phone: +41 (0)58 279 60 00
Fax: +41 (0)58 279 66 00
www.deloitte.ch

To the General Meeting of
Dufry AG, Basel

Basel, March 3, 2022

Report of the statutory auditor

We have audited the remuneration report of Dufry AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables and sections labeled "audited" on pages 260 to 277 of the remuneration report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 - 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 - 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report for the year ended 31 December 2021 of Dufry AG complies with Swiss law and articles 14 - 16 of the Ordinance.

Deloitte AG



Andreas Bodenmann
Licensed audit expert
(Auditor in charge)



Fabian Hell
Licensed audit expert

CLINIQUE

LAIN

GUERLAIN

CLINIQUE

Let this sink in.

THE SKIN YOU'VE ALWAYS WANTED

CLINIQUE 100% Fragrance Free. Allergy Tested.

LANCÔME

La vie est belle
SOLEIL CRISTAL



La vie est belle



LIP ATELIER



INFORMATION FOR INVESTORS AND MEDIA

REGISTERED SHARES

Issuer	Dufry AG
Listing	SIX Swiss Exchange
Type of security	Registered shares
Ticker symbol	DUFN
ISIN-No.	CH0023405456
Swiss Security-No.	2340545
Reuters	DUFN.S
Bloomberg	DUFN:SW

KEY DATES IN 2021

March 8, 2022	Results Fiscal Year 2021 Publication of Annual Report
May 17, 2022	Annual General Meeting
May 19, 2022	Trading Statement First Quarter 2022
August 9, 2022	Results First Half Year 2022
November 2, 2022	Trading Statement Third Quarter 2022
March 7, 2023	Results Fiscal Year 2022 Publication of Annual Report

SENIOR NOTES

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	EUR 800 million
Interest rate	2.5% p.a., paid semi-annually
Maturity	October 15, 2024
ISIN-No.	XS1699848914 (Serie REG S)
Bloomberg	DUFNSW

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	CHF 300 million
Interest rate	3.625% p.a., paid semi-annually
Maturity	April 15, 2026
ISIN-No.	XS2333565815 (Serie REG S)
Bloomberg	DUFNSW

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	EUR 750 million
Interest rate	2.0% p.a., paid semi-annually
Maturity	February 15, 2027
ISIN-No.	XS2079388828 (Serie REG S)
Bloomberg	DUFNSW

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	EUR 725 million
Interest rate	3.375% p.a., paid semi-annually
Maturity	April 15, 2028
ISIN-No.	XS2333564503 (Serie REG S)
Bloomberg	DUFNSW

SENIOR CONVERTIBLE BONDS

Issuer	Dufry One B.V.
Listing	SIX Swiss Exchange
Size of issue	CHF 500 million
Interest rate	0.75% p.a., paid semi-annually
Maturity	March 30, 2026
Convertible into	Registered shares Dufry AG
Conversion price	CHF 87.00
ISIN-No.	CH1105195684
Ticker symbol	DUF 21

MEDIA CONTACTS

Renzo Radice

Global Head Corporate Communications &
Public Affairs
Phone + 41 61 266 44 19
renzo.radice@dufry.com

Karen Sharpes

Global Media & Events Manager
Phone + 44 208 624 43 26
karen.sharpes@dufry.com

INVESTOR RELATIONS CONTACTS

Dr. Kristin Köhler

Global Head Investor Relations
Phone + 41 61 266 44 22
kristin.koehler@dufry.com

Carolina Lopes

Investor Relations
carolinal.afamar@br.dufry.com

Laura Parente

Investor Relations
laura.parente@br.dufry.com

Agustina Rincon

Investor Relations
Agustina.Rincon@dufry.com

ADDRESS CORPORATE HEADQUARTERS

DUFY AG

Brunngässlein 12
P.O. Box
4010 Basel
Switzerland

Phone +41 61 266 44 44

DUFY.COM

Company's website:



Latest news:



Articles of incorporation:



Financial reports:



This Annual Report contains certain forward-looking statements, which can be identified by terms like "believe", "assume", "expect" or similar expressions, or implied discussions regarding potential new projects or potential future revenues, or discussions of strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. All forward-looking statements are based only on data available to Dufry at the time of preparation of this Annual Report. Dufry does not undertake any obligation to update any forward-looking statements contained in this Annual Report as a result of new information, future events or otherwise.

Publisher Dufry AG, Basel
Concept, Production Tolxdorff Eicher, Horgen
Design, Production hilda design matters, Zurich
Print Neidhart + Schön Group AG, Zurich

SUSTAINABILITY REPORT 2021 ANNEX



DUFRY

WorldClass.WorldWide.

SUSTAINABILITY REPORT ANNEX

About the Report

Following its commitment to providing more visibility into its annual non-financial performance, and building on the steps taken in 2016 with the commissioning of its 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: 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.

Dufry's 2021 Annual Report, includes information for the same set of GRI indicators as the report of 2020, including those that Dufry decided to voluntarily report on: Emissions, Environmental Compliance and Public Policy. The Dufry 2021 Sustainability Report applies the 2016 version of the GRI Standards for most of the indicators; where noted "2016*" and "2018*" in this annex and in the GRI Index, it refers to the Standards issue date, not the date of the information presented. Additionally, Dufry has aligned the GRI indicators with the United Nations' Sustainability Development Goals (SDG), thus enabling the reader of the report to have a better and more transparent understanding of Dufry's sustainability initiatives.

Dufry's ESG report is divided into 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 - which is annexed to the Annual Report and also available in the sustainability section of the corporate website, www.dufry.com, is this document which contains information presented in several tables with quantitative indicators as per the

GRI Standard indications. Both documents present data as of December 31, 2021.

For easier tracking, a complete list of the indicators in the GRI Index is available also as an annex of the Dufry Annual Report and in Dufry's corporate website. That Index cross references indicators (GRI and SDG indicators) and page numbers, serving as a comprehensive guide to where the information on each topic may be found - either in the annual report, on the Group website or in this annex.

Scope

Dufry's 2021 Sustainability Report maintains the same scope of the 2020 report and includes information from all the 66 countries where Dufry operates. For the general profile and most of the GRI indicators, the information reported is global (i.e.: relevant to the whole group). For staff-related indicators - GRI 102-8, GRI 102-41, GRI 202 and GRI 400 series, information is broken down by four geographical divisions, following a similar structure to the one used in Dufry's financial report:

- HQ - Group Headquarters in Basel, Switzerland
- Europe, Middle East & Africa
- Asia Pacific
- Americas

More information about each of the countries included may be found on pages 42 - 59 of the annual report.

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.

NON-FINANCIAL RISKS & OPPORTUNITIES

The factors listed below represent the main risks and opportunities for the Dufry Group based on the business model and the company strategy as implemented in 2021. These factors are regularly reviewed and adapted in line with changes in the company's scope and business model as well as to reflect new external developments. Detailed information on the business model is provided in the Strategy Chapter (pages 22 – 72), the ESG Report on pages (73 – 109) as well as in the Financial Report (pages 118 – 123) and the Corporate Governance Report (pages 235 – 259).

RISKS

RISK FACTORS	POTENTIAL IMPACT	OUR RESPONSE
<p>Reduction in passenger traffic and changes in customer behavior</p>	<ul style="list-style-type: none"> - Any event outside our control that causes a reduction of passenger traffic in among others airports & airlines, railway stations, as well as ferries and cruise lines could adversely affect our business. - The same applies to economic conditions and political changes, which influence customer sentiment as well as traveling and spending behavior. 	<ul style="list-style-type: none"> - Business diversification has always been and will continue to be a key strategic element to mitigate risks and drive company growth. - Diversification by geographies, sectors and channels to mitigate the impact of regional or local phenomena. - Information on sales split by geographies, sectors, channels and products categories is available on pages 4 – 5 of the annual report 2021.
<p>Specific Covid-19 related risks</p>	<ul style="list-style-type: none"> - The COVID-19 pandemic is an example of how governmental restrictions to reduce traveling and personal contacts strongly reduce domestic and international travel, passenger traffic and therefore impact the travel retail industry and our business. 	<ul style="list-style-type: none"> - We have immediately taken action to protect health and safety of our employees and customers through our Global Health & Safety Protocol, fully aligning it with local regulations in the locations we operate. - Various processes and risk mitigation strategies being in place already prior to the COVID-19 pandemic have enabled us to react quickly and effectively on this specific situation. - We have taken a location-by-location and shop-shop-by-shop approach to assess opportunities to keep shops open or reopen them as soon as possible. - We have adapted the company organization and processes to the new business environment, to reduce costs and applied an increased control on cash management. - We have secured the resilience of the company by implementing a variety of refinancing initiatives focusing on liquidity and a strong financial position. - We expect to be well positioned for the recovery phase and to be able to engage in strategic initiatives to accelerate growth going forward.
<p>Winning and extending concessions</p> <ul style="list-style-type: none"> - Travel retail is typically a highly competitive concession business. Dufry competes with other travel retailers at global, regional and local levels in obtaining and maintaining concessions at airports and in other travel channels. Within a specific location (an airport, a cruise ship, a train station, casino or alike) the number of concessions is typically limited and includes a de-facto exclusivity. 	<ul style="list-style-type: none"> - Failing to win or extend a concession can prevent Dufry – or any competitor – to enter a specific location until the concession comes up again for renewal. - Concession contracts can be subject to revocations and modifications, which can negatively affect the performance of the company at the particular location or at corporate level. 	<ul style="list-style-type: none"> - Dufry maintains a highly diversified concession portfolio across over 420 locations, over 2,300 shops in 66 countries with an average remaining life-time of currently 6 years. - Concessions are well balanced throughout emerging and developed markets; the largest concession accounts for less than 4% and the ten biggest concessions for less than 22% of sales. - Local presence in all key markets, allows Dufry to monitor opportunities at global level to compete for attractive contracts.

Market & political risks – Operating in a highly regulated environment

Travel Retail in general is a highly regulated industry, as operators:

- have to adhere to the same regulatory framework with respect to commercial activities and product requirements as local retailers in any specific country
- can additionally be impacted by changes in the taxation and customs allowance systems of individual countries
- have to follow product disclosure and health legislation as well as security requirements issued by the airline and airport industry.

- Changes in the regulatory framework in individual markets can positively or negatively impact sales performance or profitability of the company at local or group level.

- Diversification by geographies and by customs regime reducing exposure to local legislation.
- Broad product assortment constantly adapted to new customer preferences.
- Strong and long-term partnerships with airport authorities and other landlords. Mutual trust and shared objectives with these landlords are key for value creation.
- Cooperation with industry associations to lobby for the industry's interests.

Customer data privacy and cybersecurity

- Potential impact on both the operational readiness of the business as well as with respect to reputation in the case of issues with customer data.

- Dufry manages its IT, data protection and cybersecurity risks through its Global IT Security Team responsible to assess, identify and implement protective measures to mitigate existing and potential new risks.
- Dufry's Group Data Protection Policy defines requirements to process third party transactions and fulfills the EU General Data Protection Regulation (GDPR) and ensures compliance with international data protection laws such as among others the Payment Card Industry Data Security Standard (PCI DSS) and the Sarbanes-Oxley Act (SOX).
- The company regularly does cyber security trainings helping to sensitize employees and increase their alertness for these topics.
- A detailed description on cyber security is available on page 85 of the ESG Report.
- Dufry maintains a global customer service platform, where any issues can be reported online and/or by personal contact 24/7.

Availability and retention of human capital

- By directly engaging with our customers from over 150 nationalities and ethnicities our employees are key success factors to drive sales and customer satisfaction.

- The capability of employing and retaining a skilled workforce is a key success factor in the company.
- This is particularly true for our shop staff, who normally have higher and different skill requirements than in traditional high-street retail shops.

- Create an attractive working environment, which considers the specific skills needed by our employees (e.g. foreign languages, shift working, security requirements etc.) and offer fair compensation schemes.
- Foster equal opportunities, without any kind of discrimination.
- Create wealth at the local communities' level.

Customer behavior

- Dufry's welcomes daily customers from over 150 nationalities, many of them having different purchasing behaviors and product preferences.

- Changes in customer behavior as well as the capability to provide the right services can influence sales performance of our shops locally and globally.

- Dufry regularly performs customer surveys several times per year to early identify potential changes in customer behavior and preferences.
- In cooperation with our brand partners our central procurement teams identify new trends and customer needs to optimize our assortments.

Suppliers & product availability

- As a "pure" retailer, Dufry does not develop or produce any products nor private labels.

- The ability to maintain and develop supply relationships to source products from global and local brands requested by customers is a key success factor.

- Dufry operates a centralized global procurement department, which directly manages its supply chain with owners of global brands.
- Local brands are sourced locally.
- Dufry's global brand portfolio represents a valuable asset for landlords, when we compete for concessions.

Legal & compliance

- Within its course of business, there is a risk that the company could violate laws and regulations at local level regarding business conduct and regulations, preventing among others bribery, corruption, fraud, discrimination, unauthorized use of personal data.
 - The company could be involved in lawsuits, claims of various natures, investigations and other business related legal proceedings.
- Legal or compliance issues can generate related costs, penalties, as well as reputational damage. These impacts can occur locally, but also affect the Group.
- In its Code of Conduct Dufry stipulates provisions on how it expects employees, directors and officers to conduct business. The dedicated Global Compliance department monitors the respect of the respective set of company policies.
 - Through the Dufry Supplier Code of Conduct, the company extends its scope of compliance with respect to accepted regulations and business ethics.
 - Employees receive regular compliance trainings and awareness raising communications.

Climate change & environmental risks

- Dufry does not develop nor produce own products nor does it operate any kind of manufacturing sites.
 - Products are sourced directly from brand owners and are delivered either to our Distribution Centers or directly to the shops.
 - Transportation of goods from the supplier's production sites to the Dufry Distribution Centers or directly to the shops is covered within the responsibility of the suppliers.
 - From an energy perspective Dufry includes in its scope consumption at office buildings and covers its supply chain from the Distribution Center to the shops. These premises are mostly rented with low possibility to influence construction.
 - Dufry develops its own shop design and the respective guidelines.
- Environmental legislation and requirements can affect cost of energy consumption for transportation as well as the operation of shop and office premises within the Group.
 - Legislation on use of packaging material (e.g. single use plastics) and circular economy can influence business procedures.
- Dufry's ESG Strategy covers the different aspects of sustainability.
 - The company has defined emission reduction goals and discloses emissions on Scope 1, 2 and 3.
 - Dufry has a dedicated Shop Design Strategy to develop sustainable shops with respect to reduced energy consumption, use of recyclable materials and circular economy for shop refurbishments.
 - Dufry is replacing its single-use plastic packaging with sustainable and alternatives, where possible (see details page 92).

Health & safety risks

- Except for employees working in office-buildings, Dufry's workforce mostly operates in highly regulated areas such as airports, cruise ships & ferries, train stations as well as seaports and similar environments. Thus we have two levels of health and safety provisions.
 - Fire, health pandemics, terrorist attacks can be risks to our employees and customers.
- Injury, illness or fatality can influence operational readiness and generate reputational damage, which can impact our financial and business performance.
- The first level of health and safety provisions is defined by landlord's health and safety programs, to which our employees have to adhere to and for which they are specifically trained.
 - Dufry's own health and safety regulations are applied on top of the location specific ones and include group-wide regulations and guidelines.
 - In the context of the COVID-pandemic Dufry implemented an additional Global Health & Safety Protocol to protect both employees and customers. The protocol includes our internal guidelines and is flexible enough to adapt to the local regulations in the countries and locations of our shops.
 - A detailed description of the Health & Safety management process is described on pages 99 - 100 of the ESG Report.

Financial risks, ability to borrow funds and/or fund raising

- Financial Risks can impact the company's profitability, liquidity and financial position.
- Dufry has two strategic growth pillars: organic growth and M&A.
 - Within organic growth the company successfully extends existing contracts, adds additional retail space in existing locations and wins new concessions contributing to the increase of its global footprint.
 - We continue to focus on M&A as it offers the opportunity for strategic add-on acquisitions in travel retail as well as for accessing new travel related markets.
 - M&A often allows to leverage existing local organization thus increasing profitability.

OPPORTUNITIES

OPPORTUNITY FOR GROWTH	POTENTIAL IMPACT	OUR RESPONSE
Demographic growth of population	<ul style="list-style-type: none"> - The increase in the World's population provides the whole travel and travel retail industry with a secular growth of potential customers. 	<ul style="list-style-type: none"> - Global presence. - Business model covering different channels of travel and leisure. - Strong digital strategy to further drive sales and attract customers on a global basis.
Increasing wealth of societies fueling mobility and propensity to travel	<ul style="list-style-type: none"> - Besides pure demographics, the ongoing wealth increase of societies contributes to accelerate mobility and growth of the travel retail industry as travelling becomes an aspirational life-style element. 	<ul style="list-style-type: none"> - Offer different shop formats to best accommodate customer needs. - Evolve customer experience by combining online and physical shopping opportunities. - Evolve assortment with novelties, travel retail and Dufry exclusives following global trends. - Intensify digitalization and personalized marketing services.
Fragmentation of industry	<ul style="list-style-type: none"> - The global travel retail market still offers opportunities for further consolidation in all continents, thus representing an attractive growth opportunity. 	<ul style="list-style-type: none"> - Dufry has two strategic growth pillars: organic growth and M&A. - Within organic growth the company successfully extends existing contracts, adds additional retail space in existing locations and wins new concessions contributing to the increase of its global footprint. - We continue to focus on M&A as it offers the opportunity for strategic add-on acquisitions in travel retail as well as for accessing new travel related markets. - M&A often allows to leverage existing local organization thus increasing profitability.

INFORMATION ON EMPLOYEES AND OTHER WORKERS (USING GRI CODING)

102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS	TOTAL
Headcounts	134	10,644	789	11,288	22,855
Male	73	3,965	219	3,934	8,191
Female	61	6,679	570	7,354	14,664
Number of Nationalities	24	108	22	106	144

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
BREAKDOWN BY EMPLOYEE TYPE				
Headcounts	134	10,644	789	11,288
Male	73	3,965	219	3,934
Full time	68	3,354	199	3,463
Part time	5	611	20	471
Female	61	6,679	570	7,354
Full time	36	4,600	496	6,509
Part time	25	2,079	74	845

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
BREAKDOWN BY CONTRACT TYPE				
Headcounts	134	10,644	789	11,288
Male	73	3,965	219	3,934
Permanent	72	3,578	203	3,789
Temporary	1	387	16	145
Female	61	6,679	570	7,354
Permanent	60	5,975	493	7,096
Temporary	1	704	77	258

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
BREAKDOWN BY AGE GROUP				
Headcounts	134	10,644	789	11,288
Male	73	3,965	219	3,934
< 30 years	5	653	47	990
30 - 50 years	51	2,354	144	1,958
> 50 years	17	958	28	986
Female	61	6,679	570	7,354
< 30 years	2	916	121	1,655
30 - 50 years	42	3,953	370	3,606
> 50 years	17	1,810	79	2,093

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
BREAKDOWN BY PROFESSIONAL LEVEL				
Headcounts	134	10,644	789	11,288
Male	73	3,965	219	3,934
Director / Top management	10	35	5	25
Admin & Professional	63	507	47	395
Sales & Ops Managers	-	308	31	228
Sales & Ops Staff	-	3,115	136	3,286
Female	61	6,679	570	7,354
Director / Top management	2	22	4	8
Admin & Professional	59	640	69	508
Sales & Ops Managers	-	315	27	244
Sales & Ops Staff	-	5,702	470	6,594

Note: These tables provide additional information to that available in the Annual Report, page 95, 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 and Shared Services Centers have been reassigned to the divisions where these are located.

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

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS	TOTAL
Headcounts	134	5,232	0	6,744	12,111
% over total	100%	49%	0%	60%	53%

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

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
RATIO (1.00 = MINIMUM WAGE)				
Male	1.00	1.68	2.87	2.56
Female	1.00	1.78	2.38	2.46

Note: In the Canton of Basel (Switzerland) where Dufry's HQ is located, there are different levels of minimum wage that depend on skills and experience. Likewise, we have not identified a benchmark for operations located in some Caribbean locations, Canada, Germany, Kuwait, Macao, UAE and the US and hence, these operations have been omitted from the calculation.

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

At Dufry, we believe talent has no nationality. Our operations and offices 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.

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
IN %				
Locally hired	41%	92%	35%	89%

204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS

The food, confectionery and catering category (which represents 22% of Dufry's 2021 global sales) spent by far the largest proportion of its global procurement budget on local providers; approximately 80%. This is followed by the Wine & Spirits category (17% of the 2021 global sales), with 20% of its budget spent on local brands, and the Luxury category (11% of 2021 global sales), with 20% of its budget spent on local providers. Tobacco goods (8% of the 2021 global sales) allocated 2.5% of its budget, while Perfume and Cosmetics (31% of the 2021 global sales) spent approximately 1.5% on local providers.

401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Note that Dufry operates in airports that have a very marked seasonal pattern and traffic, especially in the Europe, Africa & Middle East region and Central & South America regions. 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.

Further to this seasonal pattern, turnover figures have been impacted by layoff and furlough measures adopted as a consequence of the closing of certain airport operations and the reduction of air connections, which in many cases led to the temporary closing of stores.

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
HEADCOUNTS				
New Hires (absolute)	9	2,310	39	6,474
Male	6	802	11	2,266
< 30 years	3	357	3	1,049
30 - 50 years	3	372	8	745
> 50 years	-	73	-	472
Female	3	1,508	28	4,208
< 30 years	-	513	9	1,880
30 - 50 years	2	806	17	1,451
> 50 years	1	189	2	877

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
HEADCOUNTS				
Employee turnover (absolute)	23	3,152	516	5,103
Male	10	1,041	128	1,799
< 30 years	-	326	49	751
30 - 50 years	8	540	64	723
> 50 years	2	175	15	325
Female	13	2,111	388	3,304
< 30 years	-	598	96	1,429
30 - 50 years	10	1,097	217	1,250
> 50 years	3	416	75	625

Following the Global Sustainability Standards Board (GSSB) interpretation of the Standard, which states that "An organization is not required to comply with clause 2.1 in GRI 401: Employment 2016" Dufry has opted to disclose absolute hires and turnover absolute figures only and not ratios.

402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	NORTH AMERICA
IN WEEKS				
Minimum notice period	13	4	5	3

For certain countries the minimum notice period may change depending the scope of the operational changes: Finland (2 - 24 weeks), France & Switzerland (4 - 20 weeks), Switzerland (4 - 12 weeks), UAE (4 - 12 weeks). For calculating the information for the indicator we have adopted average periods in these locations.

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

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
IN %				
Staff represented in H&S committees	100%	100%	100%	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. There is not such a committee in our North America operation.

403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM BASED ON LEGAL OR RECOGNIZED STANDARDS

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
ABSOLUTE / IN %				
employees and workers who are not employees, covered by the H&S system	134	100%	10,644	100%
employees and workers who are not employees, covered by the H&S system that has been INTERNALLY audited	-	n/a	144	1%
employees and workers who are not employees, covered by the H&S system that has been EXTERNALLY audited	-	n/a	144	1%
			789	100%
				11,288
				100%

404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
HOURS OF TRAINING				
Total average		2.6	17.0	27.3
Male		2.8	15.4	12.8
Director / Top management		-	4.1	-
Admin & Professional		3.2	6.0	1.6
Sales & Ops Managers		-	8.5	6.1
Sales & Ops Staff		-	18.3	18.7
Female		2.4	18.0	32.9
Director / Top management		-	6.6	-
Admin & Professional		2.5	7.6	0.2
Sales & Ops Managers		-	13.8	1.8
Sales & Ops Staff		-	20.6	39.8
				13.0
				11.0
				4.3
				0.9
				4.9
				13.2
				14.1
				10.2
				1.9
				5.6
				16.3

Training hours in general have been reduced as a large proportion of our staff saw contracts suspended as a consequence of closing of airports during the pandemic.

North America has a different system and criteria for tracking training hours have been applied, resulting in lower training hours recorded.

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

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
IN %				
Total	100%	95%	100%	100%
Male	100%	95%	100%	100%
Director / Top management	100%	100%	100%	100%
Admin & Professional	100%	95%	100%	100%
Sales & Ops Managers	-	96%	100%	100%
Sales & Ops Staff	-	95%	100%	100%
Female	100%	96%	100%	100%
Director / Top management	100%	92%	100%	100%
Admin & Professional	100%	98%	100%	100%
Sales & Ops Managers	-	97%	100%	100%
Sales & Ops Staff	-	95%	100%	100%

405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

			HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
IN %						
Director / Top management	< 30 years	Men	-	3%	-	-
		Women	-	-	-	-
		Minority	n/a	n/a	n/a	n/a
	30 - 50 years	Men	59%	18%	40%	23%
		Women	13%	34%	20%	14%
		Minority	n/a	n/a	n/a	n/a
	> 50 years	Men	22%	36%	25%	45%
		Women	6%	9%	15%	18%
		Minority	n/a	n/a	n/a	n/a
Admin & Professional	< 30 years	Men	2%	5%	8%	4%
		Women	5%	7%	13%	7%
		Minority	n/a	n/a	n/a	n/a
	30 - 50 years	Men	33%	27%	38%	26%
		Women	40%	40%	34%	33%
		Minority	n/a	n/a	n/a	n/a
	> 50 years	Men	5%	9%	3%	14%
		Women	14%	12%	4%	18%
		Minority	n/a	n/a	n/a	n/a
Sales & Ops Managers	< 30 years	Men	-	1%	4%	2%
		Women	-	1%	4%	4%
		Minority	n/a	n/a	n/a	n/a
	30 - 50 years	Men	-	30%	32%	33%
		Women	-	35%	21%	35%
		Minority	n/a	n/a	n/a	n/a
	> 50 years	Men	-	16%	20%	13%
		Women	-	17%	20%	13%
		Minority	n/a	n/a	n/a	n/a
Sales & Ops Staff	< 30 years	Men	-	6%	11%	10%
		Women	-	9%	18%	16%
		Minority	n/a	n/a	n/a	n/a
	30 - 50 years	Men	-	21%	21%	16%
		Women	-	38%	41%	31%
		Minority	n/a	n/a	n/a	n/a
	> 50 years	Men	-	8%	2%	8%
		Women	-	18%	7%	19%
		Minority	n/a	n/a	n/a	n/a

406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
# OF INCIDENTS				
Total number	0	3	1	0
Remediation plans implemented	0	-	1	0
Remediation plan implemented and under supervision	0	1	1	0
Incidents no longer subject to action	-	0	1	0

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, railway stations and on cruise ships (96% of 2021 global sales), where security is already strict and generally provided by the airport authority or cruise line itself. Where security personnel are required and 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 any other type of abuse by the security personnel hired by Dufry.

415 PUBLIC POLICY

Dufry considers important to engage in discussions with various stakeholders – from policymakers, legislators and regulators to representatives of the business community and society – to understand the issues that are important and to help find constructive solutions to current challenges.

When it comes to political and charitable contributions, as established in the Dufry Code of Conduct, Dufry requires strict adherence to applicable laws and disclosure requirements in relation to political and charitable contributions and sponsorships. A Donation should be avoided where it would create the impression that it is made in exchange for a business advantage for Dufry.

Dufry does not make direct or indirect contributions to political causes that can present corruption risks, because they can be used to exert undue influence on the political process.

415-1 POLITICAL CONTRIBUTIONS

	HQ	EUROPE, MIDDLE EAST & AFRICA	ASIA PACIFIC	AMERICAS
IN CHF				
Total number	0	0	0	0

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 sells 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.

GRI CONTENT INDEX 2021



DUFRY

WorldClass.WorldWide.

GRI CONTENT INDEX 2021

Page indications in this Index refer to the 2021 Dufrey Annual Report unless otherwise noted.

* Dufrey 2021 Sustainability Report applies the 2016 & 2018 version of the Global Reporting Initiative (GRI) Standards; 2016* and 2018* refer to the Standards issue date, not the date of the information presented in this report.

DISCLOSURE	DESCRIPTION	SDG	PAGE NUMBER(S) AND/OR URL(S)	REASONS FOR OMISSIONS/COMMENTS
GRI 102: GENERAL DISCLOSURES 2016*				
ORGANIZATIONAL PROFILE				
102-1	Name of the organization		Dufrey AG	
102-2	Activities, brands, products and services		Pages 30 – 41; 60 – 65; 82 – 86	
102-3	Location of headquarters		Brunngässlein 12, 4052 Basel, Switzerland	
102-4	Location of operations		Pages 58 – 59	
102-5	Ownership and legal form		Pages 235 – 236; 239	
102-6	Markets served		Pages 42 – 59	
102-7	Scale of the organization		Pages 4; 126	
102-8	Information on employees and other workers	10.3	Pages 95 – 103, Sustainability Report Annex and www.dufrey.com/en/sustainability-dufrey	
102-9	Supply chain		Pages 64 – 65; 87 – 89	
102-10	Significant changes to the organization and its supply chain		None	
102-11	Precautionary Principle or approach		Page 87	
102-12	External initiatives		Dufrey is a signatory member of the UN Global Compact. Page 76	
102-13	Membership of associations		Page 108 & www.dufrey.com/en/company/our-stakeholders	
STRATEGY				
102-14	Statement from senior decision-maker		Pages 8 – 16; 118 – 122	
102-15	Key impacts, risks, and opportunities		Pages 75; 77; 134; 191; 201 – 208; Sustainability Report Annex	
ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behavior	16.3	Pages 105 – 106; Dufrey Code of Conduct: www.dufrey.com (Sustainability, Careers & Company sections)	
102-17	Mechanisms for advice and concerns about ethics	16.3	Page 106; Dufrey Code of Conduct: www.dufrey-compliance.com ; www.dufrey.com/en/sustainability-dufrey	

DISCLOSURE	DESCRIPTION	SDG	PAGE NUMBER(S) AND/OR URL(S)	REASONS FOR OMISSIONS / COMMENTS
------------	-------------	-----	------------------------------	----------------------------------

GRI 102: GENERAL DISCLOSURES 2016* (CONT.)

GOVERNANCE				
102-18	Governance structure		Pages 17; 240 – 257	
102-20	Executive-level responsibility for economic, environmental, and social topics		Page 75	
102-22	Composition of the highest governance body and its committees	5.5, 16.7	Pages 240 – 250	
102-23	Chair of the highest governance body	16.6	Page 240	
102-24	Nominating and selecting the highest governance body	5.5, 16.7	Page 246	
102-26	Role of highest governance body in setting purpose, values, and strategy		Page 75; 246 – 247	
102-30	Effectiveness of risk management processes		Page 247	
102-35	Remuneration policies		Page 263 – 276	
102-36	Process for determining remuneration		Page 263 – 276	
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups		Pages 74; 107 – 108; www.dufry.com/en/sustainability-dufry	
102-41	Collective bargaining agreements	8.8	Pages 98 – 103; Sustainability Report Annex and www.dufry.com/en/careers	
102-42	Identifying and selecting stakeholders		Pages 74; 76; 77	
102-43	Approach to stakeholder engagement		Pages 60 – 72; 82 – 86; 102 – 103; Media & Investor Relations sections at www.dufry.com	
102-44	Key topics and concerns raised		Page 74 – 77; www.dufry.com/en/sustainability-dufry	
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements		Pages 226 – 227	
102-46	Defining report content and topic Boundaries		Sustainability Report Annex	
102-47	List of material topics		Pages 76 – 77	
102-48	Restatements of information		None	
102-49	Changes in reporting		None	
102-50	Reporting period		2021	
102-51	Date of most recent report		Sustainability Report Annex & www.dufry.com/en/sustainability-dufry	
102-52	Reporting cycle		Sustainability Report Annex & www.dufry.com/en/sustainability-dufry	
102-53	Contact point for questions regarding the report		Sustainability Report Annex & www.dufry.com/en/sustainability-dufry	
102-54	Claims of reporting in accordance with the GRI Standards		Sustainability Report Annex & www.dufry.com/en/sustainability-dufry	
102-55	GRI content index		Sustainability Report Annex & www.dufry.com/en/sustainability-dufry	
102-56	External assurance		No	

DISCLOSURE	DESCRIPTION	SDG	PAGE NUMBER(S) AND/OR URL(S)	REASONS FOR OMISSIONS / COMMENTS
------------	-------------	-----	------------------------------	----------------------------------

GRI 201: ECONOMIC PERFORMANCE 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 4; 8 - 16; 22 - 23; 109	
103-2	The management approach and its components		Pages 4; 8 - 16; 22 - 23; 109	
103-3	Evaluation of the management approach		Pages 4; 8 - 16; 22 - 23; 109	
201-1	Direct economic value generated and distributed	8.1, 8.2, 9.1, 9.4, 9.5	Page 109	
201-2	Financial implications and other risks and opportunities due to climate change	13.1	Sustainability Report Annex	
201-3	Defined benefit plan obligations and other retirement plans		Pages 138; 151; 198 - 204	
201-4	Financial assistance received from government		None	

GRI 202: MARKET PRESENCE 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 42 - 59	
103-2	The management approach and its components		Pages 42 - 59	
103-3	Evaluation of the management approach		Pages 42 - 59	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	1.2, 5.1, 8.5	Sustainability Report Annex	
202-2	Proportion of senior management hired from the local community		Sustainability Report Annex	

GRI 204: PROCUREMENT PRACTICES 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Page 64	
103-2	The management approach and its components		Page 64	
103-3	Evaluation of the management approach		Page 64	
204-1	Proportion of spending on local suppliers	8.3	Sustainability Report Annex	

GRI 205: ANTI-CORRUPTION 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 104 - 106; Dufrey Code of Conduct; www.dufrey.com/en/sustainability-dufry	
103-2	The management approach and its components		Pages 104 - 106; Dufrey Code of Conduct; www.dufrey.com/en/sustainability-dufry	
103-3	Evaluation of the management approach		Pages 104 - 106; Dufrey Code of Conduct; www.dufrey.com/en/sustainability-dufry	
205-2	Communication and training about anti-corruption policies and procedures	16.5	Page 106	

GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 104 - 106; Dufrey Code of Conduct; www.dufrey.com/en/sustainability-dufry	
103-2	The management approach and its components		Pages 104 - 106; Dufrey Code of Conduct; www.dufrey.com/en/sustainability-dufry	
103-3	Evaluation of the management approach		Pages 104 - 106; Dufrey Code of Conduct; www.dufrey.com/en/sustainability-dufry	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	16.3	During 2021, Dufrey didn't have any legal action for competitive behavior, anti-trust and monopoly practice	

DISCLOSURE	DESCRIPTION	SDG	PAGE NUMBER(S) AND/OR URL(S)	REASONS FOR OMISSIONS / COMMENTS
GRI 301: MATERIALS 2016*				
GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 87; 92 – 94	
103-2	The management approach and its components		Pages 87; 92 – 94	
103-3	Evaluation of the management approach		Pages 87; 92 – 94	
301-3	Reclaimed products and their packaging materials	8.4, 12.2	N/A	Due to the nature of our business, we don't reclaim products

GRI 302: ENERGY 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 87 – 92	
103-2	The management approach and its components		Pages 87 – 92	
103-3	Evaluation of the management approach		Pages 87 – 92	
302-1	Energy consumption within the organization	7.2, 7.3, 8.4, 12.2, 13.1	Page 90 88,420 MWh in 2021 94,180 MWh in 2020; 128,435 MWh in 2019	Scope of 2019 data represents 57% of sales; 2020, 64% of sales, and 2021, 80% of sales due to a larger number of Dufrey entities reporting emissions data. Conversion rate: 10.96 kWh per liter of diesel
302-3	Energy intensity	8.4, 12.2, 13.1	188.30 kWh /m ² in 2021 200.79 kWh/m ² in 2020 273.27 kWh/m ² in 2019	Energy Intensity calculated over the total square meters of commercial surface operated by Dufrey (469,990 m ² in 2019, 469,041 m ² in 2020 & 469,581 in 2021)

GRI 305: EMISSIONS 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 87 – 92	
103-2	The management approach and its components		Pages 87 – 92	
103-3	Evaluation of the management approach		Pages 87 – 92	
305-1	Direct (Scope 1) GHG emissions	3.9, 12.4, 13.1, 14.3, 15.2	Page 90	Scope of 2019 data represents 57% of sales; 2020, 64% of sales, and 2021, 80% of sales due to a larger number of Dufrey entities reporting emissions data
305-2	Energy indirect (Scope 2) GHG emissions	3.9, 12.4, 13.1, 14.3, 15.2	Page 90	Scope of 2019 data represents 57% of sales; 2020, 64% of sales, and 2021, 80% of sales due to a larger number of Dufrey entities reporting emissions data
305-3	Other indirect (Scope 3) GHG emissions	3.9, 12.4, 13.1, 14.3, 15.2	Page 90	Scope limited to emissions from logistic partners accounting for 55% of Dufrey's total volume of goods transported in 2019 & 2020, 64% in 2021. Emissions are calculated using Well-to-Wheel methodology
305-4	GHG emissions intensity	3.9, 13.1, 14.3, 15.2	Page 90	Carbon Intensity calculated over the total square meters of commercial surface operated by Dufrey (469,990 m ² in 2019, 469,041 m ² in 2020 & 469,581 in 2021)

DISCLOSURE	DESCRIPTION	SDG	PAGE NUMBER(S) AND/OR URL(S)	REASONS FOR OMISSIONS / COMMENTS
------------	-------------	-----	------------------------------	----------------------------------

GRI 307: ENVIRONMENTAL COMPLIANCE 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Page 87	
103-2	The management approach and its components		Page 87	
103-3	Evaluation of the management approach		Page 87	
307-1	Non-compliance with environmental laws and regulations	16.3	During 2021, Dufrey has not received significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations	

GRI 401: EMPLOYMENT 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its Boundary		Pages 95 – 98	
103-2	The management approach and its components		Pages 95 – 98	
103-3	Evaluation of the management approach		Pages 95 – 98	
401-1	New employee hires and employee turnover	5.1, 8.5, 8.6, 10.3	Sustainability Report Annex	

GRI 402: LABOR/MANAGEMENT RELATIONS 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 98 – 100	
103-2	The management approach and its components		Pages 98 – 100	
103-3	Evaluation of the management approach		Pages 98 – 100	
402-1	Minimum notice periods regarding operational changes	8.8	Sustainability Report Annex	

GRI 403: OCCUPATIONAL HEALTH & SAFETY 2018*

MANAGEMENT APPROACH				
403-1	Occupational health and safety management system	8.8	Pages 98 – 100	
403-2	Hazard identification, risk assessment, and incident investigation	8.8	Pages 98 – 100	
403-3	Occupational health services	8.8	Pages 98 – 100	
403-4	Worker participation, consultation, and communication on occupational health and safety	8.8, 16.7	Pages 98 – 100	
403-5	Worker training on occupational health and safety	8.8	Pages 98 – 100	
403-6	Promotion of worker health	3.3, 3.5, 3.7, 3.8	Pages 98 – 100	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8.8	Pages 98 – 100	
403-8	Workers covered by an occupational health and safety management system	8.8	Sustainability Report Annex	

DISCLOSURE	DESCRIPTION	SDG	PAGE NUMBER(S) AND/OR URL(S)	REASONS FOR OMISSIONS / COMMENTS
------------	-------------	-----	------------------------------	----------------------------------

GRI 404: TRAINING & EDUCATION 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Page 101 - 102; www.dufrey.com/en/careers	
103-2	The management approach and its components		Page 101 - 102; www.dufrey.com/en/careers	
103-3	Evaluation of the management approach		Page 101 - 102; www.dufrey.com/en/careers	
404-1	Average hours of training per year per employee	4.3, 4.4, 4.5, 5.1, 8.2, 8.5	Sustainability Report Annex	

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 96 - 97; Dufrey Code of Conduct: www.dufrey.com/en/careers	
103-2	The management approach and its components		Pages 96 - 97; Dufrey Code of Conduct: www.dufrey.com/en/careers	
103-3	Evaluation of the management approach		Pages 96 - 97; Dufrey Code of Conduct: www.dufrey.com/en/careers	
405-1	Diversity of governance bodies and employees	5.1, 5.5, 8.5	Sustainability Report Annex	Dufrey currently cannot report Minority Group data globally due to local legal constraints in some countries for gathering this kind of data

GRI 406: NON-DISCRIMINATION 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 96 - 97; Dufrey Code of Conduct: www.dufrey.com/en/careers	
103-2	The management approach and its components		Pages 96 - 97; Dufrey Code of Conduct: www.dufrey.com/en/careers	
103-3	Evaluation of the management approach		Pages 96 - 97; Dufrey Code of Conduct: www.dufrey.com/en/careers	
406-1	Incidents of discrimination and corrective actions taken	5.1, 8.8	Sustainability Report Annex	

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Page 103; Sustainability Report Annex & www.dufrey.com/en/careers	
103-2	The management approach and its components		Page 103; Sustainability Report Annex & www.dufrey.com/en/careers	
103-3	Evaluation of the management approach		Page 103; Sustainability Report Annex & www.dufrey.com/en/careers	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	8.8	Dufrey does not report any operation where freedom of association and collective bargaining is at risk. As per the suppliers, see pages 108 - 109 of Dufrey Annual Report	

GRI 410: SECURITY PRACTICES 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Sustainability Report Annex	
103-2	The management approach and its components		Sustainability Report Annex	
103-3	Evaluation of the management approach		Sustainability Report Annex	
410-1	Security personnel trained in human rights policies or procedures	16.1	Sustainability Report Annex	

DISCLOSURE	DESCRIPTION	SDG	PAGE NUMBER(S) AND/OR URL(S)	REASONS FOR OMISSIONS / COMMENTS
------------	-------------	-----	------------------------------	----------------------------------

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 108 – 109 & Dufroy Supplier Code of Conduct	
103-2	The management approach and its components		Pages 108 – 109 & Dufroy Supplier Code of Conduct	
103-3	Evaluation of the management approach		Pages 108 – 109 & Dufroy Supplier Code of Conduct	
414-1	New suppliers that were screened using social criteria.	5.2, 8.8, 16.1	N/A	Dufroy does not report specific numbers or percentages related to screening or impact assessments, as this information is subject to confidentiality constraints

GRI 415: PUBLIC POLICY 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Sustainability Report Annex	
103-2	The management approach and its components		Sustainability Report Annex	
103-3	Evaluation of the management approach		Sustainability Report Annex	
415-1	Political contributions	16.5	Sustainability Report Annex	

GRI 416: CUSTOMER HEALTH AND SAFETY 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Page 59	
103-2	The management approach and its components		Page 59	
103-3	Evaluation of the management approach		Page 59	
416-1	Assessment of the health and safety impacts of product and service categories		Sustainability Report Annex	

GRI 417: MARKETING AND LABELING 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Pages 61 – 62	
103-2	The management approach and its components		Pages 61 – 62	
103-3	Evaluation of the management approach		Pages 61 – 62	
417-1	Requirements for product and service information and labeling	12.8	Pages 61 – 62	
417-2	Incidents of non-compliance concerning product and service information and labeling	16.3	During 2021, Dufroy has not been notified through the available channels of any significant sanction for non-compliance concerning product and service information and labeling	
417-3	Incidents of non-compliance concerning marketing communications	16.3	During 2021, Dufroy has not been notified through the available channels of any significant sanction for non-compliance concerning marketing communications	

DISCLOSURE	DESCRIPTION	SDG	PAGE NUMBER(S) AND/OR URL(S)	REASONS FOR OMISSIONS / COMMENTS
------------	-------------	-----	------------------------------	----------------------------------

GRI 418: CUSTOMER PRIVACY 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Page 61	
103-2	The management approach and its components		Page 61	
103-3	Evaluation of the management approach		Page 61	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	16.3, 16.10	During 2021, Dufry has not been notified through the available channels of any significant sanction for the breach of the customer's privacy and personal data protection rules	

GRI 419: SOCIO-ECONOMIC COMPLIANCE 2016*

GRI 103: MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary		Page 105	
103-2	The management approach and its components		Page 105	
103-3	Evaluation of the management approach		Page 105	
419-1	Non-compliance with laws and regulations in the social and economic area	16.3	During 2021, Dufry has not been notified through the available channels of any significant sanction for non-compliance with applicable laws and regulations	

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.

