



Annual Business & Corporate Responsibility Report 2023

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Dear Readers,

2023 was a very successful year both in terms of our business and the delivery of our group’s global goals. Together with our Heinemann teams and partners worldwide, we are actively shaping our industry for the successful future of travel retail.

In 2023, we increased our turnover by 25 percent to 3.6 billion euros and had several occasions to celebrate, as we continued to open new and additional shops as well as invested in the modernization of space across airports in Australia, Malaysia, Norway, Italy, and Germany. Additionally, we have strengthened our group’s portfolio through diversifying investments in the Czech Republic, our strongest border-shop market, and by becoming a partner and 50 percent shareholder of the NOBILIS GROUP, a leading distributor and service partner for beauty brands in the German-speaking domestic market. Furthermore, we have succeeded in gaining a foothold in growth markets across the Middle East and Africa, with new partnerships and concession wins in the cruises and airports channel.

As one of the market leaders, we live collaboration in the interest of our industry and especially in the interest of travelers, with whom we constantly strive to build closer and more personal relationships. With this in mind, we are proud of our investment in Duffle, a platform that digitizes the travel retail shopping experience as a globally connected

solution across the entire customer journey. Another important part of our financial and personal investment in our industry is our ongoing commitment to our associations, first and foremost the European Travel Retail Confederation. We will continue to do everything in our power to ensure a successful future for our industry in addition to the success of our group of companies.

We are driven by our mission statement and we put our value proposition into practice every day. Our vision of transforming travel time into valuable time requires diversity and innovation and is being realized in various pilot projects and milestones at our locations. Here, the teams have pushed performance standards to new horizons – from experience-based shop concepts to new collaborations around our industry-wide commitment to sustainability with global powerhouse L’Oréal.

In order to fulfill our vision of focusing on being human-centric and culturally driven and to take our role as Gebr. Heinemann to the next level worldwide, we have created the position of Vice President People & Culture. We attach great impor-


tance to cultivating an environment of respect and authenticity, valuing personal interactions, and actively contributing to global society by strengthening our pledge of diversity and inclusion. As a family business with a special emphasis on and responsibility for our people, we are all the more affected by geopolitical and regional crises, even if we have to understand them as one aspect of a global industry. We are very worried about our colleagues, partners, and friends suffering from the conflicts in Israel and Gaza as well as in Ukraine and other parts of the world. Our sympathy goes out to all those affected and we wish for a swift end to the violence and a return to peace.

We will take the strong tailwind from 2023 into this year to further develop our global organization, and new and existing partnerships in order to continue growing across all regions and channels. We look forward to the expected upturn in Asia. In addition, we will continue to work hard on implementing the promises made in our mission statement in order to further raise our profile as the most human-centric company in global travel retail. And thus take our role and interaction with travelers to the next level.

Sincerely yours,
Max Heinemann & Raoul Spanger



Highlights 2023

 **25%**
Turnover increase from 2.9 billion euros to **3.6 billion euros**

On land, at sea, and in the air



Turnover by Channels
Airports 74%
Border Shops 8%
Special Channels 8%*
Cruises & Ferries 7%
Airlines 3%

Top Five Airport Locations



Istanbul



Oslo



Tel Aviv



Frankfurt



Sydney

A strong global approach

Turnover by Regions
Europe 59%
Middle East Africa 31%
Asia Pacific 8%
Americas 2%



Two Strong Pillars
Operating as a retailer and wholesaler with global end-to-end supply chain expertise



Acquisition of **29 new wholesale clients**, especially in Africa, Western Europe, and the inflight channel

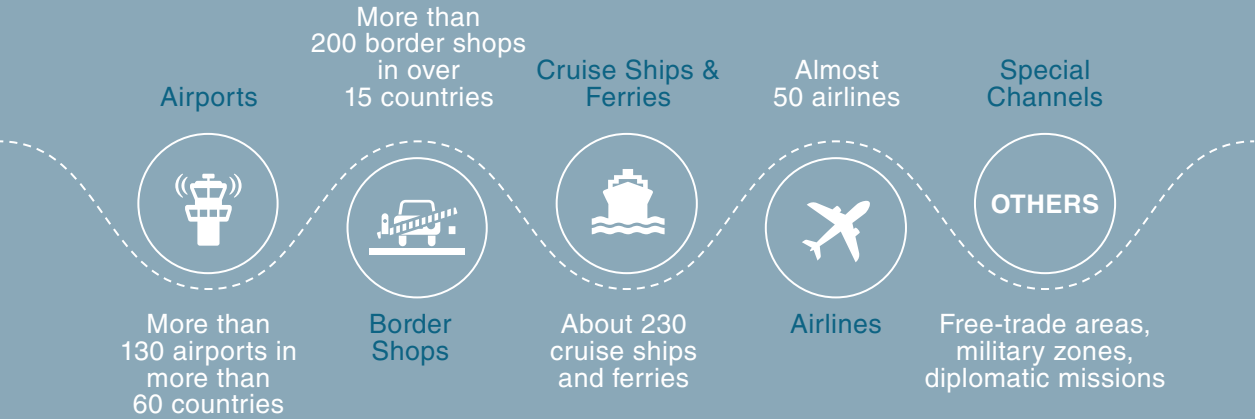


Tender win at Jeddah Airport of 6,000 sqm retail space

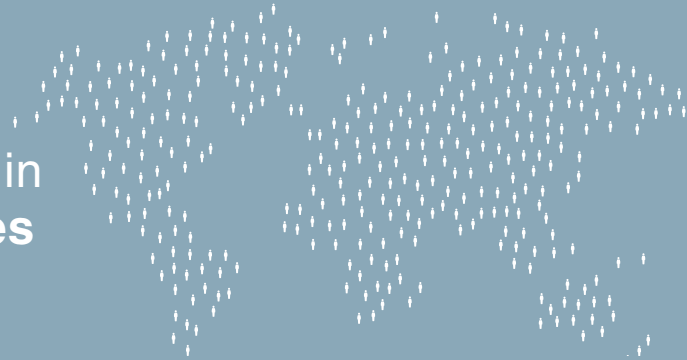
Extended partnership with Ryanair in the inflight business with **100 points of delivery**



Expansion of the cruise business in the Arabian market with **AROYA Cruises**



Impressive Employees
9,111 employees in over **100 countries** worldwide



*incl. the NOBILIS GROUP

Corporate Profile

From a small ship chandler to a major retailer and distributor for the global travel retail market: Gebr. Heinemann’s journey since 1879 has been remarkable. Throughout this time, one thing has always remained constant: the focus on family values.

Living the Passion for Trade and Travel

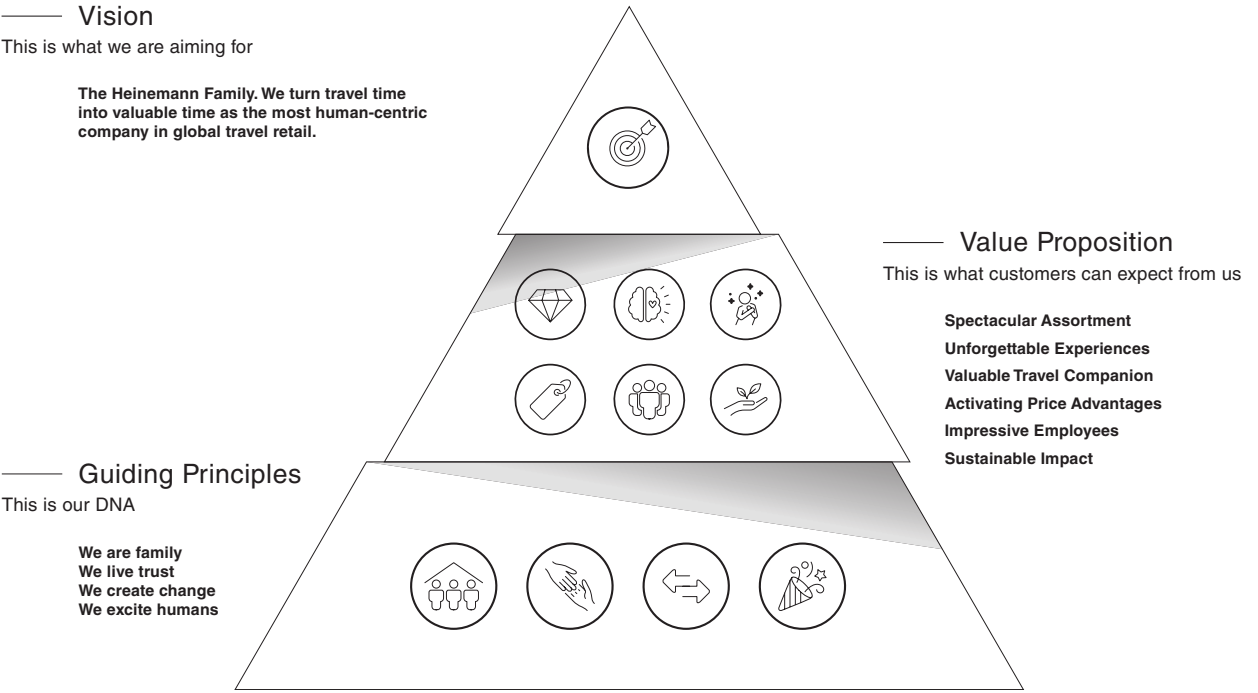
Gebr. Heinemann has a broad range of expertise in all sales channels of travel retail. As a retailer and distributor, the company is represented at airports and border crossings, on cruise ships and ferries, in planes and downtown shops, as well as in diplomatic missions and special military zones. Working directly with the world’s best-known luxury brands, Gebr. Heinemann offers a wide range of products, spanning from perfume and cosmetics to wine and spirits, as well as tobacco, confectionery, delicatessen items, fashion, accessories, watches, and jewelry.

As a globally positioned group of companies, Gebr. Heinemann cultivates close ties with partners in various cultural settings. The parent company Gebr. Heinemann SE & Co. KG is headquartered in Hamburg (Germany). The two regional headquarters Heinemann Asia Pacific and Heinemann Americas are based in Singapore and Miami.

Around the globe, Gebr. Heinemann is also represented by subsidiaries, affiliates, and business partnerships. The company’s major locations and joint ventures include the airports of Istanbul (Turkey), Tel Aviv (Israel), Oslo (Norway), Sydney (Australia), Copenhagen (Denmark), Vienna (Austria), Budapest (Hungary) as well as Berlin, Frankfurt, Düsseldorf, and Hamburg (Germany). The main countries for Gebr. Heinemann’s border-shop business are the Czech Republic, Poland, Romania, Bulgaria, Ukraine, Belarus, Georgia, and Moldova.

Furthermore, Gebr. Heinemann supplies about 230 cruise ships and ferries, and serves as a retailer on board 19 cruise ships, including the two largest ships on the world’s oceans: the Icon of the Seas and the Wonder of the Seas, both operated by Royal Caribbean.

Two fully automated and secure logistics centers in Germany, one local hub in Norway, and three distribution centers in Miami, Singapore, and Sydney control the efficient flow of goods around the globe. With detailed end-to-end planning and thou-



The Gebr. Heinemann Mission Statement

sands of perfectly orchestrated processes across the supply chain organization, Gebr. Heinemann counts itself among the most modern logistics providers in its industry.

Putting People at the Center of Everything

As a family-run business, Gebr. Heinemann has set the goal of achieving long-term financial independence. With a focus on sustainability across all its activities, the company thinks across generations. Gebr. Heinemann has been managed by members of the family since brothers Carl and Heinrich Heinemann established the company in Hamburg in 1879.

Today, the fourth generation of the family is represented by Claus and Gunnar Heinemann on the Supervisory Board and the fifth generation by Co-Chief Executive Officer Max Heinemann on the Executive Board. Co-Chief Executive Officer Raoul Spanger, Chief Financial Officer Dr. Kai Deneke,

Chief Commercial Officer Inken Callsen, and Chief Sales Officer Florian Seidel complete the Executive Board.

More human, more passionate, more reliable, and more accessible than others: Gebr. Heinemann lives family values, always putting people first – regardless if it’s the partners, customers, suppliers, and, most importantly, its employees, as well as travelers around the globe. The social community is equally important to Gebr. Heinemann, as the company actively supports those in need and promotes social projects and charitable causes through both donations in kind and hands-on involvement.

As part of the vision of its mission statement, Gebr. Heinemann combines its focus on people with the aspiration to offer valuable travel experiences. The company has a clear plan for its future in travel retail, and the mission statement is its guide on this path.

Corporate Governance

Supervisory Board



Claus Heinemann
Owner & Member of the
Supervisory Board



Gunnar Heinemann
Owner & Member of the
Supervisory Board

Executive Board



Max Heinemann
Owner & Co-CEO

- People & Culture
- Corporate Communications & External Affairs
- Design Innovation
- GHARAGE



Raoul Spanger
Co-CEO

- Legal, Compliance & Sustainability
- Heinemann Asia Pacific



Inken Callsen
CCO

- Global Supply Chain
- Purchasing
- Commercial Effectiveness



Dr. Kai Deneke
CFO

- Controlling
- Finance
- Treasury
- IT
- Indirect Procurement & Facility Management



Florian Seidel
CSO

- Sales Europe, Middle East, Africa
- Sales Experience & Excellence
- Business Development Sales
- Marketing

Vice Presidents



Ché Lewer
VP People & Culture

- Global People & Culture Strategy



Marvin von Plato
CEO Heinemann Asia Pacific

- Oceania
- Southeast Asia
- Greater China & Cruise



Ildiko Jankovich
VP Sales EMEA 1

- Central & Southeast Europe
- Western Europe
- Nordics



Richard Hoyer
VP Sales EMEA 2

- Currently appointed as
Managing Director
Frankfurt Airport Retail



Michael Meier
VP Global Supply Chain

- Planning & Order Management
- Logistics
- Supply Chain Strategy & Effectiveness

39% share of women
in senior leadership positions*



*Including the level of vice presidents, directors, and managing directors/CEOs at the locations; applies to the group

Dear Readers,

As the most human-centric company in global travel retail, we firmly believe that successful entrepreneurship is based on trust. Our employees and our partners can place their trust in us, just as we place our trust in them.

In the past year, the success of our company showed once again how living and breathing trust truly pays off. Gebr. Heinemann is advancing with a resolute and robust mission statement, and we are proud to witness this. Our mission statement is fully geared toward the future. At the same time, it is rooted in traditional values that we have upheld and cultivated across all generations. This, too, is a matter of great pride for us.

We are fully committed to the path that our Executive Board has set. Raoul Spanger, Inken Callsen, Dr. Kai Deneke, Florian Seidel, along with our son and nephew Max Heinemann, have been with us for many years and have thus practically internalized our corporate DNA. They have played a pivotal role in shaping our global corporate culture and accumulated a substantial wealth of experience and knowledge.

We respect that Dr. Dirk Schneider decided to leave our company in June after three years. We are delighted to have filled the position of Chief Commercial Officer from within our own ranks. With Inken Callsen, we have a woman in our top management for the first time. She has worked at



Gebr. Heinemann for more than two decades. Within this time, she has earned considerable respect and recognition both within our company and among our partners thanks to her extensive knowledge and skills in various areas and her forward-looking approach.

Throughout our 144-year journey, people have been at the heart of everything we do. All the more, our thoughts are with our Heinemann family in Ukraine and Israel. It goes without saying that we are backing aid initiatives, wherever and however we can.

We would also like to take this opportunity to thank all our employees across the globe. Their unwavering passion and dedication as well as their exceptional loyalty have always been our company's recipe for success. This, together with our strong strategic focus through our mission statement, allows us to look to the future with great confidence.

Best regards,
Claus & Gunnar Heinemann

“We Will Continue to See Strong Growth”

Interview with Heinemann Group Chief Financial Officer Dr. Kai Deneke.

Kai, is it fair to say that 2023 was the first real post-crisis year after the Covid-19 pandemic?

Dr. Kai Deneke: Yes, it was – but, at the same time, it wasn't. It is true that it was the first year without any relevant Covid-related travel restrictions. However, in many regions, passenger numbers have not yet reached the pre-pandemic levels, especially in Asia Pacific. Similarly for our home market: Germany is below the European average in terms of passenger numbers. We have also noticed that, although the Covid pandemic is over, it has led to considerable changes in people's travel and purchasing behavior – for example, the replacement of business trips with digital meetings, the greater importance of digital commerce, and higher expectations of the shopping experience at the point of sale. At the same time, the Covid crisis was followed almost immediately by other crises that are also having a major effect on our business and whose outcome we cannot predict. Russia's war in Ukraine and the Hamas attack on Israel, as well as the tense overall economic situation with high inflation rates in Germany, Europe, and around the world have a negative impact on the global duty-free business.

How did the global duty-free market develop in 2023? And, of course, we are particularly interested in the group's results for the year.

Dr. Kai Deneke: Overall, the market recovered faster than expected. On a global level, international passenger numbers have reached 93 percent of 2019 level in 2023 which shows the strong rebound of the market. Our core markets in Europe and Turkey were even stronger. We were also quite happy with the revenue per passenger as an important key performance indicator for us as a retailer – it was significantly higher in 2022 and partly 2023 due to catch-up effects and “revenge shopping.” However, that is now leveling out again. Looking at 2023 in total, we increased our turnover by 25 percent last year to 3.6 billion euros, which means that we reached our turnover level of 2019.

What's the situation at the largest Heinemann airport locations?

Dr. Kai Deneke: When we look at the Heinemann world map, we can see that Western Europe with the large locations in Frankfurt, Copenhagen, and Vienna performed very well. In contrast, our duty-free business in Norway was negatively affected by regulatory changes and currency developments. Turkey, especially Istanbul, continues to be the Heinemann Group's main driver with an annual retail turnover of more than one billion euros. Sydney and especially Kuala Lumpur have been hit hard by the delayed return of Chinese travelers and by the end of the year had only reached 62.3 percent of the pre-crisis level in terms of turnover. Tel Aviv experienced record sales until October 2023, when the terrorist attack by Hamas on October 7 caused business to collapse.

Despite the terrible situation in Israel and the ongoing conflict, you have taken over all the shares of JR/Duty Free.

Dr. Kai Deneke: Tel Aviv Ben Gurion Airport is very attractive and represents one of the largest markets in global travel retail. Our previous partner

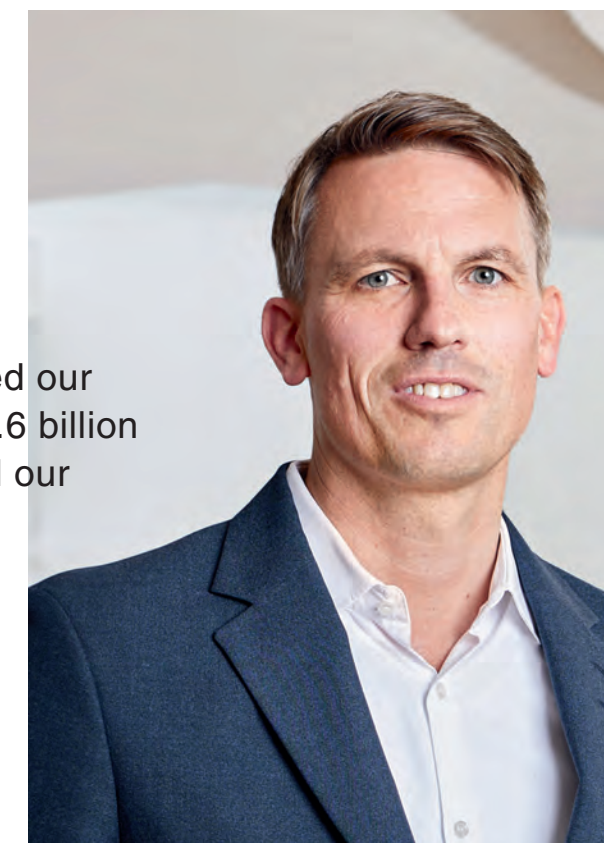
JR had been active there for 30 years; we joined in 2017. Despite the current situation, we believe that the Tel Aviv location still has great potential for future growth. As a family business, we take the long-term view.

Sustainable diversification of the business is always important for airport retailers to cover all forms of international travel and to better manage global risks. Which path have you taken?

Dr. Kai Deneke: The pandemic, as well as the armed conflicts in Ukraine and Israel, have reminded us of the importance of being broadly positioned. This means that we should diversify our business portfolio not only regionally, but also across different channels or product groups. For instance, we have invested in the border-shop business by acquiring the shares of our former joint venture partner of Travel FREE in the Czech Republic and by acquiring a 50 percent stake in

Dr. Kai Deneke, CFO

“Looking at 2023 in total, we increased our turnover by 25 percent last year to 3.6 billion euros, which means that we reached our turnover level of 2019.”



the NOBILIS GROUP, the largest independent perfume distributor in the German-speaking region. In addition, we are working on broadening our product groups, for example, through growth in the Fashion, Accessories, Watches, and Jewelry (FAWJ) category division and the development of completely new categories for us, such as pre-owned watches and handbags. We are also diversifying regionally, entering a new growth region by winning the license for the Jeddah site in Saudi Arabia, for example, and growing our wholesale customers base. Despite the sharp rise in financing costs and the current political and economic uncertainty in our markets, we will continue to invest heavily in growth and innovation – but of course with great caution.

The Heinemann Group is active in more than 100 countries. An important part of your role as Group CFO and a member of the Executive Board is the ongoing development of the IT infrastructure. How will you realize the Heinemann idea of a globally integrated and consistently structured company in this respect?

Dr. Kai Deneke: That really is a challenge and, at the same time, a great opportunity. On the one hand, we have many companies in the Heinemann Group that differ greatly in size and business model and therefore naturally have different requirements for their IT systems. On the other hand, we can increase our competitiveness on the global market if we also create synergies in the area of IT and develop efficient solutions for the group, for example for checkout systems, supply chain management, e-commerce solutions, and global reporting systems. Recent developments like cloud technology and service-oriented architectures allow us to better leverage our capabilities, therefore we are currently transforming our solutions into this kind of architecture. This will enable us to offer easy-to-use services for all group companies. Overall, driving digitization on a global scale and using data effectively to steer global supply chain processes and reshaping our commercial offer will be more and more important –

and our global IT operating model and infrastructure needs to be the backbone for this.

In terms of group financing, Heinemann is relying on a syndicated bank loan closed in 2020. Do you plan any changes to your financing strategy?

Dr. Kai Deneke: We experienced tremendous support from our banks during the crisis, and the syndicated loan will remain the main pillar for our group financing. In 2024, we will start preparing for an extension of the loan as it will expire in January 2026. In parallel, to diversify our financing strategy in terms of lender structure and maturities, we are currently issuing a *Schuldscheindarlehen* (promissory loan) with different capital market investors, which will also provide us with more headroom for future investments. We plan to complete the process in the second half of 2024.

Speaking of financing, the ESG fields of action are of particular importance and will certainly be very closely monitored by investors and banks. What progress have you made here and what are your plans for the coming year?

Dr. Kai Deneke: Today, a company's position on Environmental, Social, and Governance (ESG) issues is a relevant criterion for financing by banks and other lenders. In addition, the legislator has stipulated a massive extension of reporting requirements for larger companies. For Gebr. Heinemann, sustainability has been an integral part of our company's development for more than 140 years, and we see sustainability as a foundation of our corporate identity and mission. We have defined ambitious sustainability goals for environmental, social, governance, and responsible value chain action fields and have embedded them in our group strategy. For instance, as part of the Science Based Targets initiative (SBTi), we are committed to the 1.5-degree target of the Paris Agreement and plan to achieve net zero in our Scope 1 and 2 CO₂e (CO₂ equivalents) emissions by 2030. In addition, we pay very close attention

to compliance with human rights in our supply chain and aim to cover at least 80 percent of our purchasing volume through independent supplier assessments by the end of 2024. We are also working toward having our newly developed global strategy for diversity, equality, and inclusion confirmed by ISO certification in 2025.

Let's take a look into the future: What is your outlook for 2024? Where do you see growth potential for the group?

Dr. Kai Deneke: In 2024, I expect that we will continue to feel some headwinds from the market and the impact of the ongoing war in Ukraine and the conflict in Israel. Nevertheless, I am confident that we will continue to see strong growth, not only through the ongoing recovery of air traffic but also fueled by the acquisitions we made in 2023. Looking at the individual regions, I expect Western Europe and the Nordics to continue on their recovery path, in line with the restoration of capacities on the airline and airport side. Asia Pacific will benefit from the return of international Chinese travelers, and I hope that Sydney and Kuala Lumpur will return to pre-Covid levels by the end of the year. In terms of new business, the Middle East continues to be very interesting for us and Saudi Arabia is certainly our most prominent example. There are also a number of other interesting tender opportunities on our list in our existing markets in 2024. In addition, we see potential in acquiring new distribution customers. Overall, I believe 2024 will be a year that will be equally challenging and rewarding.

Financial and Nonfinancial Key Figures

Financials	2023	2022	2021
Consolidated Group turnover ¹	3.6 bn. EUR	2.9 bn. EUR	1.6 bn. EUR
Development	+25 %	+83 %	+33 %
Retail	64 %	65 %	55 %
Distribution	33 %	32 %	40 %
Rendered services and rental income	3 %	3 %	5 %
Turnover by regions			
Americas	2 %	2 %	1 %
Asia Pacific	8 %	6 %	6 %
Middle East Africa	31 %	33 %	30 %
Europe	59 %	59 %	63 %
Turnover by channels			
Airports	74 %	74 %	68 %
Airlines	3 %	4 %	3 %
Border Shops	8 %	9 %	12 %
Cruises & Ferries	7 %	7 %	6 %
Others	8 %	6 %	11 %
Turnover by categories			
FAWJ	7 %	7 %	7 %
LTC	47 %	50 %	50 %
Beauty	41 %	37 %	36 %
Others	5 %	6 %	7 %

¹ Preliminary turnover as of March 25, 2024, according to German Commercial Code.

People	2023	2022	2021
Staff Group	9,111	7,344	6,700
Staff SE & Co. KG	1,869	1,729	1,749
Share of females ¹	55 %	55 %	58 %
in senior leadership positions	24 %	21 %	14 %
in leadership positions	38 %	39 %	41 %
New hire ratio ¹	17 %	16 %	6 %
Labor turnover ¹	8 %	8 %	26 %
Staff on parental leave ¹	5 %	5 %	6 %
Training provided (hours per employee) ¹	9	8	8
Environment ^{2, 3}			
Total carbon emission (tons of CO ₂ e)	4,875	8,257	4,278
Direct (Scope 1) carbon emissions (tons of CO ₂ e)	1,368	2,304	2,284
Indirect (Scope 2) carbon emissions (tons of CO ₂ e)	249	238	200
Other indirect (Scope 3) carbon emissions (tons of CO ₂ e) ⁴	3,258	5,715	1,794
Change of carbon emissions (tons of CO ₂ e)	-3,382	+3,979	-916
Carbon emissions intensity (tons of CO ₂ e/m²)	0.043	0.072	0.037
Total energy consumption (megawatt hours)	14,625	15,026	13,913
Total waste generated (tons)	1,148	1,335	992
Water/wastewater (mega liters)	14,343	15,669	12,468
Energy Consumption within the Organization			
Total energy consumption (MWh)	14,625	15,026	13,913
Electricity (MWh)	9,574	8,990	7,543
District heating (MWh)	420	535	561
Gas (MWh)	3,779	4,398	5,149
Diesel (liters)	33,899	53,552	33,830
Petrol (liters)	56,249	62,244	35,386
Coolant (kg)	46	417	369
Energy intensity (kWh/m²)	128	131	121
Renewable energy consumption	100 %	94 %	93 %
Waste and Packaging Material			
Total waste generated (tons)	1,148	1,335	992
Cardboard (tons)	693	660	449
Plastic (tons)	65	77	34
Mixed commercial municipal waste (tons)	390	598	508
Purchased packaging material (tons)	131	2,095	1,309

¹ Applies to SE & Co. KG
² Consumption figures for the reporting years 2023, 2022, and 2021 are not directly comparable as business activity decreased in 2021 due to the Covid-19 pandemic.
³ The consumption figures are partly based on extrapolations, as the consumption data from 2023 was not completely available at the editorial deadline.
⁴ Scope 3: Emissions caused by the transport of goods are excluded for all three years. In 2022, the purchase of pallets led to the sharp increase. The reduction in 2023 was achieved by minimizing the consumption of packaging material and business travel.



Driving the Sustainable Evolution of Global Travel Retail

With a sophisticated sustainability strategy, Gebr. Heinemann is raising the benchmarks in its industry and is ready to fulfill upcoming external reporting obligations.

Gebr. Heinemann is aware of the impact of its worldwide travel retail activities on the environment and society. At the same time, the family business is aware of its influence as a link between the industry and the consumer and thus its central position in the value chain. In its mission statement, it has therefore committed itself to making a sustainable contribution to the future of travel retail.

In 2023, Gebr. Heinemann reviewed the relevance of its key sustainable areas of action along its value chain and adjusted its strategy with a long-term perspective. The company has developed a group-wide holistic view of sustainability and adopted a strong fact- and figure-based approach – on the one hand, to be more transparent for external stakeholders and their criteria for sustainable corporate governance, and on the other hand, to meet the requirements of new regulatory frameworks, above all the Corporate Sustainability Reporting Directive (CSRD) from 2026 onward.

The principles of the United Nations Global Compact, the self-obligations of the Science

Based Target initiative (SBTi) as well as Gebr. Heinemann's own Code of Ethics and the guidelines based on them, together with the company's vision of being the most human-centric company in global travel retail, form the foundation of the enhanced sustainability strategy.

"We see our commitment to sustainability as an integral part of our corporate DNA. For this reason, we pursue a holistic, long-term sustainability approach that combines environmental and social responsibility and human-centric values," says Saskia Möller, Director Legal, Compliance & Sustainability.

In its adjusted strategy, Gebr. Heinemann applies the ESG structure (Environmental, Social, and Governance) and has transferred its previous four areas of action "Energy and Emissions," "People," "Waste and Packaging," and "Product Portfolio" accordingly into the four new areas of action: "Environment," "Social," "Governance," and "Responsible Value Chain." In order to determine its reporting priorities in these four areas,

Gebr. Heinemann has carried out a double materiality analysis, based on the impact of the company's business activities on the environment and, vice versa, the impact of the environment on the financial performance of the company. Based on the results of this extensive analysis, "Climate Action" is the major area of focus. Other priority topics out of nine in total are "Human Rights in the Supply Chain" and "Supplier Relationships." In these fields of action, Gebr. Heinemann is focusing on long-term, measurable sustainability targets until 2030. Most of the sustainability targets that Gebr. Heinemann has formulated in the past will apply until 2024. The company remains committed to them and is well on the way to achieving them.

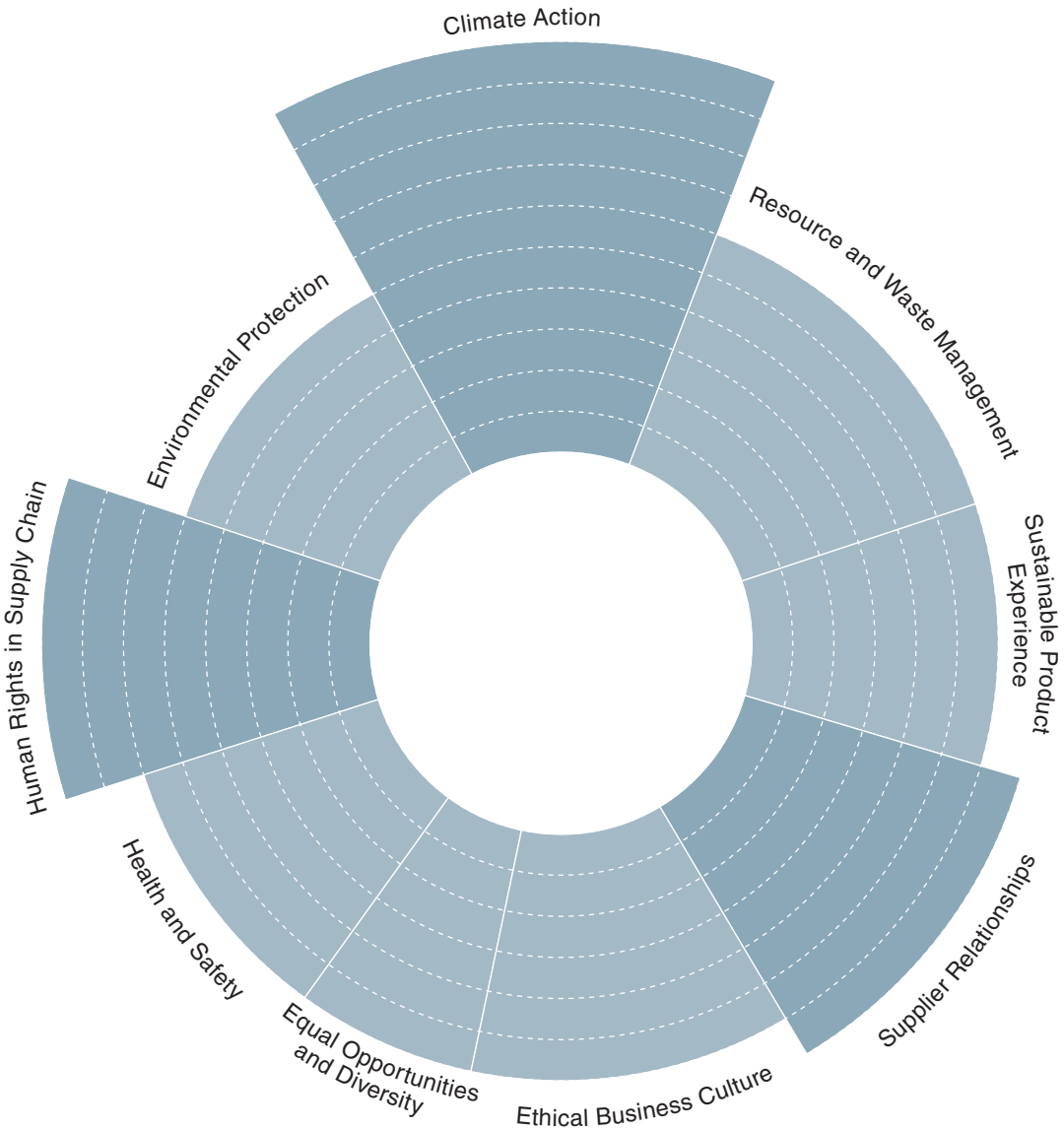
"Our goals for 2030 have also become more ambitious, and we will focus on external validation through ISO standards, certifications, and ratings to further increase credibility and transparency," says Dr. Kai Deneke, Chief Financial Officer. "We have already started to expand our global planning

and reporting systems so that we are able to provide much more nonfinancial quantitative and qualitative information than before."

"When developing and implementing our enhanced sustainability strategy, it was and is essential for us to work hand in hand with our customers, partners, and suppliers," says Co-Chief Executive Officer Raoul Spanger. "As a retailer at the heart of the value chain, reliable and forward-looking cooperation is a key success factor for achieving our environmental and social goals."

In its Management Approaches, Gebr. Heinemann outlines the specific sustainability goals it aims to achieve by 2030, along with the corresponding measures. The Management Approaches can be found in this Annual Report, in the "Government and Society" section starting from page 116.

Depiction of material topics for the Gebr. Heinemann Group with the number of rings representing the relative score of impact and financial materiality combined.



Saskia Möller, Director Legal, Compliance & Sustainability

"We see our commitment to sustainability as an integral part of our corporate DNA. For this reason, we pursue a holistic, long-term sustainability approach that combines environmental and social responsibility and human-centric values."



An Important Step toward More Diversification

Gebr. Heinemann takes strategic step by acquiring 50 percent of NOBILIS GROUP.

The diversification of the business will remain one key focus for Gebr. Heinemann – and this applies to all sales channels as well as regions. During the challenging times of the pandemic, the company was clearly reminded of the importance of this goal and has already successfully strengthened this diversification by entering into carefully selected new partnerships, expanding existing ones as well as making strategic investments in certain business areas.

In 2023, Gebr. Heinemann took yet another important step along this path with the investment in the NOBILIS GROUP, a leading, independent, and owner-managed beauty distributor and service partner in the German-speaking region. “For the first time, we are extending our business model to an area outside our core business. With the investment in the NOBILIS GROUP, we are not only further developing our company, but also enhancing the diversification of our activities,” says Gebr. Heinemann Co-CEO Raoul Spanger.

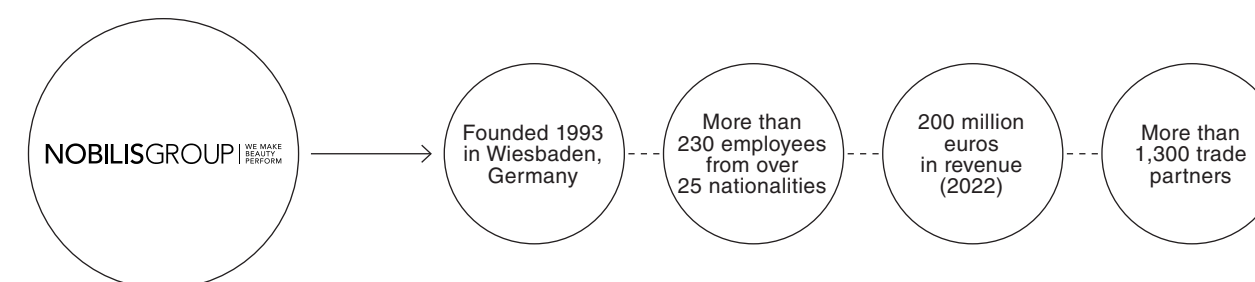
Gebr. Heinemann has acquired 50 percent of the NOBILIS GROUP. The other 50 percent are held by Udo Heuser, who also continues to lead the NOBILIS GROUP as CEO. The investment of

Gebr. Heinemann secures and continues the current growth strategy of the beauty distributor without any operational changes for employees, customers, and brand partners.

“Gebr. Heinemann has an outstanding international market position. It is a German family business with a rich history and close ties to the beauty industry and many NOBILIS brand partners. Everything simply fits together in this partnership, which will secure the NOBILIS GROUP in the long-term and further strengthen the company’s market position,” says Udo Heuser.

Gebr. Heinemann stands for partnerships at eye level, a fact that also played a role in this investment. “In the NOBILIS GROUP, we have found a partner whose corporate culture is very similar to ours, both in terms of its understanding of values and the fact that the focus lies on the people. This is the perfect foundation for our future cooperation,” says Gebr. Heinemann Co-CEO Max Heinemann.

Through the expansion into further partnerships and brand portfolios in the coming months and years, as well as the internationalization of the company, the NOBILIS GROUP will develop to around 300 million euros in sales in 2024. The performance of the NOBILIS GROUP in 2023 already showed the strategic importance and positive impacts of the investment.



Udo Heuser, CEO, Managing Partner NOBILIS GROUP

“Everything simply fits together in this partnership, which will secure the NOBILIS GROUP in the long-term and further strengthen the company’s market position.”



CUSTOMERS, PARTNERS, AND SUPPLIERS

“We are family.”

The best ideas sprout when people come together, especially in a setting that feels like family – where respect, trust, and open communication are second nature. The Heinemann family of employees lives this culture every day, fostering it not only within the company but also with its valued partners. This is what it means to be the most human-centric company in global travel retail.



The Biggest Family in Travel Retail!

A night under the stars in Cannes with our customers.

The TFWA World Exhibition & Conference is the annual meeting of the global travel retail industry. An important opportunity for exchange and networking. Gebr. Heinemann took the occasion to celebrate customer relationships.

True to its vision of being the most human-centric company in global travel retail, Gebr. Heinemann invited around 500 customers from all channels and regions to an evening under the stars at the Palais Stéphanie Beach – a truly unforgettable experience. This setting under the stars provided a backdrop to showcase what makes Gebr. Heinemann different.

The host of the evening, Florian Seidel (CSO), was also more than satisfied with the outcome of this first-time event: “Our partnerships, based on trust and loyalty, are a strong building block of our joint success! This night was about celebrating these fruitful alliances!” Co-CEO Max Heinemann added: “The Heinemann family turns travel time into valuable time. That is our great vision, which we strive for every day in new ways. It takes a global family to achieve this goal – and you are part of the biggest family in travel retail!”



Florian Seidel, CSO

“Our partnerships, based on trust and loyalty, are a strong building block of our joint success! This night was about celebrating these fruitful alliances!”



Watch now
A truly unforgettable night under the stars: Gebr. Heinemann celebrated its customer relationships at the TFWA World Exhibition & Conference in Cannes.



Success through Shared Strengths in Partnerships

Interview with Chief Commercial Officer Inken Callsen and Chief Sales Officer Florian Seidel.

You have both been living the Heinemann spirit for more than 25 years and have helped to shape it. What changes have you experienced as being particularly significant during this time?

Inken Callsen: I am particularly proud of how we have all managed the challenges of the past three years together. Before, we were all growth managers, but now a whole new mindset has developed. It's impressive how we've come together and how well this cohesion has done us as a company. This time has made us very aware of the connections between the individual areas of business and brought us to a different, more collaborative, and data-based way of working. All of this has prepared us perfectly for today, where we are once again managing growth with greater awareness of common goals, efficiency, and transparent data.

Florian Seidel: When I started as a trainee at Gebr. Heinemann at the end of the 1990s, everything was focused on our Frankfurt site. Then came European growth, and we moved on to the USA and to the Asia Pacific region. Gebr. Heinemann has developed into a global player and created a strong business network with partnerships across many cultures. Our reliability is still the basis for this today. We have grown primarily through retail and have always kept an eye on distribution. Our broad positioning across all sales channels is a

unique selling point and a key success factor in competition.

Since summer 2023, the two of you have also been working together on the Executive Board. How is that going?

Florian Seidel: We have known each other for 25 years, have accompanied each other in our respective professional development, and have regularly exchanged views on our various different topics. As a result, we have a great understanding and appreciation for each other and are also a good team in the management.

Inken Callsen: Across the entire management team, we work together through pragmatic exchange, which includes open doors and short coordination processes. For the year 2024, we have set clear joint targets for purchasing and sales, laying the foundation for all corporate areas to support each other in our work. This way, we are also creating an important prerequisite to continue our success story.

Gebr. Heinemann stands for trusting partnerships externally as well. In what form?

Inken Callsen: Collaboration is key! This includes honesty, openness, and a long-term approach as well as common goals and a mutual desire for growth. A partnership must also be able to deal with difficult issues. Together, we want to develop the market with the respective strengths of the partner and create added value for travelers. We want to achieve success together. The relationships we have with our suppliers is one example of this. I would like to structure them in such a way that our purchasing directors work together on a plan with our brand partners over a long-term period of three years in order to get to know their growth strategy and offer them something that fits in with it. We want to show how reliable and forward-thinking we are. I want us to always be the first choice for suppliers: for trying out new things, for investments and innovation, and because we are driving the business forward.

Florian Seidel: A similar set of values is also important for such close cooperation – because at Gebr. Heinemann, we negotiate partnerships and not just contracts. This is demonstrated, for example, by our long-standing commitment at Istanbul Airport with our joint venture partners Uni-free Duty Free and ATU Duty Free and our investment in the expansion of the airport.

What are the biggest challenges in the market for you today?

Florian Seidel: While we need to look ahead again and focus on our successes, we also have challenges to overcome. For instance, our business in Eastern Europe has been affected by the Russian war in Ukraine and in Israel by the terrorist attacks by Hamas. In addition to the severe human suffering that has been and continues to be caused, this has also resulted in economic setbacks for us. But Gebr. Heinemann's diversified positioning enables us to balance some of this out. Our business model is resilient!

Inken Callsen: We now find ourselves in a complex position when it comes to the geopolitical and economic developments as well as cost factors. Additionally, we are managing the strong return to growth. This is a challenging situation to handle. At the same time, we need to work in a more data-based and far more efficient way. The new form of management is to deal with these three challenges at the same time.

Does the Gebr. Heinemann mission statement help to master these challenges?

Florian Seidel: As a globally active family business, our mission statement provides clear orientation of what Gebr. Heinemann stands for. We need our partners and customers to understand this to inspire people around the world together – and turn their travel time into valuable time. At the same time, the mission statement is a living asset of our corporate culture that we continue to fill with life. Part of our vision is to be the most human-centric company in travel retail, and we support our

employees in impressing the travelers in our shops every day. I am very pleased that we have already succeeded so well in involving and inspiring our employees worldwide.

Inken, how much did the supply chain problems caused by the pandemic continue to keep our supply chain organization on tenterhooks in 2023?

Inken Callsen: The supply chain and its global interdependencies have gained enormous visibility due to the effects of the pandemic. Even though we have overcome numerous challenges, such as the lack of products and transport capacities, others are still noticeable, such as cost increases and a shortage of skilled workers. The situation during the pandemic made it clear that the effects of a disrupted supply chain reverberate over the long-term and that problems cannot be solved overnight. We have turned all of this into opportunities and will focus on a transformation of our supply chain backbone into a sustainable, resilient, and the industry's top-performing supply chain.

Inken Callsen, CCO

“Together we want to develop the market with the respective strengths of our partners and create added value for travelers.”



You already emphasized the importance of data-based work. Can you please give us a few examples of this?

Inken Callsen: Data-based work is relevant for all areas of our business. The Travel Retail Data Innovation Group (TRDIG) is stronger than ever and pushes our suppliers to use the data pool to exchange master data of all products. Our fantastic HeiSights tool is available to all suppliers for detailed insights of our turnover and development of categories and products. Last but not least, we are monitoring all prices globally to be competitive and, in addition, activating for our customers.

Let's now look at Gebr. Heinemann's markets. Florian, where did you record the greatest successes in 2023?

Florian Seidel: We were able to celebrate many great successes. At Sydney Airport, Heinemann Australia opened the country's first domestic terminal department store concept. And through our subsidiary Heinemann Americas, we have taken 14 retail venues on board the Icon of the Seas, currently the world's largest luxury liner. In Europe, we have returned to Düsseldorf Airport after a ten-year "break." It's fantastic to be continuing this partnership now. There was another highlight at Oslo Airport, where we designed a completely new shopping experience with our joint venture TRN and celebrated the grand opening in May with a press conference as well as a customer and supplier event. Our location at Istanbul Airport continued to develop at a record level in 2023. With a new partnership at Airport Nürnberg, we further established our smartseller concept, ensuring that we can offer a viable alternative for retail at small and medium-sized airports. We achieved great success in our B2B business, extended existing contracts, and were able to build on our high level of sales.

What new markets did we open up?

Florian Seidel: The Middle East and Africa region is one of our declared growth markets. Here we

have taken a significant first step into the Saudi Arabia region: our joint venture with Jordanian Duty Free Shops and the ASTRA Group won the retail concession at King Abdulaziz International Airport in Jeddah. Together with the airport, we intend to create a unique shopping experience there. We also signed an exclusive contract with Cruise Saudi for their new premium cruise line, AROYA Cruises, the first cruise company in Saudi Arabia.

How and where did Gebr. Heinemann grow overall in 2023?

Florian Seidel: The recent past has shown us just how important it is to diversify our business with its strong pillars of sales and distribution and the various channels. Over the past year, we have also grown through strategic acquisitions, among other things. In the important border-shop sales channel in the Czech Republic, we acquired the shares of our previous joint venture partner, the Unimex Group, and Travel FREE is now our wholly owned subsidiary. We were able to expand our business in the Middle East and Africa region by acquiring all shares in JR/Duty Free in Israel, previously our joint venture partner at Tel Aviv Airport. Both companies have very good economic substance and experienced local management. And these companies give us a deep understanding of the local markets. Gebr. Heinemann's pioneering spirit helps us discover and tap into new regions and to anchor ourselves in the respective culture and business environment of the markets. This is also why we established an office in Dubai at the end of 2023 as our representation in the Middle East and Africa region.

What expectations and objectives do you both have for 2024?

Inken Callsen: We are committed to excellence and our customer-centric approach to drive success. We want to provide the most successful assortment and will continue to negotiate the best terms and conditions, thus ensuring value for our customers, suppliers, and our company. I am

delighted that we have started the year with the new team spirit and I am convinced that our mindset of collaboration, openness, and development will guarantee a successful 2024.

Florian Seidel: We have done a lot of acquisition work in recent months and we will now concentrate for a while on "fixing the basics." At the same time, we have ambitious sales targets. We also see great potential for further growth in Central and Northern Europe, where we have already been successfully active in numerous locations for many years. And from 2024 onward, we will also be supplying airports in Greenland for the very first time.

Florian Seidel, CSO

"A similar set of values is also important for such close cooperation – because at Gebr. Heinemann, we negotiate partnerships and not just contracts."



The Many Faces of Successful Partnerships

Together you are stronger. That's why Gebr. Heinemann works with ambitious partners. Here are some examples from LTC.

Henry Ford once said: "Coming together is the beginning. Keeping together is progress. Working together is success." With this in mind, Gebr. Heinemann fosters long-term partnerships with equally ambitious industry players. To remain innovative, Gebr. Heinemann teams up with partners who are also willing to push boundaries. Productive collaborations show what can be achieved when working together to establish new standards for making duty-free shops exciting, engaging, and inviting places for consumers. Gebr. Heinemann stands for reliable partnerships built on trust. We believe that such a partnership works best when both parties share the same values and vision. Over the years, we have learned that success is not only about achieving individual goals, but also about working together to realize shared visions.

Ruediger Stelkens, Director Purchasing LTC

"Over the years, we have learned that success is not only about achieving individual goals, but also about working together to realize shared visions."



Here are some examples of how Gebr. Heinemann worked with partners in 2023, representative of many other partnerships.

A Century of Success: Imperial Brands Reemtsma and Gebr. Heinemann

The partnership between Gebr. Heinemann and Imperial Brands/Reemtsma is rightly regarded as unique in the travel retail industry. It all began in 1923 when the first order was signed between Reemtsma – now a subsidiary of Imperial Brands PLC – and Gebr. Heinemann. Since then, a lot has happened in the world and in both companies, but the connection has grown.

Aleš Struminský, European President of Reemtsma's parent company Imperial Brands, sums up the recipe for success: "We have always approached opportunities and challenges with a shared long-term vision, which is what makes this partnership so successful and special." When several Gebr. Heinemann stores were forced to close due to the coronavirus pandemic, the company found an uncomplicated and cooperative solution to eliminate excess stock, working very closely with forecasting and replenishment. Opportunities are also quickly identified and acted upon, for example after Brexit, which meant a return to duty-free for the British. Thanks to Imperial Brands' unique portfolio of UK brands, sales in this segment have since increased – an opportunity seized. On April 28, 2023, Imperial Brands invited employees from both companies to a fantastic celebration in Hamburg. Together, they made a toast to 100 years of cooperation. One of the eye-catchers at the party was a huge cake featuring the logo of Gebr. Heinemann. The logo connects the two companies in a special way, as Reemtsma once gave it to Gebr. Heinemann for the opening of the first store in Frankfurt in 1972.

Watch now
The partnership between Gebr. Heinemann and Imperial Brands/Reemtsma started in 1923 – take a look at the milestones of the last 100 years of this successful relationship.





Mondelez: Personalized Gifts in Amsterdam – and So Much More

Gebr. Heinemann offers travelers a spectacular assortment of products. In Amsterdam, the company takes a special approach to fulfilling this promise, as travelers can now personalize their gifts in a unique way. Using the latest technology, a printer allows shoppers to imprint their name or any other text onto the packaging of a Toblerone bar. The “Toblerone Printer” is just one of the many attractions in the shop-in-shop, which opened in May 2023. The store features a comprehensive selection of confectionery and travel retail favorites, and has a strong sense of place, paying homage to Amsterdam with a Dutch windmill-shaped gift station and a cookie section designed to look like a Dutch bakery.

The space was previously used for tobacco. When it became clear that tobacco sales would be increasingly regulated and tobacco would no

longer be allowed on the shelves, the decision was made to convert it into a confectionery space. Top suppliers were invited to pitch and tasked with creating a customer-focused concept for the space. Mondelez’s concept stood out for its sense of place, personalization, multibrand appeal, and digital interaction. Another important factor in the selection process was Gebr. Heinemann’s successful implementation of numerous projects with the Mondelez team, demonstrating their category expertise. The initial results are promising: sales figures are developing very positively, and passengers are responding very well to the exceptional offer.

Jaya Singh, Managing Director of Mondelez International World Travel Retail, said the following about the partnership with Gebr. Heinemann: “We are grateful to our long-standing partner Gebr. Heinemann for working with us to bring our vision of increasing confectionery awareness to life. The result is a unique experience that travelers will remember long after they return home.”

Strong Alliance in the Liquor Industry: Brown-Forman JD Single Malt

Face-to-face meetings are essential for long-term partnerships to thrive, as demonstrated by events such as the TFWA trade show in Cannes. In 2022, Brown-Forman presented the first Jack Daniel’s Single Malt, attracting great interest from the trade. Given that American whiskey is typically blended, an American single malt remains a rarity.



Gebr. Heinemann was able to presell the whiskey to Heinemann x ME members a month before the official launch. The success was overwhelming, with over 1,000 bottles sold in just two weeks. The campaign shows the energy that can be unleashed when the right product is offered through the right channel.

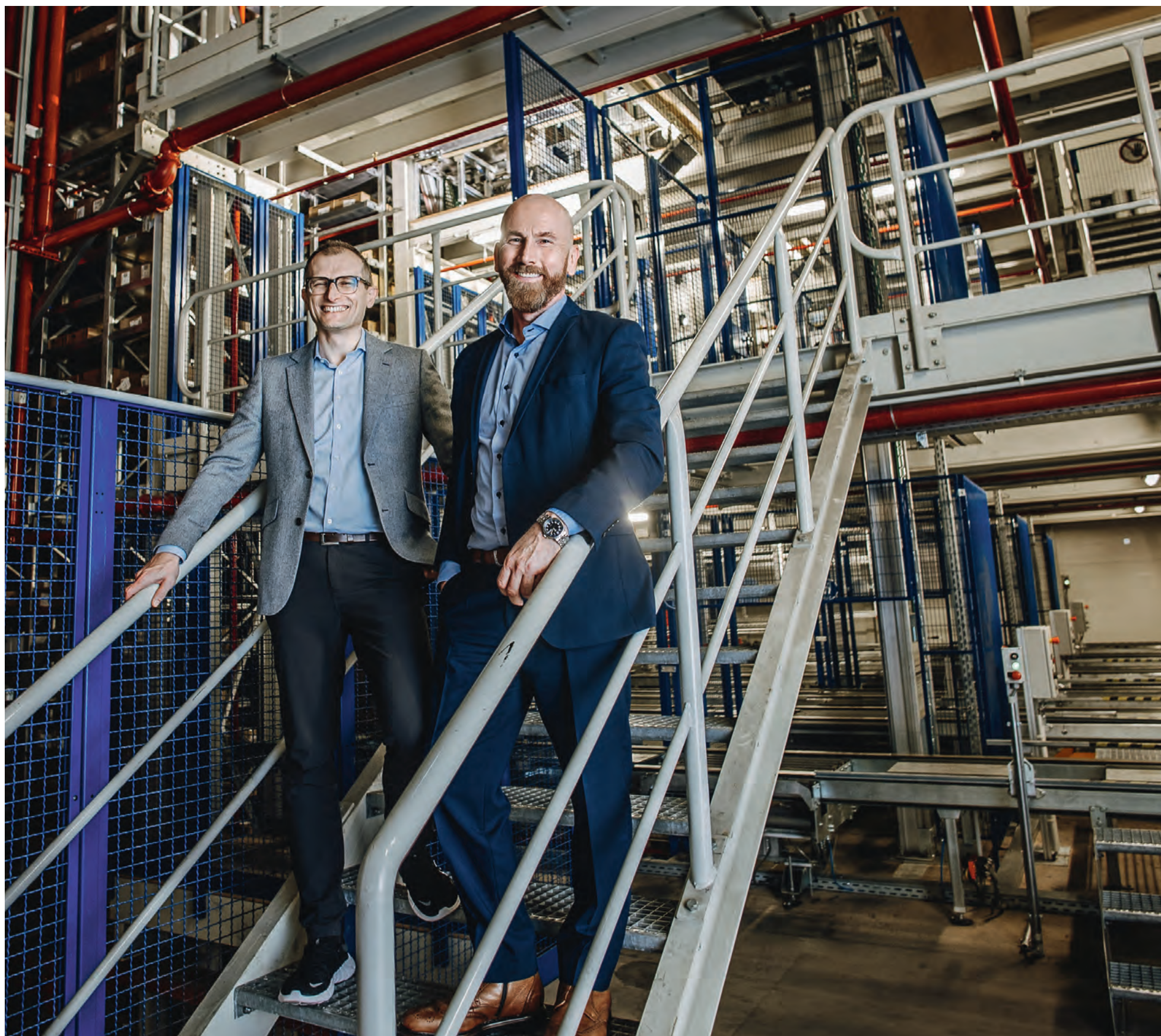
Williams Grant & Sons: Hendrick’s

Gebr. Heinemann also has a long-standing partnership with William Grant & Sons, a family-owned business that shares the same values as Gebr. Heinemann. Their iconic Hendrick’s Gin brand is a constant source of refreshing ideas. In the summer of 2023, a multisensory pop-up space opened at Frankfurt Airport. The first Hendrick’s Gin Perfumery offered an edible cucumber fragrance and cocktail garnish called “Eau de Cucumber.” In August, passengers at Terminal 1 Pier B West were able to experience the fragrance and enjoy it as a spritz over a delicious Hendrick’s Gin & Tonic. Travelers could pick up a phone within the installation to hear the scent at the “Answering the Call of the Unnecessary” station.

Royal Salute for a Strong Bond

Gebr. Heinemann partnerships are always based on a shared vision of offering travelers something special. This was also the case at Sydney Airport, where the Royal Salute Collection was launched in partnership with Pernod Ricard Global Travel Retail. A spectacular Whiskey Zone pop-up showcased the brand’s ultra-prestige category, offering rare and limited-edition expressions for a minimum retail price of USD 5,000. The collaboration marked a significant milestone, as Sydney became the first Gebr. Heinemann location worldwide to unveil the Royal Salute Art Edition. The launch aligns with Gebr. Heinemann’s mission to position Sydney Airport as a key destination for luxury brands.





Collaboration Is Key

In a globalized world, success in travel retail depends more than ever on a modern supply chain.

The Sustainability Summit at the Gebr. Heinemann logistics center in Hamburg-Allermöhe in April 2023 showed what successful collaboration looks like: Heinemann organized a collaborative workshop comprising freight forwarders, truck manufacturers, and innovative start-ups. The aim of the meeting was to brainstorm ideas and jointly develop action plans to significantly reduce CO₂e emissions. This is a burning issue for Gebr. Heinemann, as ambitious sustainability goals are a key part of the company goals. And the supply chain is responsible for a large part of the company's carbon footprint. Martin Borscheid, Director Logistics at Gebr. Heinemann, says: "The way we approach sustainability is the way we approach all our core logistics issues: with a very strong focus on collaboration between all stakeholders. Supply chains and logistics can only work if everyone involved acts as a team player. A shared vision and aligned goals are essential." Gebr. Heinemann also works closely with stakeholders in other areas. For example, more data is being shared. The company has extended the forecast from three to six months, which is an advantage for suppliers as it gives them greater planning security. This achievement is attributed to Gebr. Heinemann's improved data collection and evaluation capabilities.

Taking the Long View Again

“After the challenging years of the pandemic, when many goods were in serious shortage, 2023 was the first year in which we were able to take the long view again,” says Michael Meier, Vice President Global Supply Chain. “During the pandemic, our focus was on short-term crisis management. Now, we have shifted gears to proactively drive growth.” The overall goal is to create a global network that optimizes the flow of goods “end-to-end,” from production at the suppliers to the store shelf. To achieve this goal, the supply chain team constantly analyzes the flow of goods to ensure faster processes, quicker turnaround times, and high levels of efficiency. Sales, purchasing, and the supply chain work closely together on this. Gebr. Heinemann develops sophisticated models to explore various growth scenarios. These models analyze passenger numbers across regions, identify business opportunities, assess potential tender profits, and more. The insights from these models serve as the foundation for a long-term demand model and guide strategic decisions.

Efficiency and Automation in Logistics

Another key lever is efficiency and automation in logistics. A good example of optimized efficiency can be found at the logistics center in Hamburg-Allermöhe, which celebrated its 20th anniversary in 2023 and is still state-of-the-art. There, the warehouse management system was successfully changed to an integrated consistent system landscape. This new, extended warehouse management system now controls the entire flow of goods, from stock planning to storage, picking, and ship-

ping in one system, providing a significant increase in efficiency.

One more example of how Gebr. Heinemann is increasing efficiency can be found on the other side of the globe in Sydney, where more than 70 autonomous mobile robots (AMR) are currently being implemented. These AMRs operate autonomously, navigating around the warehouse and bringing the shelves to the workers. Gebr. Heinemann is also working on efficiency and automation in other areas. For example, the percentage of customer orders received electronically increased significantly in 2023 and now stands at an impressive 84 percent – an increase of about 20 percent over the previous year.

In addition to warehouse technology, the logistics network based on the two central warehouses in Allermöhe and in Erlensee is complemented by regional hubs to reduce transportation distances. In Norway, such a hub was put into operation at the end of 2022; in 2023, these measures proved

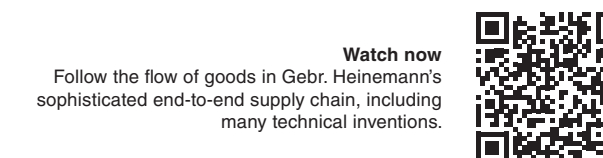
successful: not only did transportation in the Nordic region become faster, but hundreds of thousands of kilometers of transportation between Germany and Norway were saved. And, of course, a significant amount of CO₂e emissions. Other such regional hubs are planned, including in the Middle East and Africa region. This way, Gebr. Heinemann’s global network is being extended and expanded around the world.

Results from the Sustainability Summit Already Evident

A first notable development is the change in the fuel sources for trucks going from Allermöhe to Hamburg Airport and Norway. Previously reliant on diesel, these trucks now predominantly use hydro-treated vegetable oils (HVO), a second-generation biofuel derived from waste and used vegetable oil. This transition is expected to result in a remarkable 90 percent reduction in CO₂e emissions. Furthermore, the integration of e-trucks wherever feasible enhances the overall sustainability of the transportation system.

Significant changes are also underway in the ocean freight division’s refueling practices. Following the summit, a key service provider committed to a project using biofuel sourced from waste feedstocks. Employing a mass balance approach, this initiative aims to eliminate approximately 90 to 100 percent of CO₂e emissions associated with transportation routes. Ensuring transparency, fully traceable biofuel allocations to the cargo maintain the efficiency of the Gebr. Heinemann supply

chain while promoting environmental awareness. Notably, Gebr. Heinemann exported 783 TEUs in 2023, with a significant increase projected for 2024. Martin Borscheid comments: “These are important steps on an exciting journey that show that it is only possible through the power of collaboration.” Michael Meier adds: “We are focused on long-term growth for the future. To achieve this, we are working strategically with our various business partners.”



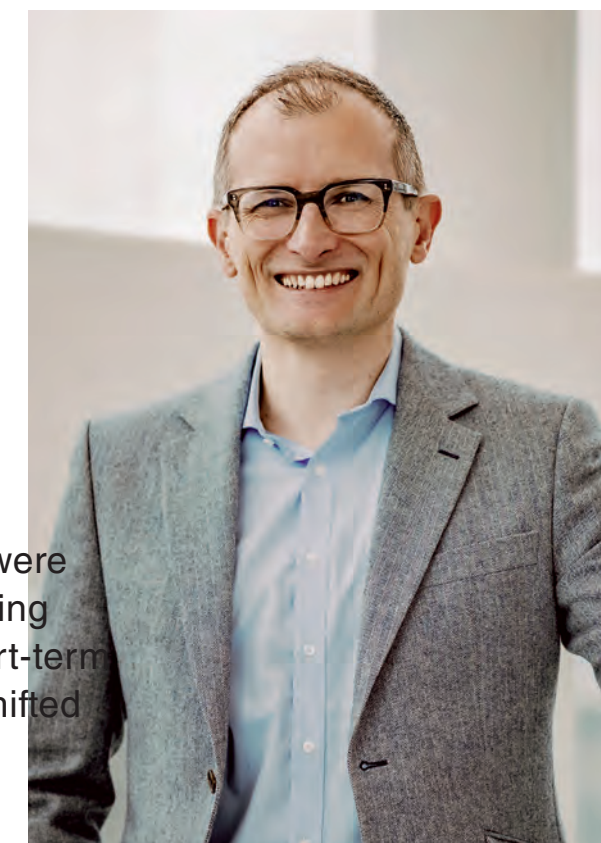
Martin Borscheid, Director Logistics

“The way we approach sustainability is the way we approach all our core logistics issues with a very strong focus on collaboration between all stakeholders.”



Michael Meier, Vice President Global Supply Chain

“2023 was the first year in which we were able to take the long view again. During the pandemic, our focus was on short-term crisis management. Now, we have shifted gears to proactively drive growth.”





“Our Business Model Is Here to Evolve and Expand”

Rajshree Dugar, Chief Strategy Officer Heinemann Asia Pacific, and Nico Reifkogel, Director Business Development Sales, talk about growth opportunities.

Gebr. Heinemann is already a global player – so where do you see further growth potential?

Nico Reifkogel: In the EMEA region, Middle East and Africa is one of our significant growth markets. We have already established successful partnerships there and now aim to expand further. Our special focus will be on Saudi Arabia. We recently won retail concessions for AROYA cruises and Jeddah International Airport. It’s a new market for Gebr. Heinemann, but through this future business, we will gain insights and new contacts. In Africa, we already have a strong presence in our retail joint ventures at airports and as distributors. It’s a dynamic market and in close cooperation with our Sales colleagues, we developed a strategy to evolve in it. We are looking to expand into new markets there in order to exploit distribution and retail opportunities. Generally speaking, diversification across channels is an important cornerstone of our approach to growth. We have in-depth knowledge about various sales channels, so it’s just a matter of finding the right opportunities – the pearls. A significant part of our strategy is to actively diversify from the airport business and to also grow in other channels such as border shops.

Rajshree Dugar: Looking at Asia Pacific, this is the most dynamic market across all industries worldwide. In the past, travelers here accounted for about 37 percent of the world market while the travel retail turnover accounted for 54 percent. So, there is a specific spending differential to Asia Pacific that is higher than in other parts of the world. Together with the expected high passenger growth that makes it a very attractive region. The travel retail markets in Asia Pacific are mixed. There are mature markets like the Oceania region, Hong Kong, and Singapore, while China and India are still evolving and emerging.

What role do the different sales channels play in this diverse region?

Rajshree Dugar: Besides the classic channels like airports, border shops, inflight, cruises, and ferries, in Asia Pacific, it's also about downtown duty-free or duty-free islands like Hainan. The domestic channel is also developing as travel-focused locations are emerging inland. As a valuable travel companion, we can and should reach out to travelers at borders, at airports, and domestically.

Following the extension or acquisition of concessions, there were also new openings and further developments at other Heinemann locations in 2023. Can you give some examples?

Nico Reifkogel: After we were able to extend the contracts at Oslo, Stavanger, and Bergen airports with our joint venture Travel Retail Norway (TRN) in 2021 and win back the concession for the Düsseldorf location in 2022, it was now great to see how we turned the plans and promises from the tenders into a reality. The new tax-free experience at Oslo Airport and the opening at Düsseldorf Airport show how we are taking our retail offer to the next level.

Rajshree Dugar: Heinemann Australia unveiled its stunning new Luxury Beauty, Fashion and Accessories store at Sydney Airport, completely rethinking its store design and world-leading assortment across Fragrance, Skin Care, Makeup,

Watches and Jewelry, and introducing Fashion and Accessories. And we are proud to continue partnering with Sydney Airport on now delivering exciting and unforgettable shopping experiences across all three terminals, as we have opened the first domestic terminal department store concept in Australia.

Airports are still the largest sales channel for Heinemann. How do you partner with them today?

Nico Reifkogel: At Gebr. Heinemann, we maintain open and trusting partnerships designed for the long-term. We want to share the opportunities as well as the risks. That's why we have defined some red lines in response to the pandemic. We are actually experiencing a change in perspective and the willingness to optimize the business models with lots of potential partners.

Rajshree Dugar: We are also actively searching for airport partners that are balanced when it comes to risk sharing, and where there is alignment in our values and joint long-term growth ambitions.

Taking a closer look at the Asia Pacific region: What are some of the unique qualities that are shaping how you approach your expansion plans?

Rajshree Dugar: While Asia Pacific is offering tremendous growth opportunities, it is also a very complex market. There are changes at every border you cross: culturally, politically, in currency, in spending power, in rules and regulations. Let me give you an example: in China, we cannot operate a duty-free business in majority, only a duty-paid business. Whereas in India, it's vice versa. It's all very nuanced and that's why strategy plays such an important role here. Markets are evolving fast – therefore, adaptability is crucial. To have a balanced portfolio, we must prioritize our investments carefully. Our main focus lies on deepening our presence in our key markets Australia, New Zealand, Hong Kong, and Malaysia.

Heinemann in Asia has made some significant moves into the domestic market with domestic airport terminal shops in Sydney and Gold Coast. How do domestic channels fit into the larger regional strategy?

Rajshree Dugar: We have our operational set-up in Australia, Malaysia, and Hong Kong. On top of that, we have offices and logistics in Australia, and because of our long-standing presence there, we fully understand the Australian consumer. So, extending our partnership with the airports from international to domestic is a logical move. All stakeholders, including the brands, benefit from this. From a traveler perspective, this can be compared to the travel value concept in Europe. Early indication suggests that this was a good move. Now, we are looking to expand like this in other countries as well.

Heinemann has recently announced its expansion into New Zealand, a new market, with Auckland Airport, a significant city pair for Sydney Airport. How does Heinemann want to grow in Oceania?

Rajshree Dugar: In our stores in Sydney, the Australians are our major customer group, along with the Chinese and the New Zealanders. We

know their shopping behavior very well. Therefore, the obvious next step is to go to New Zealand. We have actually gained concessions at Auckland in the last few months – for Fashion and Accessories, and Watches and Jewelry. Operations start in the second quarter of 2024. This way, we have an opportunity to get deeper insights into New Zealand travelers and the country's larger luxury ecosystem. Also, we are looking at off-airport developments. Many airports in the region are becoming real estate establishments with hotels and off-airport shopping malls. We are ready to explore these opportunities with our airport partners.



Nico Reifkogel, Director Business Development Sales

“Diversification across channels is an important cornerstone of our approach to growth. We have in-depth knowledge about various sales channels, so it's just a matter of finding the right opportunities – the pearls.”

With AROYA cruises and the tender for Jeddah International Airport, Gebr. Heinemann will enter new markets and channels within MEA. What is significant about them?

Nico Reifkogel: First of all, they are both very important first steps into this region for us. And both projects prove that our industry expertise, broad diversification across sales channels, and the unique Heinemann way in which we approach business opportunities are strong success factors. We had made contacts in Saudi Arabia with a view to taking part in airport tenders when another business case in the form of AROYA cruises came up, Saudi Arabia's first-ever cruise line. Because of our agility and commitment, we became their preferred partner. The retail concession at Jeddah International Airport is, of course, of great relevance to us. We took the right approach and, together with our colleagues from Sales Experience & Excellence as well as Purchasing, developed a vision even beyond what is possible so far. Together with our partners from Jordanian Duty Free Shops and ASTRA Group, we are happy to have provided a strong and convincing offer to Jedco, the Jeddah Airport company. The airport and the cruise retail concessions are important anchor points for us in this new region and we are very excited about the journey ahead.

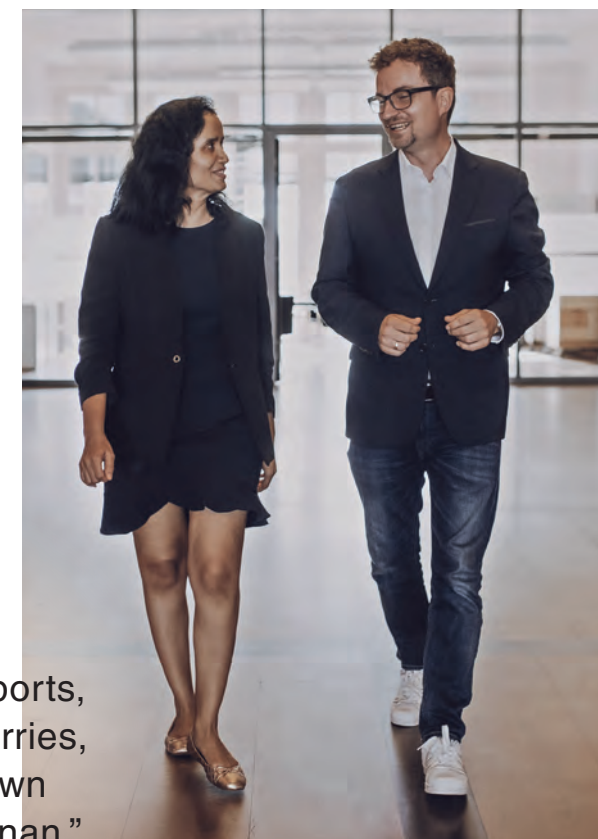
Before we close, let's take a look at the newly established Business Development Sales unit. What is your strategic approach to developing the Gebr. Heinemann business model further?

Nico Reifkogel: The idea behind it is to professionally cover the different phases of the process for the development of new businesses. During the process, we work with specialists of almost every department of Gebr. Heinemann in a highly integrated manner. It is part of our strategy to enter into international partnerships – whether with retail partners, wholesale customers, joint ventures, or landlords. In these cooperations, we always take local requirements and cultural nuances into account in line with our own corporate values. Our Business Development team

works closely with the sales departments of the various markets and sales channels to position ourselves as a value-adding player in travel retail. We also act closely aligned with the Business Development of our global network in Asia Pacific and in the Americas. This allows us to make use of our regional know-how which – as Rajshree has pointed out – is key to meet our international ambitions. Many new opportunities are visible out there. And ours is not merely a strategy about regions and channels. Our business is here to evolve and expand – also into new business models.

Rajshree Dugar, Chief Strategy Officer Heinemann Asia Pacific

“Besides the classic channels like airports, border shops, inflight, cruises, and ferries, in Asia Pacific, it's also about downtown duty-free or duty-free islands like Hainan.”





Kia Ora, New Zealand! A New Chapter Begins in Oceania

The expansion into New Zealand represents a natural next step in deepening Heinemann's influence in the region.

In 2024, Heinemann will take a significant step in the Asia-Pacific region by entering the New Zealand market for the first time. New luxury boutiques selling fashion, accessories, watches, and jewelry will open at Auckland International Airport in the second quarter of 2024. "We are bringing our learnings and insights from operating the duty-free concession at Sydney Airport and Gold Coast Airport to curating the best possible offer for Auckland Airport passengers. Our team in Australia already has a lot of experience with New Zealand passengers, as they are one of our most important nationality groups, and so we are extremely well placed to support our new business in New Zealand alongside a dedicated team on the ground," says George Tsoukalas, Managing Director of Heinemann Oceania.

There are 84 direct flights between Sydney and Auckland every week, with both airports serving as the primary international gateways of Australia and New Zealand respectively. Travelers from New Zealand are the third-largest customer group of Heinemann's Sydney Airport stores, after passengers from Australia and China. The new Auckland

business will also benefit from Heinemann's growing and much-enhanced FAWJ expertise and brand offering in the Asia Pacific region. In early 2023, Heinemann Australia unveiled a spectacular redesign of its Sydney Airport duty-free shop, transforming its retail space comprising luxury beauty, fashion, accessories, watches, and jewelry. New stores and boutiques prominently featuring FAWJ assortments also opened in Singapore as well as in Sydney and Gold Coast Airports' domestic terminals in 2023.



George Tsoukalas, Managing Director Heinemann Oceania

A Fresh Identity for Fresh Ambitions

Following the announcement of its expansion across the Tasman Sea, Heinemann took a next step to rebrand and reorganize Heinemann Australia Pty Ltd into Heinemann Oceania Pty Ltd in order to reflect its entry into the New Zealand market and its strategic focus on this key global region.

In November 2013, Heinemann established its first foothold in Australia with the opening of two specialized retail concepts – A Little Something and the National Geographic Store – at Sydney Airport. It subsequently won the concession for Sydney Airport's duty-free shops (with over 10,000 square meters in space) at its Asia Pacific flagship location and then the duty-free concession for Gold Coast Airport. "As a large, highly developed economy with many passionate travelers, Australia has always been a strong anchor for us in Asia Pacific. After a decade of experience in the market through our outposts in Sydney and the Gold Coast, we are now well-positioned to extend our reach further abroad in the Oceania region," says Marvin von Plato, CEO Heinemann Asia Pacific.

Oceania is a dynamic region comprising Australia, New Zealand, and the Pacific Islands including Fiji, Papua New Guinea, Palau, and others. Close interpersonal, cultural, and trade ties link the different countries. In 2022, nearly 20 percent of all overseas trips by Australian residents were made to New Zealand and Fiji alone, while more than 63 percent of New Zealand's overseas visitor arrivals were from the Oceania region. "New Zealanders represent our largest expat community in Australia. As our close cousins from across 'the ditch,' our philosophy and lifestyles are also very similar," says George Tsoukalas, referring to the Tasman Sea, which connects Australia and New Zealand.

As for the larger Oceania region, George Tsoukalas says that Australians are "blessed" to have the Pacific islands in their backyard. "Many Australians have a strong emotional connection to them as a frequent holiday destination for many families, with such warm and welcoming communities."

The Oceania region is investing significantly in new airport developments, including greenfield projects, new runways, and terminal expansions and redevelopments in order to meet ever-increasing passenger demand and expectations, representing tremendous opportunity for travel retail. For instance, Western Sydney Airport is slated to commence operations in 2026 – and Gold Coast Airport is in the midst of a 500-million-Australian-dollar transformation, a project that has benefited Heinemann through an expanded and elevated retail footprint in both international and domestic terminals.

What's Next?

In March 2023, Auckland Airport announced the commencement of its biggest redevelopment project since the airport opened in 1966, a major expansion of the existing international terminal to accommodate domestic flights into one integrated building. This is a significant growth journey that promises to considerably upgrade the passenger experience and is one that Heinemann Oceania intends to be a part of. "Our experience in Sydney has shown that we are able to strongly grow in an airport from a relatively small footprint once we have developed a track record and gained some

key market insights. We are very much looking forward to growing and upgrading our own operations as a key partner alongside Auckland Airport," says George Tsoukalas.

George Tsoukalas also sees distribution opportunities in the Pacific, where Heinemann can deliver value for customers through its track record of operational excellence and deep knowledge of the Australian consumer, a top traveler in the Pacific islands in terms of demographics. Maximizing revenue opportunities for smaller airports and elevating the overall passenger experience will be key to capturing the full growth potential of the Pacific's significant travel and tourism industry and contributing to local economies. "With our new organization in Oceania, we are sending a strong signal to the industry that we are here to stay and are growing alongside our partners," concludes Marvin von Plato. "As we consolidate our presence in the region, we are confident that we can not only serve our customers better, but also reinforce our brand presence and credibility over the long-term."



Marvin von Plato, CEO Heinemann Asia Pacific



Watch now
A day to celebrate: be a part of the official launch of the new domestic terminal store at Gold Coast Airport.





Ten Years Later and Even Greater

Heinemann is back at Düsseldorf Airport with four custom-designed shops and a “Test & Learn” pilot project.

Between January and September 2023, Heinemann redesigned and then opened a total of four Duty Free and Travel Value Shops at Düsseldorf Airport. After a ten-year hiatus, Heinemann is back! In order to bring the new store concept to life, Heinemann celebrated its homecoming to the airport in September 2023; representatives of Düsseldorf Airport and the international media were present. There was also a party for the employees in the evening to thank them for their hard work and dedication.

Tobias Bechinger, Sales Director Western Europe, explains: “The conversions took place over a period of several months during ongoing operations, which required very precise planning and also an enormous amount of effort. But it was worth it: an extraordinary and individual store design meets a spectacular assortment. We are delighted to be able to offer travelers in Düsseldorf unforgettable shopping experiences again after ten years.”

Custom Designs for a Versatile Shopping Experience

A strong regional focus, sustainable furnishings, and a high degree of flexibility take center stage for Heinemann in Düsseldorf. The new shops are inspired by the Rhine metropolis of Düsseldorf and its surrounding areas. Every one of the four shops has a different look and offers a different product range – adapted to the target groups of each shop location. For example, the non-Schengen shop in Pier C, spread across 1,300 square meters, is modeled after the famous Düsseldorf boulevard Königsallee. Nicknamed “Kö,” this shopping avenue is lined with flagship stores and showrooms of global designer brands. This is also what travelers can find at the Heinemann shop – a large assortment of premium brands, such as Chanel, Dior, and Lancôme, with their own personalized areas. The shop on level 1 at Pier B on the other hand, is centered around “urban chic.” Here, the focus is on the young and vibrant image of Düsseldorf, reflected for example in the large and colorful graffiti artwork by the shop entrance. All of the shops have a combined area of around 3,700 square meters.

A Spotlight on Regional Products and Emerging Brands

The strong connection to Düsseldorf is reflected in the range of products on offer. Regional brands, such as Killepitsch, Rhein Gin, and Siegfried Gin, are on sale under the “Local Heroes” category. The airport is also a key location for new concepts by Heinemann, such as the “Test & Learn” pilot project. New brands, for example, known only on social media so far, have the opportunity to present their products to travelers for a limited period of time, giving them an opening into the travel retail market. For shoppers, this is a genuine highlight as it enables them to discover products from brands like Transparent Lab, Theramid, or Acnemy, which are usually not found in travel retail or are only available at a very limited number of locations.

Gordana Schiel, Managing Director Heinemann Düsseldorf, says: “The implementation of new ideas and concepts is only possible in a trusting and constructive partnership, where both parties really want to work together. Düsseldorf Airport is such a partner. It is one of our goals to attract new target groups, such as millennials and Gen Z, with social-media-driven brands to change their perception of duty-free shopping as an outdated pastime.”



Tobias Bechinger, Sales Director Western Europe

“An extraordinary and individual store design meets a spectacular assortment. We are delighted to be able to offer travelers in Düsseldorf unforgettable shopping experiences again after ten years.”



Watch now
The night of the shop takeover at Düsseldorf Airport was busy and very emotional.





Impression of potential future travel retail venues in Saudi Arabia

MEA – the Region of Opportunities

A solid foundation to capitalize on opportunities for further growth.

The Middle East and Africa (MEA) is a diverse region that offers a wide range of opportunities for the travel retail market as a whole and for Gebr. Heinemann in particular with its unique business approach.

The MEA region is already a key pillar in Gebr. Heinemann's global business, with the top locations at the airports in Istanbul and Tel Aviv, as well as the business of the Gebr. Heinemann joint venture Big Five in South Africa, leading the way. The border-shop operations and the business with diplomats also play a significant role and contribute to the diversification of the company. Despite challenges affecting several markets in the region, such as high inflation, currency devaluation, and geopolitical conflicts, Gebr. Heinemann's business performed very well in 2023. "We are very satisfied with the results for 2023, as we were able to achieve double-digit growth in the Middle East and Africa – both in retail and distribution," comments Bernard Schlafstein, Director Sales Middle East and Africa, who is responsible for this region with his team. He adds: "In addition to our existing business, we are pleased to have signed 14 new clients in 2023 and are now preparing to enter the Saudi Arabian market with our partners."

Investments into a Growing Business

As the business is performing well, Gebr. Heinemann also invested further in the region – either on its own or together with reliable partners. A key investment was the acquisition of all shares in JR/Duty Free in Israel. Gebr. Heinemann always saw great potential of the Israeli travel retail market and therefore decided already before the terrorist attack by Hamas on October 7, 2023 to start negotiations for taking over the shares of JR – after it became clear that the previous partner decided to withdraw totally from the travel retail business. Gebr. Heinemann stands fully behind its



business in Israel and all its employees. “The events in October 2023 were dramatic for our colleagues, many of whom were personally affected, as well as for all Israelis, but we strongly believe in the future of our business,” states Bernard Schlafstein.

In addition, Gebr. Heinemann made several other investments to improve the shopping experience for travelers. To give just some examples: In Zambia, Gebr. Heinemann invested in new shops and, together with its partner Seychelles Trading Company (STC), a long-standing distribution customer, improved the shopping experience for travelers at the arrivals duty-free shop at Seychelles International Airport. In Turkey, Gebr. Heinemann, together with its partner ATU Duty Free, expanded its investments beyond Istanbul Airport and opened a Luxury Square and an Old Bazaar store at Dalaman Airport. Additional investments and new market entries are planned for 2024 and beyond. A key driver of these ambitious plans is the positive economic outlook for the Middle East and Africa – both in general and specifically for the travel retail industry.

Increasing Passenger Numbers and Purchasing Power in the MEA Region

According to Airports Council International (ACI) Asia-Pacific and Middle East, airports in the Middle East are expected to handle 1.1 billion passengers by 2040. This represents a significant increase of nearly 300 percent from the combined traffic they handled in 2019 (405 million). Significant investments in infrastructure are required to accommodate this growth in the future. Already today, countries in the regions are making large investments in constructing new airports. This outlook, combined with an attractive spend per PAX from passengers in the region, will provide several opportunities for the travel retail sector. In addition, there is also room to grow business in other sales channels such as border shops. For Africa, a key driver will be the significant increase in purchasing power expected by the UN for the continent’s mid-



dle class in the years to come. This overall development, combined with the growth of the aviation industry across the continent, will provide great opportunities for the travel retail industry at airports. In addition, the African continent continues to provide great potential for further growth of the border-shop business. The biggest hurdle to overcome is regulations and matters of insurance allowances. But this does not diminish the opportunities Gebr. Heinemann sees for its business.

Gebr. Heinemann Is in a Strong Position

Overall, Gebr. Heinemann is in a very strong position to benefit from this positive outlook for the MEA region for three reasons:

1 — A Strong Basis

Gebr. Heinemann already has a strong presence in the MEA region and is an established player in the traditional retail business at airports such as Istanbul and Tel Aviv, as well as those in South Africa. In addition, the company is active in more than 30 countries in Africa and has a significant standing in the distribution business across the continent, for example in countries such as Mauritius.

2 — Individual Approach

Like no other company in the industry, Gebr. Heinemann knows how to develop individual solutions for and with its customers and partners. This is often done together with local partners, so that knowledge of the particularities of the respective market can be combined with the strength of an internationally active specialist in the international travel retail market. Gebr. Heinemann provides a variety of tailor-made business models and is particularly strong in the area of logistics, from which many customers and partners benefit.

3 — Being Close to the Markets

Close relationships with the customers and partners are highly valued at Gebr. Heinemann. Everyone in the company works hard to live this spirit and to invest in long-term partnerships on equal terms. To be even closer to the market, Gebr. Heinemann has decided to open a representative office in Dubai. This will allow for even closer contact with existing partners as well as being a driver for new business opportunities in the region.

“We believe that we are in a very strong position to grow our business in the MEA region in the years to come. But we are not only aiming for pure revenue growth. It is important for us to establish good long-term partnerships and to minimize risks by diversifying our business both geographically and in terms of business channels. That is why entering new markets – as we are currently working on for Saudi Arabia – as well as looking for new opportunities to expand the border-shop business will remain key for us in 2024 and beyond,” concludes Bernard Schlafstein.



Bernard Schlafstein, Director Sales Middle East and Africa

“We believe that we are in a very strong position to grow our business in the MEA region in the years to come.”

TRAVELERS

“We excite humans.”

Providing unexpected experiences, surprising with unique personal encounters, and satisfying both essential needs and heart's desires are the cornerstones of Gebr. Heinemann's commitment to being a valuable travel companion. The mission of excitement starts even before passengers book their flights and continues well after they return home.



On Course for Success: The Cruise Industry Is Back in Business

Shopping on a cruise ship is different from shopping at the airport. Gebr. Heinemann has capitalized on the advantages, making 2023 a successful year.

Full speed ahead! That was the motto of the cruise industry in 2023. After a difficult period during the pandemic, where about half of the industry's employees lost their jobs, cruises are now making a strong comeback. Worldwide, more than 20 million passengers took to the seas again, and the trend is rising. Gebr. Heinemann currently supplies around 170 cruise ships.

Shopping on Board: Little Space – but an Ocean of Time

The company can look back on pleasing successes and significant milestones in the cruise business. The key to success has been tailoring the store to the needs of the cruise industry. There are several features that characterize shopping on board, and the differences from the airport are significant. Most importantly, passengers have a lot of time on board, but there is only little space for stores and products. Every square meter has to be used optimally.

The time factor, however, is different: passengers at the airport are usually in a hurry and want to fill their shopping baskets quickly. Efficient self-check-out systems are welcome. On a ship, passengers have time to browse and seek advice. The length of time spent on board allows the sales staff to develop a close relationship with the passengers. This is particularly helpful where impulse purchases are not made, such as in the luxury segment.

There is also time for retailtainment activities on board. Gebr. Heinemann, for example, offers workshops on the high seas where whiskey or watches are presented, courses in scarf tying or hand care, and fashion shows by the pool. These activities should not be mere sales shows, but must meet a high standard to compete with the entertainment on board.

In addition to space and time, there are other factors that influence sales on a cruise:

— **Personal Shopping vs. Gifts:** People who shop on board are usually shopping for themselves. At the airport, gifts for family and friends predominate.

— **Logistical Challenges:** Ships are only in port for a short time, so deliveries have to run like clockwork and take into account country-specific requirements.

— **Individual Passenger Profiles:** Each cruise line and itinerary has a unique passenger profile that must be taken into account when selecting the product range. As a retailer, you need to understand the demographics on board. Families require a different approach than silver-agers. Gebr. Heinemann develops the right sales concept for each individual case.

— **Promotions vs. Port Shopping:** Promotional programs must be able to compete with port shopping, e.g., through special offers on the first day.



Kerstin Schepers, Managing Director Heinemann Cruise Liner Global GmbH Retail, says: “At Gebr. Heinemann, we are in an excellent position to serve practically all of these points. We define ourselves as the most human-centric company in global travel retail. Responding to the needs of passengers is therefore part of our DNA; our impressive employees are the key to our success. They do everything to ensure that not only the cruise is an unforgettable experience, but also the visit to our stores.”



Successes on All Oceans in 2023

Among the notable successes in 2023 is the expansion of the partnership with the Royal Caribbean cruise line, one of the largest in the world: Gebr. Heinemann, through its wholly owned subsidiary Heinemann Americas, has partnered to operate 14 travel retail venues on board the new ship, Icon of the Seas. This is the fourth Royal Caribbean ship awarded to Gebr. Heinemann. The company also operates on board Wonder of the



Seas, Odyssey of the Seas, and Independence of the Seas. Guests on board the Icon will enjoy a customized, one-of-a-kind retail experience designed to reflect the uniqueness of Icon of the Seas. This introduction of new elements to the cruise retail space, spread across four decks, with customized displays and installations will enhance the high-quality and innovative shopping experience, bringing to life the spectacular assortments of perfume and cosmetics, liquor, tobacco and confectionery, watches and jewelry, fashion apparel, accessories, and more. Nicolas Hoeborn, Managing Director Heinemann Americas, says: “We are delighted to continue to expand our trusted partnership with Royal Caribbean, and we look forward to making Icon of the Seas another flagship of our retail activities.”

With regard to the partnership with Royal Caribbean, it is important to highlight the success of the Odyssey of the Seas during the summer season. The ship with seven Gebr. Heinemann stores on board recorded an impressive 50 percent increase



in sales while cruising in European waters. This is mainly due to the higher proportion of Americans who traveled again in 2023, including in European waters.



Signing the contract (from left): Lars Clasen, CEO Cruise Saudi, Raoul Spanger, Co-CEO Gebr. Heinemann, Kerstin Schepers, Managing Director Heinemann Cruise Liner Global GmbH Retail



Oliver Gottschling, Sales Director Inflight & Cruises EMEA and Kerstin Schepers, Managing Director Heinemann Cruise Liner Global GmbH Retail, at the Saudi Tourism Forum in Riyadh

A major success of the year was winning the AROYA contract: Gebr. Heinemann will operate a total of seven stores on this new, extremely impressive cruise ship. The AROYA is the first ship of the newly founded Cruise Saudi. At 1,670 square meters, the sales area will be the largest on any cruise ship in the world. FAWJ will be the most important sales category, accounting for around 70 percent of total sales. This new partnership signifies an important expansion of Gebr. Heinemann's presence in the Arabian market. Another milestone of the year was the launch of pre-owned leather from exclusive brands in numerous stores on American ships in May 2023: the market is currently booming. By 2024, pre-owned leather will also be available on European ships. Not only is pre-owned leather popular with passengers, it also aligns with Gebr. Heinemann's commitment to sustainability. By buying a pre-owned handbag, you are discouraging the production of more handbags (i.e., more waste) and extending the life cycle of that particular item.

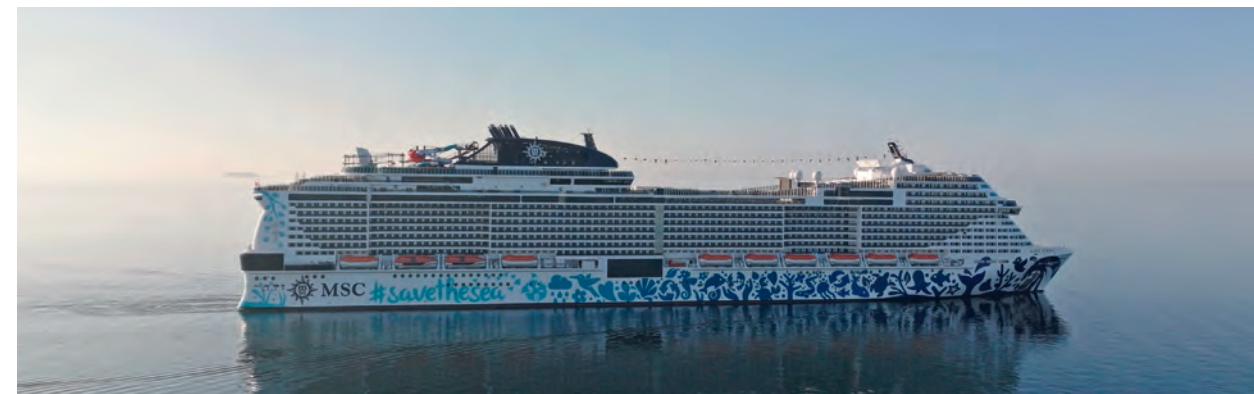
There have also been significant successes in the wholesale segment. The shipping company MSC is on course for significant growth and will continue to be supported by Gebr. Heinemann. The partnership is based on a close personal relationship. When the MSC Euribia was christened by Sophia Loren in Copenhagen in the summer of 2023, Gebr. Heinemann was one of the sponsors of the event. Claus Heinemann took the opportunity to personally congratulate MSC and the ship's captain. Together, Gebr. Heinemann and MSC are already planning the shops for the next ship, which will be launched in early 2025.

An important new deal was negotiated with Harding, Gebr. Heinemann's second-largest customer in cruise wholesale. Heinemann has been supplying Harding+, an operator of stores on cruise ships, on a total of 74 ships. Beauty is the most important category and Gebr. Heinemann now also supplies Dior, one of Harding's best-selling brands.

Gebr. Heinemann has secured a significant new customer, Costa, a key player in the cruise market. This achievement was realized in record time – just five weeks from the initial contract discussions, creation of master data, to the selection of product ranges and the first delivery. Georg Fleischer, Senior Sales Manager for Cruises Wholesale, says: “By quickly establishing this business relationship, we have solidified our reputation as a dependable and efficient partner, laying a strong foundation for the future in our close collaboration



In summer 2023, Sophia Loren christened MSC Euribia in Copenhagen.



with Costa. It's exciting to see how we are driving the business forward with expertise, a strong customer-centric approach, and a lot of energy.”

Positive Trend Set to Continue

And what does the future hold? Kerstin Schepers and Nicolas Hoeborn are confident that the positive trend in the cruise sector will continue. “Our focus on luxury items and adapting to individual passenger profiles will continue to be key success factors,” says Nicolas Hoeborn. Kerstin Schepers adds: “With our human-centric philosophy, we can inspire passengers on board and offer real added value that promises growth in the future.” For the wholesale segment, Georg Fleischer says: “We are continuously succeeding in expanding our business as a distributor. In doing so, we work closely and in partnership with shipping companies and suppliers.”



Georg Fleischer, Senior Sales Manager Cruises Wholesale



Nicolas Hoeborn, Managing Director Heinemann Americas



Unforgettable, Inspiring, Personal

Sales Experience & Excellence division
brings innovation to the retail space.

Whether it was the premiere of a multisensory Experience Space in the TAX FREE shop at Copenhagen Airport, convenient checkout solutions, or a retail trend tour with distribution customers and partners, Gebr. Heinemann drove forward many innovative ideas in 2023. All of them serve the goal of bringing to life the travel retailer's promise to offer unforgettable experiences to travelers, distribution customers, and partners. The new Sales Experience & Excellence division, responsible for store design and customer experiences, plays a key role in this.

Positively Anchoring the Image of Duty-Free with Unforgettable Experiences

In a highly competitive market, where online retailers and local players are wooing consumers with often aggressive price offers, it is more important than ever to provide travelers with tangible added value alongside attractive offers. Gebr. Heinemann has anchored this goal in its mission statement and promises to help turn travel time into valuable time with unforgettable experiences. "We want to attract attention and create experiences and innovations that people visit our shops for and talk

about," explains Sören Borch, Director Sales Experience & Excellence. The new customer groups among travelers, such as Gen Z, are also generally very interested in shopping in retail stores. Feeling, seeing, tasting, smelling, and touching products – as well as personal interaction with sales staff – are important to them. For these customer groups, the experience factor is paramount. Sören Borch adds: "The aim is to positively anchor the image of duty-free and travel retail in the minds of these travelers, to achieve high visibility in the market, and to set Heinemann apart from the competition. That's why we create space for new ideas and ensure that our shops are perceived as destinations."

Stakeholders Have High Expectations in Terms of Experience and Innovation

Expectations for innovation and shopping experiences in travel retail are high, both for travelers and for distribution customers and partners. Sören Borch emphasizes that the addition of "Excellence" to the division's name underscores the high standards of service that Gebr. Heinemann brings to travel retail – always striving to be the retailer and

distribution partner of choice. “Bringing real innovation to the store floor requires not only ideas, but also a willingness to try things out,” says Sören Borch. “Domestic retailers have been doing both very successfully for years, and our aim is to learn from the best. This is how we came up with the idea for the Retail Experience Trend Tour.”

Gebr. Heinemann invited business partners from ferry operators, border shops, and airports in Europe and Africa on a tour of London’s stores and shopping centers to explore how domestic retail innovations could enrich travel retail. As the British capital is the epitome of trends, genuine shopping experiences, and a diverse clientele, London was the perfect place to gain a wide range of insights into the latest developments shaping the retail landscape. Sören Borch concludes: “We have gained valuable impetus for our projects and plans. Now we want to work with our partners to bring them to life for travelers.”

Experience Space in the TAX FREE Shop at Copenhagen Airport

The first Experience Space in the TAX FREE shop at Copenhagen Airport is an impressive demonstration of what such a new and unique concept can look like. Gebr. Heinemann launched this multisensory space at the airport in the Danish capital in October 2023. In July, the travel retailer and Copenhagen Airport extended their successful collaboration, which began in 2007, for another ten years. Centered around the overarching concept of fluid perspectives, the Experience Space invites travelers to enjoy cutting-edge innovation with “lift and learn” technology to gain more insights into brands and their products, interactive digital screens, and a digital floor, as well as highly immersive visual and audio elements. One step on the floor of the TAX FREE shop at Copenhagen Airport and travelers can see the water moving beneath them. A wave of the hand and the water on the digital screens around them changes its direction of flow. When the model of a drop of water is lifted, the screens show details about the



important role of this element for Denmark – accompanied by the soothing sound of flowing water. Five brands showcase their products in this space, demonstrating their connection to water and the environment. The brands featured in the Experience Space are changed regularly, and the space is designed to constantly reinvent itself in order to keep up with changing consumer expectations. “The brands in this Experience Space benefit from a higher footfall, as do the brands and product ranges in the adjacent areas,” says Sören Borch, assessing the initial phase of the new concept at Copenhagen Airport.

Watch now
Take a tour with us through London’s stores and shopping centers to explore how domestic retail innovations could enrich travel retail.



Sales Experience Covers the Factors “Convenient, Inspiring, and Personal”

Reinterpreting travel retail and offering added value that customers will remember and that will keep them coming back is also of crucial importance beyond an Experience Space. There is immense potential here, as Heinemann tailors shopping to the different needs of travelers with the three factors “convenient, inspiring, and personal.” In addition to providing unforgettable experiences, the company also initiated new convenient solutions in 2023 – for example, in the form of more than 50 self-checkout tills that customers can use if they need to check out particularly quickly. Furthermore, employees at three locations were equipped with mobile checkouts. They are mainly used in areas with particularly high-quality product ranges, thus enabling personal advice together with individual checkout processes. Of course, the impressive employees with their personal approach also contribute significantly to creating unforgettable shopping experiences.

Following the successful launch in Copenhagen, the Experience Space will also inspire and delight travelers at other airports soon. And the Sales Experience & Excellence division has even more surprises for travelers in store – like bringing the collaboration with Vivino, the world’s largest online marketplace for wines and most downloaded wine app, to the wine sections of the Heinemann Duty Free shops.

Sören Borch, Director Sales Experience & Excellence

“Bringing real innovation to the store floor requires not only ideas, but also a willingness to try things out.”



Watch now
Visit Gebr. Heinemann’s first Experience Space at Copenhagen Airport.



An Answer to Every Consumer's Needs

On the rise: the FAWJ category holds great potential – and Gebr. Heinemann wants to lift it.

It is already a success story: despite challenging times, the Fashion, Accessories, Watches and Jewelry (FAWJ) category at Gebr. Heinemann has recorded double-digit annual growth rates over the past decade. And there is no end in sight to this development. Jan Richter, Director Purchasing FAWJ, explains: “We have successfully rolled out our expansion strategy for the FAWJ category in recent years. An important part of this is to position ourselves within a marketplace structure wherever possible. We are implementing our well-known retail formats, which range from core duty-free to multibrand concepts, often located in adjacent areas, to monobrand boutiques, through all segments from commercial to luxury. We have already successfully introduced this strategy at Istanbul and Sydney Airport, for example.”

Bringing Unforgettable Experiences to the Floor

One trend that Jan Richter recognizes in the core duty-free sector and for which he sees the FAWJ category as a strong driver is the shift toward premiumization. Consumers are no longer focusing exclusively on price advantages and availability but want an exciting and surprising assortment

and unforgettable shopping experiences. One example of the successful combination of shopping and entertainment was the launch of the new and limited Hugo Boss Bottled Pacific scent, that went along with a cross-category promotion at Frankfurt Airport in May 2023. Travelers were able to experience the world around Boss Bottled Pacific as the perfume, Boss watches, Boss sunglasses, and Boss fashion items were presented together. Additionally, the travelers could enjoy Californian summer vibes by stepping on a surfboard and ride the waves with the help of virtual-reality glasses.

The desire for individual and unforgettable experiences is a trend that is here to stay – and one that creates space for new concepts. Donna Turner, Senior Purchasing Manager Watches and Jewelry at Heinemann Asia Pacific, says: “If we look at long-term shifts in the FAWJ category, experience has been something that the consumers valued more post-pandemic, and we see that reflected in brands’ strategies. Especially luxury brands are investing in luxury hotels, food and beverages, sports events, and other collaborations to drive engagement. The product is almost a tangible memento from that experience. This is some-

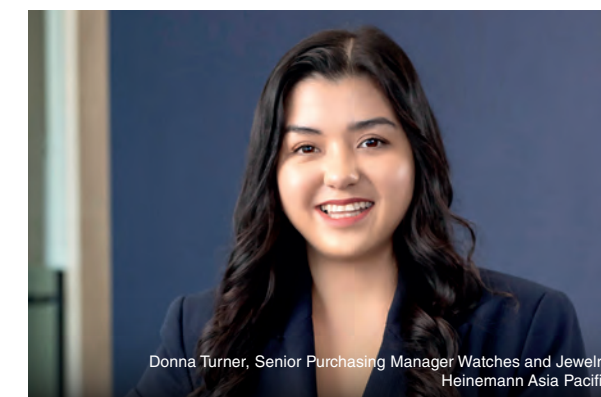
thing that, long-term, we would like to recreate in an airport environment.”

“Total Looks”: a Tailored, Customer-Driven Approach

The Boss promotion was also in line with the emerging trend that travelers are focusing more on total looks instead of single items or categories. At Frankfurt Airport, the FAWJ space was significantly expanded at the end of 2022. With a focus on strengthening the commercial and premium segment, a ready-to-wear area and a large sunglasses area were added, both of which are performing very well. The concept offers a high degree of flexibility to respond to significant trends and curate themes that especially attract a younger target group. “Consumers want to combine products from many different brands, and we provide them with the ideal spaces for that. It is our task and our opportunity as a retailer to curate the range and develop tailored offers. Evidently, consumers are very receptive to the ‘everything under one roof’ principle, which is one of our USPs as a retailer,” says Jan Richter.

Whatever the concept, it always has to be challenged and kept up-to-date. In the Asia Pacific region, the Heinemann team has done just that and clearly shifted to a more regionalized approach within the FAWJ category. Donna Turner explains: “In locations like Sydney and Kuala Lumpur, we have really tailored the concept to our passenger base. There’s a great opportunity through the redevelopment of the FAWJ area at Sydney Airport international duty-free as well as the new shops in Sydney and Gold Coast Airport’s domestic terminal to redefine the brand assortment and strategy for the local consumer, while still serving our traditional core demographics.”

Compounding the need for a comprehensive and evolving product range is the level of discernment among shoppers in Asia. Consumers know exactly what they want in terms of product, experience, and service level, which means brands are having to work harder to create a unique selling point. “It’s



very competitive in the region from a price and assortment perspective, as there is a significant amount of market saturation,” says Lan Anh Nguyen, Senior Purchasing Manager Fashion and Accessories at Heinemann Asia Pacific. “Customers compare more and have a stronger reliance on digital marketing.”

The category footprint in the Asia Pacific region was further expanded with the domestic airport stores in Sydney and Gold Coast. Here also, the aim was to cater specifically to the passenger profile, with an emphasis on creating total looks to make shopping easier for the consumer. “We are featuring casual wear and athleisure in the domestic stores for the first time, aligned with the traffic and passenger mix. It’s a department store look and feel, so we can be more consumer-centric, rather than only brand-focused,” says Lan Anh Nguyen.

“Local brands have been extremely important, particularly in the new domestic airport stores where they are a big focus to create a sense of place and to meet the passenger profile. For instance, the fashion assortment in the domestic store at Gold Coast Airport is entirely local brands,” Lan Anh Nguyen adds. “We are also expanding our affordable luxury portfolio to align with how we see the trends are going. There is definitely a global shift where consumers are much savvier and more discerning about value, so we are doing a lot of work to build a portfolio that will be durable in the long-term.”

A More Circular Retail Model

Sustainability is another topic that is here to stay. “Worldwide, approximately 80 billion items of clothing are produced each year, which is enough to fill every wardrobe and of course also has an impact on the environment. We have to be very sensitive and responsible about this and implement concepts of circular and pre-owned fashion, accessories, watches, and jewelry. On the one hand, as a retailer and distributor, we naturally want to generate revenue, but at the same time,

we see it as our responsibility to act sustainably,” says Jan Richter.

Gebr. Heinemann is planning in the short-term to cover a significant part of the global FAWJ business with pre-owned items. “The pre-owned category holds particular significance in the American market,” said Irina Bezsonoff, Director of Commerce at Heinemann Americas. “We introduced a vintage luxury concept, now present across the



Lan Anh Nguyen, Senior Purchasing Manager Fashion and Accessories
Heinemann Asia Pacific

Royal Caribbean fleet with a dedicated shop on Icon of the Seas. Setting the baseline in 2023, Heinemann Americas is prepared to grow in this category.” In the Americas, the FAWJ sector has experienced remarkable year-over-year growth, fueled by the three primary pillars of private label logo collections, fine watches, and pre-owned leather goods, the last two having a specific relevance for a circular retail model. Within the fine watches segment, pre-owned Rolex watches stand out as the category leader, achieving a remarkable growth since 2022. With the debut of two new Royal Caribbean ships, it is poised to develop by 40 percent on board Heinemann-operated ships in 2024 in comparison to the year 2023.

Looking Ahead

Against the backdrop of increasing competition and high consumer expectations, Gebr. Heinemann will continue to focus on the further expansion of the FAWJ category in the future, always keeping an eye on trends and developments to ensure that product and experience in-store are resilient enough to remain compelling in the long-term.

Jan Richter, Director Purchasing FAWJ

“Consumers want to combine products from many different brands, and we provide them with the ideal spaces for that. It is our task and our opportunity as a retailer to curate the range and develop tailored offers.”

Watch now
The cross-category promotion at Frankfurt Airport surrounding the launch of the Hugo Boss Bottled Pacific scent showed the successful combination of shopping and entertainment – and spread Californian summer vibes.



Irina Bezsonoff, Director of Commerce Heinemann Americas

Looking at some of the exciting projects in the pipeline that will deliver new experiences to the travelers, there will be the next stages of development at Copenhagen Airport, the planned market entry into Saudi Arabia, and several activities within the cruise sector.



Taking Sustainability to the Next Level

The Beauty category shows how it is done – together with strong partners from the industry.

The stage was set for a unique collaboration. At the 2023 TFWA World Exhibition & Conference in Cannes, Gebr. Heinemann and L'Oréal announced their ambitious and forward-looking sustainability partnership. The two companies have enjoyed a close and trusting relationship in travel retail for decades – and are now working together on common sustainability goals. Saskia Möller, Director Legal, Compliance & Sustainability at Gebr. Heinemann, says: “It is a promise of Gebr. Heinemann’s mission statement that we want to have a sustainable impact on the travel retail industry. In L'Oréal, we have found a dedicated partner with whom we share the same values in terms of sustainability.”

The partnership is based on a joint business plan that defines actions in the areas of “assortment,” “point of sale,” “supply,” and “social engagement.” They will also develop sustainable point-of-sale materials and work together to make the supply chain more sustainable. The joint business plan also includes measures to optimize packaging.

Setting New Standards for the Industry

Guido Tappeser, Chief Commercial Officer at L'Oréal Travel Retail, believes the partnership will set new standards for the industry: “Together with Gebr. Heinemann, we share the same obsession for our customers and shoppers. This partnership is important for two main reasons. First, it is a clear statement of our confidence and strength in a modern partnership between two companies with more than 100 years of history. Second, we want to spread this initiative throughout the travel retail industry to inspire all our partners to become part of this important journey.”



However, the partnership with L'Oréal is only the beginning, as Britta Hoffmann, Director Purchasing Beauty at Gebr. Heinemann, points out: “As a global retailer, we are at the center of the value chain between industry and retail. This provides us with many opportunities to influence the issue of sustainability. Our sustainability partnership with L'Oréal is an important first step. Other campaigns and initiatives with partners will follow. With such collaborations, we want to continue to play a pioneering role in travel retail when it comes to sustainability.”

For established brands and especially for the addition of new brands to Gebr. Heinemann’s portfolio, sustainability is becoming increasingly important and plays a key role in product range selection and strategic development. Sustainability is considered and evaluated at both the supplier level and product level. At the supplier level, third-party assessments focus on the environment, labor and human rights, ethics, and sustainable procurement. Meanwhile, product evaluation mainly considers criteria related to packaging and ingredients. These two dimensions are also reflected in the future-friendly project, which is described in more detail below.

An example of the influence of sustainability criteria on the inclusion of new brands is the Skandinavisk brand, which has been listed at Gebr. Heinemann since 2023. Skandinavisk provides collections of home and body fragrances inspired by the Nordic region. The high standards of transparency regarding sustainability are reflected in



the B Corporation™ certification. Many of the products, such as scented candles, are vegan and refillable with packaging made from recycled materials.

Collaborations with L'OCCITANE and Clarins

While Skandinavisk is a newcomer to Gebr. Heinemann’s shelves, the L'OCCITANE Group, a pioneer in premium sustainable beauty and wellness, and a certified B Corporation™, has been a key supplier for Gebr. Heinemann for a long time. “While we’re incredibly excited to be certified, B Corp certification is just the next step in our sustainability journey. We look forward to collaborating with like-minded businesses for the benefit of all stakeholders,” says Laurent Marteau, CEO of the L'OCCITANE Group. One of the joint projects included the “Gift of Nature” campaign at Frankfurt Airport, which ran from January to April 2023 and focused on biodiversity. “We sincerely hope to lead by example and inspire and empower travelers to make more sustainable choices and care for nature. It was great to have Gebr. Heinemann on



board for this project, as we share a common vision when it comes to preserving the Earth's biodiversity," says Laurent Marteau.

Another valuable partner for sustainability issues is the cosmetics manufacturer Clarins. When Gebr. Heinemann invited some key brands to the Beauty Category Days in November 2023, Clarins presented its "Domaine Clarins" project. Nestled in the French Alps, the Domaine is dedicated to observing and growing plants, using old-fashioned growing practices and natural fertilizers. "It is great that Gebr. Heinemann is creating the space to discuss sustainability issues in the industry and thereby driving the issue forward," says Flaka Hamiti, General Manager Travel Retail Europe at Clarins.



Britta Hoffmann, Director Purchasing Beauty

"Our sustainability partnership with L'Oréal is an important first step. With such collaborations, we want to continue to play a pioneering role in travel retail when it comes to sustainability."

The Future-Friendly Product Range

One result of Gebr. Heinemann's pioneering role in sustainability was the launch of the future-friendly product range in 2020. The future-friendly range comprises particularly sustainable products.

In the first phase following the launch of future-friendly, specific sustainability standards were implemented that had not previously existed in the travel retail world. This way, Gebr. Heinemann gained valuable insights from both consumers and sales employees, taking the future-friendly concept to the next level.

Two-Stage Process to Become Listed in the Future-Friendly Range

At the same time, the improved concept provides consumers with clear and comprehensible criteria that can be communicated in a transparent and simple way. Companies wishing to have their products listed in Gebr. Heinemann's future-friendly range must fulfill a two-stage process. In the first step, the supplier's overall sustainability performance is assessed and given a rating by a third-party provider, such as Ecovadis, B Corp, or Sedex. Companies that perform well and attain a good rating are generally considered to be future-friendly. For many companies, this is also an incentive to undergo a third-party assessment for the first time in view of the upcoming European Supply Chain Act (CSDDD). In a second step, starting in 2024, products will be rated on their sustainability using a sophisticated scoring system. This scoring system reflects the sum of several attributes of a product's sustainability – be it the raw material used, the packaging, fair production, the supply chain, or other aspects. In total, 12 specific attributes have been identified based on the company's own research, publications, and findings from consultancy firms, reflecting both current consumer trends and expectations regarding sustainability as well as Gebr. Heinemann's high standards for holistic sustainability and against greenwashing. For each product category, such as "perfumes" or "cosmetics", specific attributes are allocated and weighted by an automated internal rating system.



Convincing as a Valuable Travel Companion with a Holistic Shopping Experience

Added value through global digital services.

As a valuable travel companion, Gebr. Heinemann wants to reliably reach people along the entire travel chain at the right time with the right product and added value in order to be relevant to them and impress them with a holistic shopping experience. To achieve this, the travel retailer is linking its range in shops with a growing digital service in various partnerships across its global group of companies. The relaunch of the Heinemann x ME rewards program in Sydney, advertising placements via Journey Ads with Uber in Berlin, Hamburg, and Düsseldorf, the expansion of the Click & Collect service at Oslo Airport, and the commitment to the travel retail platform Duffle are examples of how this works.

“We want to be at the top of our customers’ minds and establish a high level of relevance with them,”

Jens Peter Peuckert, Director Marketing

“First-party data is particularly important: it enables us to address travelers directly and creates the best basis to increase their willingness to buy in the shop.”

emphasizes Jens Peter Peuckert, Director Marketing. “Knowing their needs and their behavior



during their journey is a key prerequisite for targeted communication with them in various digital channels along the travel chain. First-party data is particularly important: it enables us to address travelers directly and creates the best basis to increase their willingness to buy in the shop.”

Heinemann x ME in Sydney

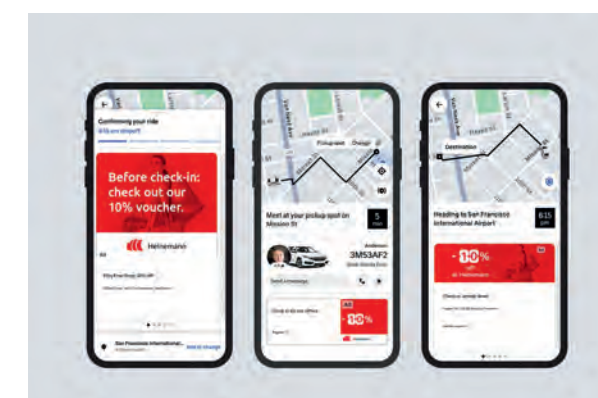
With around 1.6 million members worldwide, Heinemann x ME is a core element of being a valuable travel companion and can be accessed at any time via the Heinemann app. Through the international rewards program, people in seven countries at 21 airports and on 15 ships enjoy attractive benefits, personal offers, exclusive prelaunches, and unforgettable experiences. The average transaction value (ATV) shows how popular the program is with travelers: in the past year, the ATV of the Heinemann x ME members was 119 percent higher than that of nonmembers. In 2023, Heinemann Australia relaunched the program for international airport shops in Sydney, in line with



the opening of the shops in the airport’s domestic terminals. Heinemann had set up the Heinemann x ME lounge in the international terminal, where travelers could find out about the benefits of the program, test product samples, and enjoy a relaxation area while they waited to board their plane. This relaunch was also supported by a campaign at the airport, in Heinemann Australia’s social media and newsletter as well as in the digital media channels of travel retail magazines. Heinemann x ME members are among the company’s most loyal customers in Australia as well: the ATV of members is 230 percent higher than that of nonmembers and their basket sizes are also 48 percent larger.

Innovative Media Cooperation with Uber

Gebr. Heinemann has been testing a different digital way of directly addressing customers in Berlin, Düsseldorf, and Hamburg since summer 2023, when the mobility platform Uber brought its Journey Ads to Germany. Brands can book advertising space in the company’s app, which is displayed to the customer while waiting for the arranged driver and during the journey. The first-ever campaign in Germany was implemented with Gebr. Heinemann and targets people who arrange a ride to the airport. They receive a 10 percent voucher code for the Heinemann shops at the respective airport via the app. “The partnership with Journey Ads from Uber enables us to target travelers effectively. With this state-of-



the-art cooperation, we can reach people on their way to the airport and use this innovative digital channel to generate sales in our shops,” says Jens Peter Peuckert.

Click & Collect Expanded at Oslo Airport

Simply select your favorite products online via laptop or smartphone before or during your flight and collect them from the shop at the airport after landing: Click & Collect is an essential part of Gebr. Heinemann’s holistic shopping experience. In Norway, where this service is very popular, it is called “Klikk & Hent” – and it is also particularly successful there. For this reason, the Click & Collect area in the arrivals shop was also expanded when the tax-free and travel value shops of the Gebr. Heinemann joint venture TRN at Oslo Airport were redesigned in 2023. Jens Wolf, Director Sales Nordics, explains: “Norway is one of the most digitally competitive countries in Europe. It has the right infrastructure for it and a strong e-commerce sector. The Norwegians are therefore digitally savvy at a very high level.” At the same time, as a non-EU country, Norway has high excise duties on spirits, wine, and beer – which are only available domestically in the state-owned Vinmonopolet stores – as well as on tobacco. Norwegian customers compare prices attentively and therefore like to use the Click & Collect service at Oslo Airport when traveling. People who pick up their digitally preordered goods in the arrivals shop often also buy one or two products on-site. But the pure preorder business is also worthwhile. “We record up to 20 percent higher receipts via preorder than if passen-



f.l.r.: Joachim Lupnaav Johnsen, EVP Commercial at Avinor, Tore Hov, Managing Director at TRN, and Jens Wolf, Director Sales Nordics Gebr. Heinemann

gers only buy in the shop,” says Jens Wolf, adding: “Currently, Click & Collect accounts for slightly less than ten percent of our sales at Oslo Airport. But we can see that it is becoming increasingly relevant and can well imagine that this will double over the next couple of years.”

Duffle Wants to Digitize the Travel Retail Industry

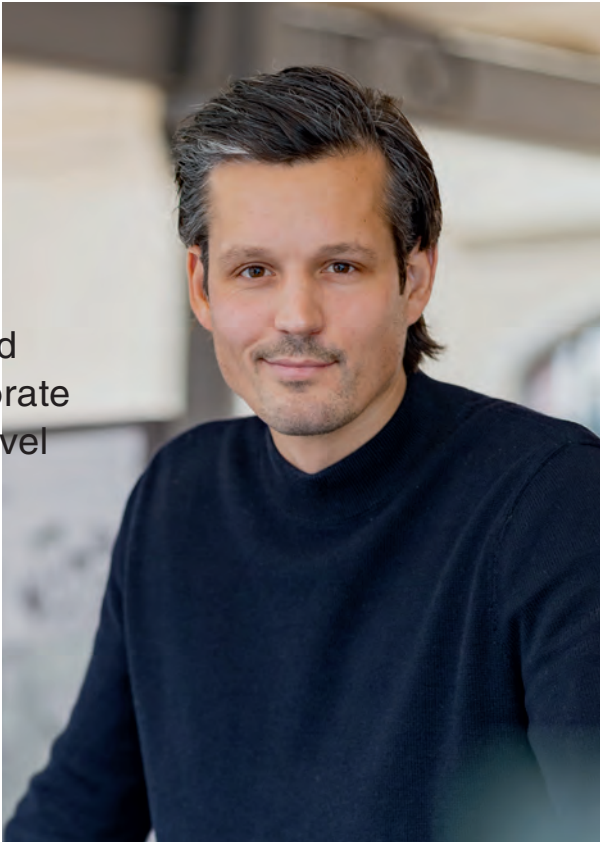
In the globally growing travel retail market, however, digitization still plays a subordinate role overall. Founded in 2021 and headquartered in Berlin, Duffle has recognized this opportunity and has set itself the goal of digitizing the travel retail experience for travelers. With its innovation and investment hub GHARAGE, Gebr. Heinemann has been on board from the outset. In 2023, Duffle was also able to gain Avolta as an investor. Lennard Niemann – Duffle’s advisory board member who represents the strategic investor GHARAGE Ventures, the investment arm of Gebr. Heinemann, as Managing Director – has led Duffle through the fundraising process. He says: “Having two players such as Avolta and Gebr. Heinemann investing in a corporate venture like this in order to digitize travel retail is a great foundation for the rest of the journey. We fully support what Duffle and the strong team behind it are working toward.”

Watch now
Heinemann Australia relaunched the
Heinemann x ME rewards program for
international airport shops in Sydney.



Lennard Niemann, Managing Director GHARAGE

“Having two players such as Avolta and Gebr. Heinemann investing in a corporate venture like this in order to digitize travel retail is a great foundation for the rest of the journey.”



Elevating the Shopping Experience at the Border

Thriving sales, soaring potential: the border-shop channel continues to be on the upswing. Gebr. Heinemann expands its investments to attract new customers and brands.

It was an acquisition with a clear strategic goal. In the summer of 2023, Gebr. Heinemann took over all shares in Travel FREE in the Czech Republic, making it a wholly owned subsidiary. With this step, the company further extends its border-shop business in Europe. Until then, Gebr. Heinemann had operated Travel FREE for around 20 years as a joint venture with Unimex GROUP. The Czech Republic was the first country in which the two companies introduced a tax and duty-paid business concept under the Travel FREE brand in 2004. Today, Gebr. Heinemann operates 29 Travel FREE shops on the borders with Germany and Austria, making the Czech Republic its largest and highest turnover border-shop market.

Christoph Stump, Director Sales Central & Southeast Europe

“Border shops are the second-strongest sales channel for our company. Citizens in the border regions and travelers know Travel FREE and are aware of the shopping benefits that our brand offers.”



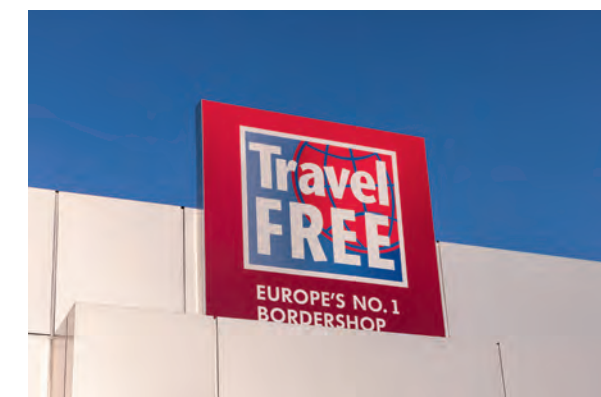
“The investment in our Czech core market is embedded in our company’s diversification strategy with which we are pursuing two goals: firstly, to gain new business across all sales channels; secondly, to expand our business in existing and new channels and regions,” says Christoph Stump, Director Sales Central & Southeast Europe. “Border shops are the second-strongest sales channel for our company. Citizens in the border regions and travelers know Travel FREE and are aware of the shopping benefits that our brand offers.”

In addition to the Czech Republic, travelers can enjoy border shopping in 14 Travel FREE shops in Romania, five in Poland, and six in Bulgaria. While Gebr. Heinemann is the sole operator in Romania and Poland, the company holds a stake in a joint venture in Bulgaria.

Push for Premium Products and Opening of New Shops

In 2023, Gebr. Heinemann launched further projects to expand its border-shop business, catering to the demands of more discerning customer groups and attracting new affluent buyers. “Price is, of course, still an important criterion in this sales channel,” notes Christoph Stump. “However, there are many other levers for us to increase the attractiveness of shopping at the border. As demand for premium and luxury products has risen significantly in recent years, we deliberately pushed the high-margin Fashion, Accessories, Watches, & Jewelry product category last year – adding new listings and upgrading the ambiance on the sales floor among other measures. And we have noticed that high-quality items from this category are now selling much better.”

Gebr. Heinemann has also opened two new Travel FREE shops in Świnoujście and Krajnik Dolny in Poland. In Bulgaria, the joint venture has expanded its store space in Varna and Burgas. Overall, all indicators pointed to growth for Travel FREE in 2023, with the biggest jump occurring in Bulgaria, where sales increased by 35 percent compared to the previous year.



The company’s retail business in Ukraine, operated by the joint venture Duty Free Trading, also performed well. As in the previous year, ten shops were open. The company had closed only three on the border with Belarus at the start of the Russian war of aggression on Ukraine in February 2022. However, Gebr. Heinemann expects sales to decline in 2024. “The Ukrainian government has sharply reduced the allowances for tobacco and spirits since September. Implementation is subject to strict controls,” says Oleg Zhytomyrsky, Director Sales Eastern Europe & Central Asia. “This regulation definitely clouds our prospects for the current year. However, we do have a strong and motivated team in place, which is willing to keep the business running and always give their best for the customers. We support them in every way we can.”

Travel FREE Plaza Concept Will Further Boost Growth

On the other hand, Gebr. Heinemann expects its new Travel FREE Plaza concept to boost sales from next year. The company intends to implement this concept for the first time in Romania, on the border with Hungary. The Travel FREE Plaza is a futuristic shopping center concept which, in addition to a large Travel FREE shop, includes other retail facilities specially tailored to the needs of travelers – from a pharmacy and exchange office to restaurants. Further plazas are to follow in the future at busy border crossings; two more of these are also planned in Romania for the coming year.

“We are expecting considerable growth as a result, given that the broadened range of services will give travelers several reasons to stop,” says Christoph Stump, looking ahead with great anticipation. “Overall, we will continue to focus on high-margin product groups. New listings of premium brands are planned, and some have already been confirmed for 2024. We will also tap into the Serbian market and open a shop in Horgoš on the border with Hungary. In Poland, we will open our sixth border shop in Kudowa on the border with the Czech Republic.”

Plenty of Potential in Distribution Too

Gebr. Heinemann also recorded a positive development in its border-shop distribution sector, with notable sales growth in Belarus and Georgia. In Belarus, the restriction of air traffic due to the political and military situation in the region gave a boost to the border shops. In Georgia, some borders were closed to larger tourist groups due to the coronavirus for a long time. As a result, the volume of business was very low. Since the re-opening in 2023, the border shops have recorded above-average growth. “We expect great opportunities for growth and development in the coming years, even as we operate within tight frameworks in some cases due to political circumstances,” says Oleg Zhytomyrsky. “In particular, we see huge potential in the Central Asia and Caucasus regions.”

Oleg Zhytomyrsky, Director Sales Eastern Europe & Central Asia

“We expect great opportunities for growth and development in the coming years. In particular, we see huge potential in the Central Asia and Caucasus regions.”





Technology Is the Enabler of Change

An interview with GHARAGE Managing Director Lennard Niemann.

One of GHARAGE’s core tasks is to build ventures and collaborate with start-ups that will deliver on Gebr. Heinemann’s mission statement of turning travel time into valuable time. Please give us an update on your current portfolio.

Lennard Niemann: We partner with and provide a strategic platform for early-stage start-ups within the travel, retail, and consumer goods sectors across Europe and Southeast Asia. As Gebr. Heinemann’s dedicated hub for innovation, we can test and develop ideas for new business models without having to draw on the resources of the entire company organization. This enables us to perform pioneering work in an efficient, flexible, and fast way. In the past year, our four main ventures have taken significant steps forward.

First of all, there is Duffle, a digital platform that aims to digitize the travel retail experience. Gebr. Heinemann came on board as the first strategic partner via GHARAGE and has been providing support since 2021. Just recently, Avolta joined Duffle as an investor. To see two international travel retailers such as Avolta and Gebr. Heinemann invest in a corporate venture like this to digitize travel retail is a great foundation to continue the journey. Digitization is also the key factor in our venture Amber Island. We have designed a web3 membership community offering exclusive access to rare and limited whiskeys sourced directly from some of the world’s most prestigious distilleries. The first physical bottles of our limited edition have just been shipped and we see a product-market fit. A second drop took place in March 2024.

What about GATEZERO and Nullpunkt – two brands that travelers encounter in the airport environment?

Lennard Niemann: GATEZERO, a concept targeting the new luxury consumer, originally started as a joint venture between Gebr. Heinemann and Highsnobiety. The Copenhagen location was the first permanent GATEZERO store at an airport. A second space followed at Sydney Airport in 2023. Gebr. Heinemann now owns and operates the brand itself through its Sales Experience & Excellence team.

With the start-up Nullpunkt, we have developed our own niche consumer brand in the trending area of functional fragrances. Nullpunkt is actually a good example of successful venture building: we created the brand, successfully tested, and launched it in multiple sales channels – and recently sold it to Daluma, a holistic well-being brand specializing in food and beauty products focused on self-care. Now, we are selling Daluma and Nullpunkt as a new category in Heinemann, fostering innovation and a spectacular assortment.

GHARAGE was established to envision and shape the travel and retail of tomorrow. How has your focus evolved or even shifted since starting three years ago?

Lennard Niemann: We started right in the middle of the pandemic when the most important thing for all retailers was to stay attractive to partners and consumers. Therefore, we made a conscious decision to concentrate on creating branding-focused, tangible ventures. This led us to projects such as GATEZERO, the development of Nullpunkt and Amber Island, and the launch of the Duffle platform. All of these consumer-facing brands are designed to make travel retail more attractive to both consumers and our partners at the airports. As we move into a post-pandemic world, it is crucial to understand the driving forces behind new consumer behaviors and what is here to stay. Anticipating what the future might look like and adapting early on is essential to staying ahead



of the curve. The changes we observe in retail today are being driven by technological advancements, shifting consumer behavior and expectations, and new competitors entering the market.

What impact will this have on travel retail?

Lennard Niemann: Travel retail is probably one of the last undisrupted industries. While downtown retail has changed with the continuing rise of digitization and e-commerce, travel retail still follows pretty much the same business model, and it's only a matter of time before disruption comes. Experience shows that technology is the enabler for market shifts, and today we see a wide variety of technological advancements with the likes of blockchain, robotics, and AI. The question is which of these will actually impact our marketplace. In GHARAGE, we get a take on what will be the most influential technologies, as we did in our "Future Fields" report published in 2023. Furthermore, we take deep dives into certain technologies within our industry as we did in the "AI in Retail" report.

Does this alter the way you work to drive innovation?

Lennard Niemann: Of course, our goals remain focused on Gebr. Heinemann's mission of turning travel time into valuable time: we want to innovate in an efficient or profitable way, and we want to lead by example as a research hub and work to make Gebr. Heinemann and travel retail fit for the future. However, GHARAGE is a living entity, evolving on its journey, adapting to change. As technology becomes even more influential, we have already entered our next chapter, which comes with more tech-driven businesses.

Venture building as we have done is great when you want to drive innovation, because it creates ownership of a start-up and therefore motivation. Now that we see the focus shifting to tech, we have to diversify a little. We will put a slightly greater focus on the collaboration with existing, external start-ups.



Of the four ventures we have built, we have externalized Duffle and sold Nullpunkt, while Amber Island and GATEZERO are firmly connected to the Gebr. Heinemann headquarters. Now, it's time for GHARAGE to be more of an instigator, a consultant, preparing for future developments.

In early 2023, you opened a GHARAGE office in Singapore. Please give us an update.

Lennard Niemann: In our Singapore office, we are represented by a small team of two, led by Darren Soh, working mainly on partnerships with start-ups. One of our investments there is Return Key, a recommerce platform that sells to sub-sellers or consumers. The international approach is important because different markets, with their specific consumer needs, trigger different start-ups. In a way, Singapore is the summary of start-ups from all over Southeast Asia. It's a great hub for variety and to get a global view of cross-border innovation – something that is essential for a global player like Gebr. Heinemann.

EMPLOYEES

“We live trust”

A working environment thriving on mutual trust, a shared vision, and the opportunity to contribute with your whole personality – this is why Gebr. Heinemann’s employees have the power to impress. They aim to make travelers leave the shop happier than when they entered it and to captivate business partners and stakeholders with empathy, expertise, and experience in every interaction.

How to Make the Shopper Fall in Love with You

Globally Operating Sales Trainers Jennifer Piper and Karim Moustafa on empowering impressive employees.

What exactly does it take to be an impressive employee in the Heinemann shops?

Jennifer Piper: Empathy, expertise, and passion. Even at 4:30 in the morning when the shops open for the first early flight, passion is the key. Our employees have that, and they are absolutely people-driven, focusing on the traveler. That is how they create unforgettable experiences. An impressive employee loves to interact with shoppers and finds the right way to approach them, to identify their needs, and even their underlying desires to generate more sales.

Karim Moustafa: Additionally, I'd say a willingness to go above and beyond. To be able to do something that leaves a lasting impression – even if it's small for you, it might be huge for the traveler. Especially at 4:30 in the morning!

As globally operating sales trainers, it is your job to empower shop staff around the world to be impressive. How do you do that?

Karim Moustafa: We provide sales and product training to help our sales colleagues feel confident in approaching a shopper and starting a conversation. If you really know what you are talking about,



people will find you impressive. There are, of course, differences across countries and cultures. As trainers, it is vital for us to be culturally aware and to conduct intercultural training, too.

Jennifer Piper: The Heinemann staff on the shop floor is already very enthusiastic and impressive, and it is only occasionally that we have to rekindle the fire. The moment we present Heinemann's Service Commitment and explain that we want to achieve a global standard for our company through them is a great motivator. The feeling that we are all one big community inspires everyone. We also train soft skills as well as knowledge about our

attractive products. This creates a synergy: make the shopper fall in love with you with your high service guidance and comprehensive product knowledge.

Having impressive employees is a promise in Gebr. Heinemann's mission statement. How does that impact the way you train sales staff?

Jennifer Piper: People are our priority: it's you who makes the difference, your personality, your service, and your commitment to leadership. That brings our mission statement to life. We aim to create an experience that turns a traveler into a

shopper, and then into a loyal Heinemann customer. At the same time, our Service and Leadership Commitment helps open a dialog between staff on the shop floor and their managers. Consequently, they empower each other through daily exchange and new ideas. This is essential, because you can only succeed in being the most human-centric company in travel retail externally if you also succeed in being the most human-centric company internally.

Karim Moustafa: Having impressive employees as one of our six promises is a fantastic recognition for our colleagues around the world. The Service and Leadership Commitment also provides guidance, making it easy to see where you are doing great and where you can continue to improve.

The soft skills you talked about, like passion and empathy, are probably not a matter of training. How do you encourage them?

Karim Moustafa: We encourage our colleagues to take the initiative, to let them know that they are allowed to develop their personal touch, to go above and beyond. We also ask them to come up with their own ideas on how to do that, and they also share them globally. However, an employee needs to know from their leaders how much latitude they have to make decisions. How much room is there to be impressive? That is why the dialog between sales staff and managers is so important and why we encourage it. In addition, Jenny and I set an example ourselves during training. We

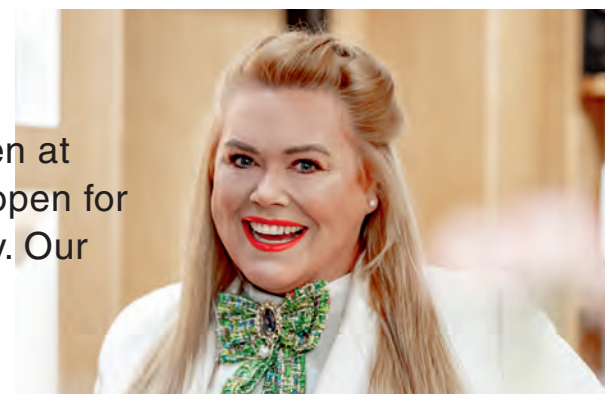
have to live what we teach. It's important to be on fire when you come out of the training session. That's why we always try to create passion through our different training modules.

How do you work with the various stakeholders, from sales and brand partners to People & Culture and shop managers, to design the training?

Jennifer Piper: The Sales departments decide on the training needs and note their requirements in our annual training needs list. Based on the feedback, we develop customized training that is tailored to the specific location and region. Alternatively, you can choose from our extensive training portfolio. Purchasing and Category Management provide us with information on future trends and listings. For anything beyond product training, we work closely with People & Culture and the international People & Business Partnering teams. We also get in touch with the respective shop management before conducting training and offer a feedback session afterwards. Learning and Development will support us by creating e-learning sessions, for example.

Karim Moustafa: Without our brand partners, we wouldn't have a spectacular assortment, and we rely on them for the unique stories about the products that our sales colleagues can then share with their customers. To constantly improve our own product knowledge, Jenny and I meet with the industry twice a year to be trained ourselves and

“Empathy, expertise, and passion. Even at 4:30 in the morning when the shops open for the first early flight, passion is the key. Our employees have that.”



Jennifer Piper, Globally Operating Sales Trainer

Karim Moustafa, Globally Operating Sales Trainer

“Having impressive employees as one of our six promises is a fantastic recognition for our colleagues around the world.”



receive training materials from our brand partners. It's a great motivation for us.

How does the training differ for the various sales channels?

Karim Moustafa: The products can be different, and the style of selling definitely varies. In an airport, you might have five to 20 minutes to speak to a passenger, however on board an aircraft, you might have much less time, so we'd teach you some specific tips to help you close the sale. On a cruise ship, you have the entire voyage to build a relationship with the passenger, as they tend to buy at the end of the trip.

Jennifer Piper: We train the world! We are always on duty for Heinemann's own locations as well as for our B2B customers, partners, and joint ventures. Our training is also a strategic part of our tender bids – not only for new Heinemann locations, but also for B2B relationships. What is unique about Heinemann is that we have our own training team that is able to do training for brand knowledge and soft skills as well as tailor-made master-class training. We want our B2B customers to have impressive employees, too. Together, we achieve maximum success.

Finally, let's talk about how much time you spend at different locations and how you follow up on your training?

Karim Moustafa: How often we visit a location or customer depends entirely on their needs and how often they make a request for us. Ideally, it's one week per Heinemann location to give as many people as possible the opportunity to participate. The same is true for our B2B customers.

Jennifer Piper: As globally operating sales trainers, we are always on the go – the airport is our office. Of course, we try to combine trips to save costs and be environmentally friendly. We also train learning ambassadors in the sales staff, who in turn train their colleagues. We also share materials and offer online training. However, face-to-face training is highly valued. And because it is more personal and interactive, live training is a vital part of empowering impressive employees.



Different Cultures, Different Skills, Different Mindsets – All United in One Vision

In 2023, Gebr. Heinemann set out on its journey to become a role model for a truly diverse and inclusive company.

With over 8,000 employees from more than 50 cultural backgrounds, Gebr. Heinemann is diverse by nature. However, a person's background is only one of the many facets of diversity. And the company wants to cultivate and promote these facets in all their forms through global diversity and inclusion management. A team of colleagues from Sustainability and People & Culture therefore developed a holistic strategy last year, initially focusing on employees and internal processes within Gebr. Heinemann.

“We have always been a people's business, welcoming employees, travelers, and partners from all over the world. As our people are at the heart of our organization and one of the reasons for its success, we need to make sure we foster an environment that provides us with the opportunity to grow, thrive, and be respected and valued as the individuals we are,” says Ché Lewer, Vice President People & Culture.

“Our vision is to be the most human-centric company in global travel retail. As a logical consequence, we have to offer our employees not only the best working conditions, but also the strongest diversity and inclusion framework among our peers,” says Saskia Möller, Director Legal, Compliance & Sustainability.

“Our Company Has Your Back”

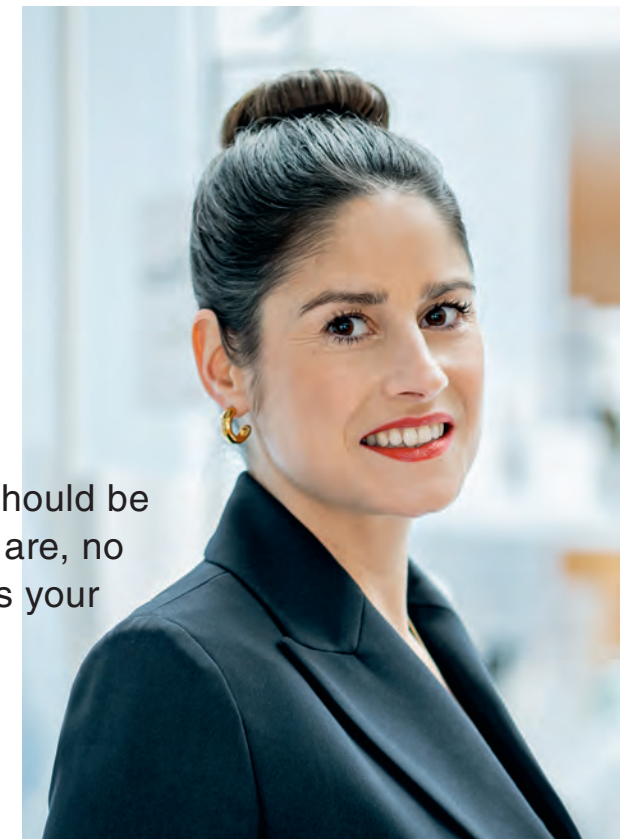
The first step was to create a common understanding of what a diverse work environment should look like and how Gebr. Heinemann can actively support different groups. In six international workshops, employees from all regions and divisions shared their experiences of inclusion and equal opportunities in their daily work environment – based on their backgrounds and cultures.

The results showed that diversity is visible and that Gebr. Heinemann can build on what is already in place. Colleagues perceive their workplace as a safe space where they can develop themselves and their potential. They feel valued and have a sense of family.

“Depending on the culture and geopolitical environment, diversity and inclusion naturally have different dimensions and manifestations. Our goal is to create a framework in this field of tension in which we operate, so that diversity can be lived out in a way that suits people and their cultures,” says Saskia Möller. “All our colleagues around the globe should be sure of one thing: no matter who you are, no matter how you are, our company has your back.”

Saskia Möller, Director Legal, Compliance & Sustainability

“All our colleagues around the globe should be sure of one thing: no matter who you are, no matter how you are, our company has your back.”



Clear Goals Set by 2025

Based on the workshops, Gebr. Heinemann developed strategic goals and action plans in seven core areas: work-life balance, collaboration, leadership, employee development and recognition, new talents, workspace, and communication. These core areas include both local and group-wide measures. A global diversity and inclusion steering committee oversees and drives the various projects to keep everything on track. Key milestones include a group-wide whistleblower system against discrimination in 2024 and regular diversity and inclusion training for all employees world-wide by 2025. In the same year, Gebr. Heinemann will introduce a group-wide family care solution. The company’s aim is to demonstrate the success of its diversity and inclusion management through ISO certification.

As a strong commitment for the diversity and inclusion strategy and as a starting point for the global roll-out, Gebr. Heinemann also signed the German Diversity Charter in 2023. In addition, the first locations have launched their own diversity initiatives, such as Pride Week in Sydney, and made commitments, such as joining the Diversity Pact in Denmark.

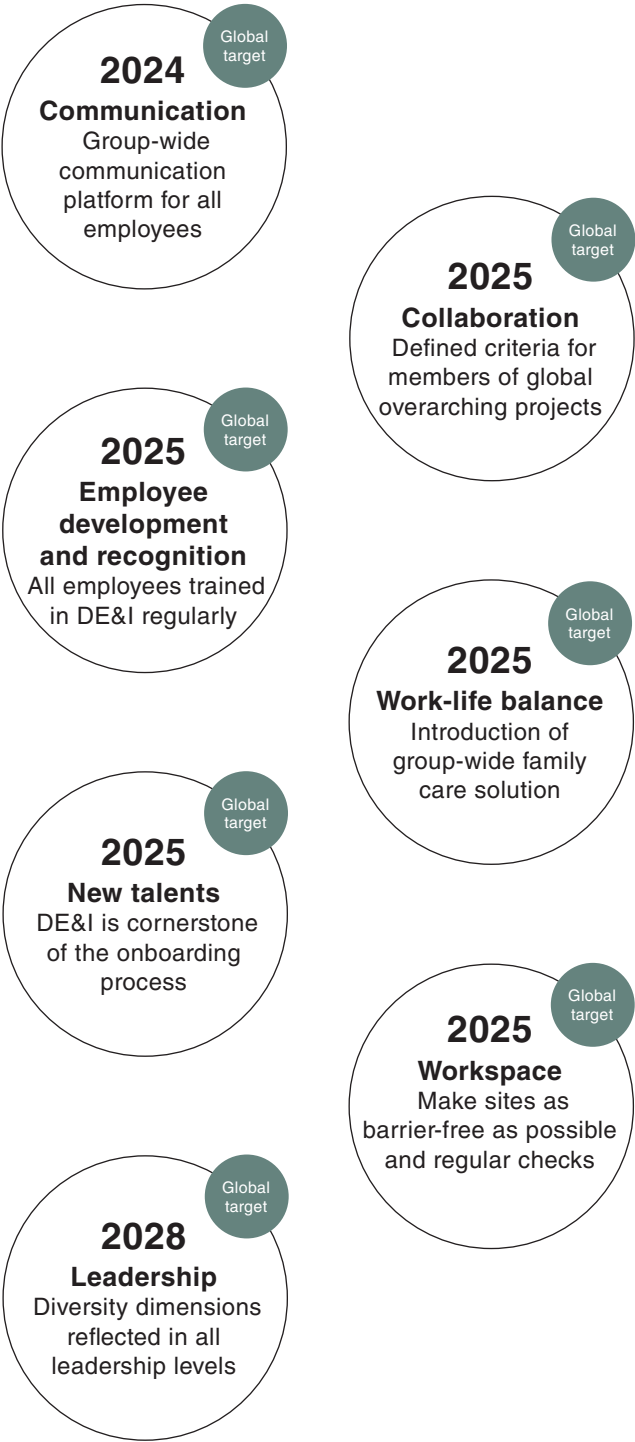
Implementing the goals of diversity management means first and foremost actively living diversity and inclusion on a daily basis. Ché Lewer says: “As different as we are in terms of our backgrounds, personalities, thoughts, and skills, we are united by our guiding principles and in our corporate vision. In this sense, our diversity and inclusion journey supports and celebrates all team members from around the globe.”

Ché Lewer, Vice President People & Culture

“As different as we are in terms of our backgrounds, personalities, thoughts, and skills, we are united by our guiding principles and in our corporate vision.”



Global and Local Diversity, Equity, and Inclusion Targets



“Fostering a Great Place to Work”

The focus on human centricity and the global nature of Gebr. Heinemann entails a heightened focus on its employees and the company culture.

Gebr. Heinemann’s People & Culture approach aims at strengthening the cooperation and cohesion of the group, taking into consideration its global and cultural influences while, at the same time, valuing human centricity as the core of everything. Ché Lewer joined the Hamburg headquarters in September 2023 to head up the division formerly known as “Human Resources.” Over the past seven and a half years, Ché has assumed various senior Human Resources leadership positions at Heinemann Asia Pacific and Heinemann Australia.

Ché is a truly global citizen: born in Johannesburg, South Africa, she has lived, studied, and worked in various countries, including Switzerland, Bangladesh, the Philippines, the USA, Thailand, Australia, and – most recently – Singapore. With extensive HR experience in the hospitality, retail, and travel retail industries, she brings an international mindset to Gebr. Heinemann in Hamburg.



What constitutes the unique global group spirit at Gebr. Heinemann and sets the company apart?

Ché Lewer: As a global business, we are incredible operators with exceptional outlets, offering impressive services and assortment mixes across various categories. However, what sets us apart is our people and our culture. We are truly unique and the Heinemann DNA is visible across the globe. We are united despite our geographic borders, which is evident in both the good times and the bad. I feel privileged to be part of the business and to further amplify the culture and team spirit at Gebr. Heinemann.

Which approach are you taking in People & Culture to bring Gebr. Heinemann's vision of being the most human-centric company in global travel retail to life?

Ché Lewer: First of all, we need to enhance our global mindset, taking into consideration local, regional, and global nuances. We have to be closer to our businesses and understand the heartbeat of our organizations and our people. Moreover, as a global business, we need to elevate our multicultural community by increasing synergy, knowledge transfer, and the exchange of best practices. We have to be progressive, agile, diverse, authentic, and human in our interactions to be the best we can be. At the company headquarters, we need to provide a global platform in order to achieve this.

How exactly does Gebr. Heinemann support its employees to be impressive, as the company promises in its value proposition?

Ché Lewer: Our aim is to ensure that we empower our team members with the tools, skills, and resources to connect with travelers and our customers in a personal and authentic way. We need to stay up-to-date with the latest trends, technologies, and changes in customer mixes and shopping patterns to ensure that we can also upskill our employees and recruit, engage, and retain the

right people with the right skill set and mindset. A heightened focus on people development and engagement at all levels is key.

How do you convey the uniqueness of Gebr. Heinemann to attract and retain talent?

Ché Lewer: Our focus is on creating an attractive workplace where team members feel comfortable, connected, engaged, and valued. We want to foster a great place to work where people crave to be a part of our business – be it at the corporate office or our retail and logistics warehouses, either locally, regionally, or globally. Roles will change in the future, and we need to be ready. We have to ensure that we are evolving with the times and are digitizing and simplifying our ways of working, where applicable. We need to have the right talent on board who are willing, able, skilled, and flexible to develop in order to support our growth journey at Gebr. Heinemann. Moving forward, we can further enhance our partnerships with airports and cruise companies to create attractive workplaces, despite rotational rosters and unsociable working hours. We need to position ourselves more effectively in the market. This enables us to enhance our talent attraction and sourcing channels and to build a sustainable talent pipeline for today and tomorrow.

How is it possible to implement a global strategy – given the different political and cultural circumstances across the group?

Ché Lewer: A one-size-fits-all approach does not work. There are clearly differences in political and cultural preferences across the globe, but our guiding principles unite us. Therefore, we also need to be willing to adapt to differences in culture, since diversity, equality, inclusion, and belonging are at the core of everything we do.

At the end of the day, we are all doing our jobs for the same reason: to move Gebr. Heinemann forward, to be successful, and to enjoy coming to work and doing what we do. As a result, we will need to adapt and be flexible at times, but being

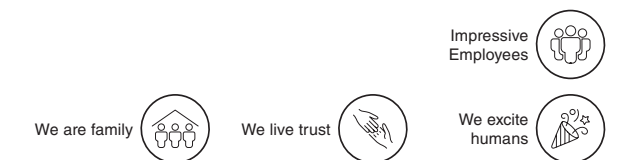
respectful and demonstrating trust in our interactions is crucial, as we are all different – and this is the beauty of working for a truly global organization like Gebr. Heinemann.

What does the future of collaboration look like within Gebr. Heinemann's global group of companies?

Ché Lewer: We need to continue enhancing our ability to exchange and collaborate as one group of Heinemann companies, which will require us to further improve our communication, tools, resources, and digital platforms. However, we are certainly on the right way. Two good examples are our global quarterly town hall meetings, where team members across the globe can reach out to our Executive Board, and our global career pool, where team members can exchange ideas, network, and share best practices. We need to create more opportunities like these, bringing us much closer together because this is where the golden nuggets lie. Being Heinemann ambassadors and role models for the organization is what we should all aim to be. We should strive to demonstrate our guiding principles and exhibit behavior that supports collaboration, global knowledge transfer, and the overall Gebr. Heinemann team spirit.

Ché Lewer, Vice President People & Culture

“Being respectful and demonstrating trust in our interactions is crucial, as we are all different – and this is the beauty of working for a truly global organization like Gebr. Heinemann.”



Company Jubilees

As a family business, we are pleased that many employees have remained loyal to us for decades. In 2023, 292 colleagues celebrated between 15 and 40 years at Gebr. Heinemann. Truly something to be proud of!

40 years

Stefanie Lindermeir, Frankfurt
Claus Michael Muth, Erlensee
Heino Täger, Allermöhe

35 years

Monja Baier, Head Office	Simone Konrad, Frankfurt
Gudrun Engel, Frankfurt	Gabriele Lorenz, Frankfurt
Ruth-Karen Eyring, Head Office	Ulrike Niesen, Düsseldorf
Petra Frankenbach-Schröder, Frankfurt	Eleni Pakataridou, Düsseldorf

30 years

Beatrix Alt, Frankfurt	Torsten Kassebaum, Allermöhe
Dursun Arslan, Unifree Duty Free Isletmeciligi A.S.	Baskim Kerimi, Allermöhe
Nils Boy, Allermöhe	Gabriele Knöfel, Frankfurt
Petra Bruns, Head Office	Snezana Konstantinovic, Frankfurt
Harald Francos-Hohmann, Frankfurt	Thomas Kopittke, Head Office
Stefan Franzke, Frankfurt	Tanja Laws, Frankfurt
Kerstin Geldmacher, Head Office	Caroline Provot, Frankfurt
Patrick Höfner, Head Office	Ursula Schmuck, Frankfurt
Tanja Horstmann-Neurath, Head Office	Elena Stanojic, Head Office
Dag Junge, Head Office	Malgorzata Urschel, Erlensee

25 years

Kerstin Alka, Frankfurt
Mohamed Azdi-Ahmed, Frankfurt
Karsten Baier, Hannover
Figen Baki, Frankfurt
Judith Balzen, Frankfurt
Mirjana Basic, Frankfurt
Brahim Bennasri, Frankfurt
Maria Victoria Celera-Grabowitz, Frankfurt
Emel Celik-Kaya, Frankfurt
Afarin Chakamian, Gebr. Heinemann Retail ApS, Copenhagen/DK
Andreas Cordes, Allermöhe
Anna Delkoussi-Froudaki, Frankfurt
Christina Diehl, Frankfurt
Wiebke Drewitz, Head Office
Manuel Dzyck, Brandenburg
Petra Eckert, Head Office
Erika Merczné Fazekas, Hungarian Duty Free Ltd., Budapest
Marina Gogou, Hannover
Christin Göttlich-Kidane, Frankfurt
Éva Gyócsi, Hungarian Duty Free Ltd., Budapest
Petra-Maria Hagemes, Düsseldorf
Stefan-Dieter Hammer, Frankfurt
Admir Haskovic, Frankfurt
Holger Heckers, Düsseldorf
Marina Cornelia Heinemann, Brandenburg
Richard John Hoyer, Frankfurt
Zsuzsanna Illés, Hungarian Duty Free Ltd., Budapest
Diana Jäger, Frankfurt
Toshko Janev, Erlensee
Judit Jászonyi, Hungarian Duty Free Ltd., Budapest
Annamária Juhász, Hungarian Duty Free Ltd., Budapest
Christine Jung, Frankfurt
Christian Karau, Frankfurt
Andrea Kész, Hungarian Duty Free Ltd., Budapest
Huma Khan, Frankfurt
Olga Kieselmann, Allermöhe
Astrid Kilicer-Ebel, Frankfurt
Anja Kirschbaum-Lange, Hannover
Dorothea Konrath, Frankfurt
Anita Kovács, Hungarian Duty Free Ltd., Budapest
Ljerka Kucic, Frankfurt
Maria Menacher, Frankfurt
Diana Mertin, Brandenburg
Sándorné Mikola, Hungarian Duty Free Ltd., Budapest
Blazenka Milanovic, Frankfurt
Maria Milchien, Frankfurt
Barbara Moeck, Hannover
Marcus Möller, Allermöhe
Djenana Northe, Frankfurt
Johanna Nowak, Frankfurt
Jochen Ossenberg-Moehling, Frankfurt
Ljiljana Petrovic, Frankfurt
Vesna Peukert, Frankfurt
Béla Polyák, Hungarian Duty Free Ltd., Budapest
Heike Pottschul, Brandenburg
Thorsten Repenning, Head Office
Kathrein Resener, Hannover
Zsuzsanna Dörflerné Róza, Hungarian Duty Free Ltd., Budapest
Yodit Sahle, Frankfurt
Leily Sarajha, Frankfurt
Birgit Schmeding, Hannover
Margarete Schubert, Allermöhe
Silvia Schuldheis, Frankfurt
Myrna Schwab, Frankfurt
Ronald Sell, Head Office
Sepideh Shah Hosseini, Hamburg
Bhupinder Singh, Frankfurt
Nasim Solhi, Frankfurt
Béla Stremmler, Heinemann Testverek Kft., Budapest
Tibor Tarsoly, Hungarian Duty Free Ltd., Budapest
Isa Tekin, Frankfurt
Janni Theodoropoulos, Head Office
Kalinka Wanke, Hamburg



20 years

Halil Abu Gaber, Frankfurt
Iman Abu Seris, Head Office
Aygün Bayram, Unifree Duty Free Isletmeciligi A.S.
Katja Becker, Frankfurt
Silvia Bluehdorn, Hannover
Birgit Bormuth, Frankfurt
Kai Buchtmann, Allermöhe
Nihat Cevik, Frankfurt
Alexandra Coelho Tabbert, Hamburg
Grzegorz Czyrko, Allermöhe
Marcel Dorsch, Düsseldorf
Zeynep Erdogan, Frankfurt
Jacob Bastian Fock, Head Office
Marko Gensch, Allermöhe
Ralph Gurski, Head Office
Igor Gutwin, Head Office
Sven Hansen, Hamburg
Zarfa-Naheed Haq, Frankfurt
Heike Haß, Allermöhe
Oliver Hein, Head Office
Zahir Hireche, Allermöhe
Corina Jakobi, Düsseldorf
Jenö Jess, Erlensee
Elke Kahlmeyer, Hannover
Thomas Kampa, Hannover
Sabine Karczewski, Allermöhe
Andreas Kausch-Cipriani, Frankfurt
Petra Kitzig, Hannover
Nancy Knoll, Allermöhe
Christian Kolden, Frankfurt
Anas Koujan, Frankfurt
Róbert Kóvér, Heinemann Testverek Kft., Budapest
Ana Isabel Krüger, BC GmbH
Sergej Krutsch, Frankfurt
Alona Kühlwein, Allermöhe
Manuela Lehmann, Head Office
Daniel Lehner, Heinemann Testverek Kft., Budapest
Anja Lorbeer, Allermöhe
Heike M'Barek, Heinemann Austria GmbH
Ingrid Mahler, Head Office
Tobias Mahncke, Allermöhe
Cruz Romina Mittag, Hamburg
Heike-Stephanie Mohr, Frankfurt
Berit Møllebjerg Ovesen, Gebr. Heinemann Retail ApS, Copenhagen/DK
Volker Moser, Frankfurt
Pina Oranges, Frankfurt
Mona Pape-Tolaj, Hannover
Georg Piest, Allermöhe
Ines Plitt, Brandenburg
Marcus Stephan Christian Prill, Erlensee
Stefanie Rüger, Head Office
Soner Saklar, Frankfurt
Ildiko Schaab, Frankfurt
Waldemar Schmidt, Allermöhe
Alexander Schmidt, Allermöhe
Andrea Schnur, Frankfurt
Sandy Schroeder, Hannover
Torsten Schumann, Erlensee
Martin Soun, Travel Free s.r.o., Prague/Czech Republic
Beata Sroka, Düsseldorf
Stephanie Stefanovski, Düsseldorf
Marion Ternet-Ahmed, Allermöhe
Simone Thomas, Frankfurt
Carolin Tietz, Düsseldorf
Wioletta Turzynski, Hamburg
Julian Ullrich, Allermöhe
Diana Vogt, Düsseldorf
Frank Weiss, Allermöhe
Jürgen Wetzel, Allermöhe
Jacqueline Wolf, Frankfurt
Oktay Yildirim, Frankfurt
Mustafa Yilmaz, Unifree Duty Free Isletmeciligi A.S.
Joannis Zoschke, Allermöhe

15 years

Catalina Adamoiu, S.C. Heinrig Impex SRL, Bucuresti
Victoria Adetu, S.C. Heinrig Impex SRL, Bucuresti
Görkem Akgül, Unifree Duty Free Isletmeciligi A.S.
Hege Andersen, Travel Retail Norway A/S
Veronica Andersson, Travel Retail Norway A/S
Andre Aragoli, Frankfurt
Sabile Aslan, Travel Retail Norway A/S
Cathrine Olsen Bakken, Travel Retail Norway A/S
Tina Bålerud, Travel Retail Norway A/S
Jesserica Baygan, Frankfurt
Rajesh Kumar Bedi, Travel Retail Norway A/S
Ulrika Bøen, Travel Retail Norway A/S
Caroline Arwidsson Borgersrud, Travel Retail Norway A/S
Osman Faruk Boz, Unifree Duty Free Isletmeciligi A.S.
Barbora Brožová, Travel Free s.r.o., Prague/Czech Republic
Radka Bursíková, Travel Free s.r.o., Prague/Czech Republic
Zdeňka Caisová, Travel Free s.r.o., Prague/Czech Republic
Paula Carter, Travel Retail Norway A/S
Jiří Charvát, Travel Free s.r.o., Prague/Czech Republic
Melita Mrkoci-Brito Cid, Frankfurt
Dragos Valentin Cojocar, S.C. Heinrig Impex SRL, Bucuresti
Victor Costea, S.C. Heinrig Impex SRL, Bucuresti
Richard Craig, Travel Retail Norway A/S
Tarik Demir, Unifree Duty Free Isletmeciligi A.S.
Dagmar Doležalová, Travel Free s.r.o., Prague/Czech Republic
Valentin Eberhardt, Frankfurt
Kathrine Ednes, Travel Retail Norway A/S
Meike Ellenberg, Frankfurt
Kari Sletten Engelstad, Travel Retail Norway A/S
Mehmet Erdag, Frankfurt
Carola Feistel, Frankfurt
Peter Florian, Frankfurt
Julia Frankenbach, Frankfurt
József Sándor Galasz, Hungarian Duty Free Ltd., Budapest
Serap Gedik, Heinemann Austria GmbH
Tautvydas Girdziušas, UAB Travel Retail Vilnius
Karin Glos, Heinemann Austria GmbH
Inger-Lise Gran, Travel Retail Norway A/S
Sultan A. Gutsiev, Travel Retail Norway A/S
Karl Ivar Hansen, Travel Retail Norway A/S
Andrea Held, Travel Retail Norway A/S
Andreas Held, Travel Retail Norway A/S
Natalja Helleberg, Travel Retail Norway A/S
May Hilby, Travel Retail Norway A/S
Marlén Helmersen Hoel, Travel Retail Norway A/S
Kerstin Hoffmann, Head Office
Anne M. Idland, Travel Retail Norway A/S
Flaureta Ismajlisufaj, Frankfurt
Kristina El Jaouni, Gebr. Heinemann Retail ApS, Copenhagen/DK
Kate Husth Jensen, Gebr. Heinemann Retail ApS, Copenhagen/DK
Stig Jørgensen, Gebr. Heinemann Retail ApS, Copenhagen/DK
Nurcan Kalin, Frankfurt
Helene S. Kjæreng, Travel Retail Norway A/S
Siba Kocaman, Frankfurt
Jánosné Koczó, Hungarian Duty Free Ltd., Budapest
Alena Koderová, Travel Free s.r.o., Prague/Czech Republic
Éva Frankné Kókán, Hungarian Duty Free Ltd., Budapest
Lenka Kořánová, Travel Free s.r.o., Prague/Czech Republic
Jakub Krčál, Travel Free s.r.o., Prague/Czech Republic
Steffen Kvande, Travel Retail Norway A/S
Argjira Luzhnica Latif, Travel Retail Norway A/S
Hea-Rim Lee, Heinemann Austria GmbH
Éva Ligeti, Hungarian Duty Free Ltd., Budapest
Milena Lucic, Frankfurt
Radhi M'Barek, Heinemann Austria GmbH
Susan Mandry, Frankfurt
Anne Markovic, Frankfurt
Nina May, Frankfurt
Espen Meland, Travel Retail Norway A/S
Julia Meskat, Travel Free Poland Sp. z.o.o.
Ruslan Mešončukov, UAB Travel Retail Vilnius
Kurt Migge, Frankfurt
Betina Izetta de Mika, Heinemann Austria GmbH
Carmen Elena Mot, S.C. Heinrig Impex SRL
Tomáš Mžik, Travel Free s.r.o., Prague/Czech Republic

Rozina Nazar, Travel Retail Norway A/S
Helle Nevers, Gebr. Heinemann Retail ApS, Copenhagen/Denmark
Widiawati Effendi Nielsen, Travel Retail Norway A/S
Gitte Nordanger, Travel Retail Norway A/S
Tadeus Oschek, Frankfurt
Melinda Parádi, Hungarian Duty Free Ltd., Budapest
Dina Perry, Frankfurt
Christine Pielot, Frankfurt
Marzena Pilczuk, Travel Free Poland Sp. z.o.o.
Heidelinde Poláková, Travel Free s.r.o., Prague/Czech Republic
Viktorija Popova, UAB Travel Retail Vilnius
Jaroslav Pták, Travel Free s.r.o., Prague/Czech Republic
Anželika Puodžiūnaitė, UAB Travel Retail Vilnius
Arvi Rasheed, Travel Retail Norway A/S
Laura Galindo Romero, Travel Retail Norway A/S
Evy Rummelhoff, Travel Retail Norway A/S
Milena Ryšková, Travel Free s.r.o., Prague/Czech Republic
Qudsia Safi, Frankfurt
Aman Preet Kaur Sandhu, Travel Retail Norway A/S
Michaela Schurig-Englert, Frankfurt
Petra Šebková, Travel Free s.r.o., Prague/Czech Republic
Amalia Sipos, Travel Retail Norway A/S
Michal Skalský, Travel Free s.r.o., Prague/Czech Republic
Jana Školková, Travel Free s.r.o., Prague/Czech Republic
Torunn Sollien, Travel Retail Norway A/S
İbrahim Brahim Mustafa Soylu, Unifree Duty Free Isletmeciligi A.S.
Slobodan Stamatovic, Travel Retail Norway A/S
Carmen Stillfried, Frankfurt
Hanne Sundby, Travel Retail Norway A/S
Christopher S. Tønnesen, Travel Retail Norway A/S
Mette Tyrihjell, Travel Retail Norway A/S
Cindy R. Vålbekk, Travel Retail Norway A/S
Lenka Válková, Travel Free s.r.o., Prague/Czech Republic
Filip Villamil, Travel Free s.r.o., Prague/Czech Republic
Tor Inge Vollan, Travel Retail Norway A/S
Dagmar Voráčková, Travel Free s.r.o., Prague/Czech Republic
İbrahim Yıldız, Unifree Duty Free Isletmeciligi A.S.
Abdullah Yilmaz, Unifree Duty Free Isletmeciligi A.S.
Shohreh Zaery, Travel Retail Norway A/S
Małgorzata Zimniak, Travel Free Poland Sp. z.o.o.



GOVERNMENT AND SOCIETY

“We create change.”

In an ever-changing world, it is not just about being able to adapt. To make a real impact, you have to be a trail-blazer for change yourself. That’s why Gebr. Heinemann is cultivating strong social and organizational networks in, around, and for its industry – always with the goal of shaping the future of travel retail as an empowered community in mind.

Management Approach

A Robust Plan for Effective ESG Management

Gebr. Heinemann's Management Approaches to sustainability.

Within its fact- and figure-based sustainability strategy, Gebr. Heinemann has articulated both measurable and ambitious goals extending to 2030. These goals are supported by targeted actions across the areas of "Environment," "Social," "Governance," and "Responsible Value Chain." In most areas, Gebr. Heinemann has already taken decisive measures and is also on the way to launching further initiatives. Overall, the company is consistently pursuing a precise road map to achieve its 2030 goals. Further insights into the background of Gebr. Heinemann's sustainability strategy can be found in the article "Driving the Sustainable Evolution of Global Travel Retail" starting from page 23 of this Annual Report.

— Environment

Leaving the Lowest CO₂e Footprint

Gebr. Heinemann aims at climate-neutral business and uses resources as efficiently as possible, taking one step at a time toward decarbonization. For its strategy in the "Environment" pillar, the overarching goal is to leave the lowest carbon footprint for future generations in global travel retail and to define and achieve the most ambitious savings target compared to the competition. This area of

action includes the work areas "Climate Action," "Environmental Protection," "Resource and Waste Management," "Protection of Nature and Biodiversity," and "Water Management."

As part of the Science Based Targets initiative (SBTi), Gebr. Heinemann is committed to the 1.5 degree target of the Paris Climate Agreement and has therefore set itself the ambitious target of net zero for Scope 1 and 2 by 2030. From 2019 to 2022, the company already reduced its emissions in Scope 1 and 2 – which includes energy, electricity, and its vehicle fleet – by around 50 percent. 2019 is the reference year for Gebr. Heinemann. At that time, the company recorded its carbon dioxide emissions in Scopes 1 to 3 at 60 locations worldwide as a starting point.

In order to achieve its net-zero target in Scopes 1 and 2 by 2030, Gebr. Heinemann will implement a wide range of measures in the coming years, including the conversion of the remaining gas heating systems to low-emission technologies at the headquarters and in the warehouses of the entire group, the replacement and modernization of air-conditioning systems and coolants in stores, the complete switch to green electricity, and the

continuous conversion of its own vehicle fleet to completely emission-free technologies. The company expects to achieve further significant emission savings by the end of 2024, for example, by converting the gas-powered heating system at the Hamburg headquarters to sustainable industrial waste heat.

Another lever for reducing emissions is in the area of transportation (Scope 3). Here, Gebr. Heinemann saved around 15 percent between 2019 and 2022. The "Norway Hub" (N-Hub) in Oslo, the company's first regional warehouse in Europe, which went into operation in the fourth quarter of 2022, makes a major contribution to this alongside the two German logistics centers. With the N-Hub, Gebr. Heinemann saves around 300,000 kilometers of transport between Germany and Norway every year – equivalent to around 570 tons of carbon dioxide.

For Scope 3, Gebr. Heinemann is pursuing the overall goal of a 50 percent reduction per ton of sales volume by 2030. This mainly relates to upstream transportation and services (Scope 3.4), downstream transportation and distribution (Scope 3.9), waste (Scope 3.5), and business travel (Scope 3.6). To achieve this goal, the company is already piloting measures such as the use of alternative fuels on selected routes in Denmark, Norway, and Germany and shifting transportation to rail and sea with biofuels. In order to optimize logistics flows, Gebr. Heinemann also already started planning for additional regional warehouses in 2023, including in the Middle East/Africa region.

Gebr. Heinemann will have the measures and the implementation of the emissions targets validated externally. To this end, the company is planning to participate in the Carbon Disclosure Project (CDP) in 2025. A valid database for global emissions data is an essential basis for participation in the CDP as well as for the future CSRD reporting, particularly for the reportable scope of consolidation. For this purpose, Gebr. Heinemann reformulated the global reporting processes for emissions data and

other CSRD-relevant key figures and initiated an IT project. Furthermore, from 2024 onward, the company will also collect emissions data for Scope 1 to 3 and further nonfinancial figures globally in the same way as the previous financial indicators by expanding and modifying the existing reporting landscape. This will be followed by a system-based calculation and evaluation of the input data in the reporting tool, which will be integrated into the company's system landscape in 2024.

Raoul Spanger, Co-Chief Executive Officer, and Inken Callsen, Chief Commercial Officer, are responsible for the "Environment" area of action at management level while Saskia Möller, Director Legal, Compliance & Sustainability, is responsible for its implementation.

— Social

Implementing the Strongest DE&I Strategy and Work Conditions

With the ambition to be the most human-centric company in global travel retail, Gebr. Heinemann has made the appreciation of people a cornerstone in the vision of its mission statement. This appreciation goes hand in hand with the obligation to ensure and actively support a diverse, equitable, inclusive, fair, and safe working environment.

In the "Social" area of action, Gebr. Heinemann pursues the overarching strategic goal of implementing and pursuing the best diversity, equity, and inclusion (DE&I) strategy and ensuring the best working conditions in global travel retail. The "Diversity and Equal Opportunities," "Occupational Health and Services," "Learning and Development," "Wages and Benefit," and "Employee Engagement" work areas belong to this area of action.

Gebr. Heinemann is initially focussing on DE&I. In 2023, the company defined seven core areas, namely work-life balance, collaboration, leadership, employee development and recognition, new talents, workspace, and communication. These

were backed up with local and global targets and measures, which had been developed by global work groups and will be implemented step by step.

Gebr. Heinemann intends to establish the major cornerstones of its DE&I strategy throughout the company by the end of next year. On the 2024 agenda are the rollout of a group-wide, global communication platform for all employees, the review of all locations for accessibility and access options, and the expansion of the whistleblower system on a global level. For 2025, the company has set itself the goal of having the implementation and target achievement of the DE&I strategy confirmed by the new ISO standard 30415:2021.

Co-Chief Executive Officers Raoul Spanger and Max Heinemann are responsible for the “Social” area of action at management level, while Saskia Möller, Director Legal, Compliance & Sustainability, and Ché Lewer, Vice President People & Culture, are responsible for its implementation.

— Governance

Creating the Most Ethical Business Culture

Ensuring sustainability in the perception and activities of the entire global group of companies requires clear guidelines and processes and a dedicated organizational structure. In order to establish these, Gebr. Heinemann has created the “Governance” area of action. Here, the company pursues the overarching strategic goal of securing the most ethical business culture in global travel retail. The “Governance” area of action includes the “Ethical Business Culture,” “Trust and Transparency,” and “Customer Focus” work areas.

With the aim of encouraging more visibility within the corporate group and among its global partners, Gebr. Heinemann established an independent Compliance & Corporate Responsibility department within its organization at the Hamburg headquarters in January 2023. Last year, the company also appointed a global Corporate Respon-

sibility Committee to ensure the worldwide monitoring of its sustainability strategy and to bring about faster decisions. The committee is made up of members of the Management Board and representatives of subsidiaries and holdings. They can take far-reaching decisions on projects or individual goals and present recommendations to the Management Board.

For 2024, Gebr. Heinemann has set itself the goal of establishing two subcommittees, the DE&I Steering Committee and the Environment Steering Committee. In order to create an ethical corporate culture on a broad level, the company is also planning to introduce its own global ambassador network, the Sustainable Minds, which will be made up of various members worldwide.

Co-Chief Executive Officer Raoul Spanger is responsible for the “Governance” area of action at management level, while Saskia Möller, Director Legal, Compliance & Sustainability, is responsible for its implementation.

— Responsible Value Chain

Securing the Highest Human-Rights Standards

The fourth area of action, “Responsible Value Chain,” which Gebr. Heinemann has added to its ESG reporting, is company-specific and is derived from its special role between the producer and consumer. As a retailer, Gebr. Heinemann cannot directly influence production criteria such as the carbon footprint of a specific item. For this reason, the company must keep a particularly close eye on its value chain and work closely with all partners to ensure that sustainable production standards are high and human rights are respected.

In this area of action, Gebr. Heinemann is pursuing the overarching strategic goal of securing the highest human-rights standards in the value chain in global travel retail. This includes the work areas “Supplier Relationships,” “Human Rights in Our Supply Chains,” “Sustainable Product Experience,”

and “Protection of Affected Communities.” The company primarily uses the independent assessment platform EcoVadis to evaluate and continuously monitor the human-rights, environmental protection, and compliance performance of its suppliers. In addition to the EcoVadis assessment, Gebr. Heinemann recognizes “Benefit Corporation” (B-Corp) certifications and ratings from the Supplier Ethical Data Exchange (SEDEX) audits that suppliers can demonstrate.

By the end of 2023, the company had already covered 30 percent of its purchasing volume with independent certifications. By the end of 2024, this figure should be at least 80 percent. In order to set a good example and have its own human rights management performance externally validated, Gebr. Heinemann has set itself the goal of raising its own EcoVadis rating to Gold or Platinum level in the medium term.

While increasing supplier transparency is one major step toward a robust human rights regime, there is also a growing need for sustainable partnerships to work on the further aspects of the “Responsible Value Chain” area, both with suppliers and customers. For this reason, Gebr. Heinemann began concluding joint green business plans with suppliers such as L’Oréal and customers such as airports in 2023. They aim to identify potential for sustainable improvement along the value chain, starting with product criteria, logistical conditions, sustainable innovations through to the responsible and value-adding handling of returns and social commitment.

The sustainable product portfolio is also a focus of the “Responsible Value Chain” area of action. In 2023, Gebr. Heinemann further developed its “future-friendly” category concept in order to expand its sustainable range and introduce it around the globe. With the future-friendly categorization, the company draws the attention of travelers in its shops to ecologically and socially responsible products and thus offers them reliable guidance to make the best purchasing decision.

In the further development of the category concept, Gebr. Heinemann has expanded the previous five sustainability attributes to twelve, based on the results of market research and studies. Using its own rating system, which evaluates and weights these twelve attributes, Gebr. Heinemann now determines a specific sustainability score for each product. The company plans to roll out its enhanced category concept company-wide in the second half of 2024.

Inken Callsen, Chief Commercial Officer, and Florian Seidel, Chief Sales Officer, are responsible for the “Responsible Value Chain” area of action at management level, while Saskia Möller, Director Legal, Compliance & Sustainability, and Sören Borch, Director Sales Experience & Excellence, are responsible for its implementation.

The Impact of Retail on Airports for a Future-Proof and Sustainable Aviation Industry

Why is advocacy important for ensuring that duty-free and travel retail can have a positive impact on the transformation of the aviation industry?

People love to travel and passenger figures in 2023 developed very positively, despite geopolitical conflicts and high inflation in several countries around the globe. As public opinion polls by the International Air Transport Association (IATA) show, people also recognize the need of aviation for the functioning of society and economy in general. Nearly 90 percent agreed that air travel is a necessity for modern life and air connectivity is critical for the economy. In addition, travelers enjoy the offers of duty-free and travel retail.

At Gebr. Heinemann alone, about 800,000 passengers shop across 70 airports globally every day. This shows that people want to enjoy traveling but, at the same time, that expectations by passengers, political stakeholders, and civil society are high in terms of sustainability and climate protection. The aviation industry is committed to achieving net-zero emissions by 2050. But to meet the expectations and achieve the goal, comprehensive efforts and enormous investments are needed.

Making these necessary investments requires stable or increasing revenue streams. As a key player in the aviation sector, airports rely on two sources: aeronautical revenues from airlines and passenger charges, and commercial revenues from other activities at the airport, such as parking, food and beverages, or duty-free and travel retail – especially the latter are of increasing importance to airports. Or as Aletta von Massenbach, CEO of Flughafen Berlin Brandenburg GmbH, put it at an event with members of the German parliament of the German Travel Retail Association (DTRV) in September 2023: “As an airport, we do need the revenues from travel retail to finance the sustainable transformation of our airport and to remain competitive at the same time.”

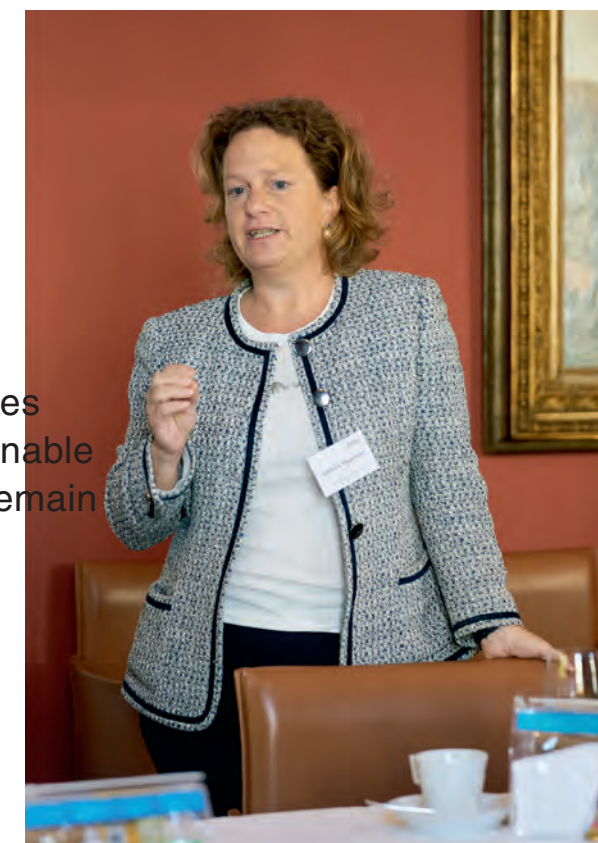
This clearly shows two things:

- **Duty-free and travel retail is an integral part of the aviation industry**
- **Duty-free and travel retail offers at airports are contributing to the sustainable transformation of the aviation industry**

Gebr. Heinemann has always seen itself as a partner of airports and airlines in terms of in-flight business, and as part of the aviation ecosystem. Therefore, Gebr. Heinemann supports industry-wide efforts via its engagement in industry associations.

Aletta von Massenbach, CEO Flughafen Berlin Brandenburg GmbH

“As an airport, we do need the revenues from travel retail to finance the sustainable transformation of our airport and to remain competitive at the same time.”



Trade Associations Are Key to Driving Dialog

For Gebr. Heinemann, travel retail industry associations such as the European Travel Retail Confederation (ETRC) or the German Travel Retail Association (DTRV) are of high relevance for driving the dialog with political stakeholders. In addition, the company is also encouraged to promote the dialog more directly via memberships in associations of the aviation industry (e.g., Airports Council International (ACI) or the German Aviation Association (BDL)) concerning interdependencies within the aviation ecosystem and the importance of our business for driving the transformation of the sector. “We see ourselves as part of the overall aviation industry and are therefore taking the responsibility and encouraging the dialog of various stakeholders in the field,” states Raoul Spanger, Co-CEO of Gebr. Heinemann.

In addition, Gebr. Heinemann is convinced that collaboration is also needed beyond pure regulatory issues. There are overarching topics like how

to further improve the traveler journey or how cooperation with airports can look like on tackling skilled worker shortage, for instance. Gebr. Heinemann addresses these topics in smaller contexts as well as on big stages: Co-CEO Max Heinemann did just this at the ACI World Annual General Assembly, Conference and Exhibition 2023 in Barcelona, where he pointed out the importance of collaboration among industry partners in order to make airports attractive for employees: “If we – airports, retailers, F&B companies – work together to see the airport as an aviation ecosystem and keep the quality of and investments into the workspace high, then the airport will once again be an attractive place to work.” Furthermore, Gebr. Heinemann is constantly in direct exchange with customers and partners to discuss how we can build a future-proof business together, including all necessary transformations.

Max Heinemann, Co-CEO

“If we – airports, retailers, F&B companies – work together to see the airport as an aviation ecosystem, then the airport will once again be an attractive place to work.”



Stakeholder Dialog Is a Chance – Not a Threat

Gebr. Heinemann is convinced that a strong voice of the industry via associations as well as engagement as a company is needed in order to work with all stakeholders involved on regulations that take into account a holistic approach and include a solid impact assessment. A strengthened dialog between politics, society, and industry should be seen as a chance rather than a threat. “Via our collaboration in the associations with our industry partners, we promote and, where necessary, protect our business model in all markets that we operate in. Travel retail is still a niche market that is often not yet understood by regulators. It is our task to provide professional and transparent as well as reliable industry data in this area,” states Nina Semprecht, who stands for the collaboration herself with her two roles as Director Corporate Communications & External Affairs at Gebr. Heinemann as well as Managing Board member and Vice President PR & Communications of ETRC.

The past year demonstrated that there is a global need to strengthen this dialog, as a number of regulative proposals were initiated or even agreed, which create challenges for the travel retail and duty-free business and for the commercial revenues of airports immediately or in the future. These decisions will undoubtedly limit the capabilities of airports to invest in more sustainable operations. In addition, as a retailer, we also rely on revenues to transform our own business and to make the necessary investments in order to achieve our ambitious sustainability goals.

Gebr. Heinemann will therefore continue to strengthen its dialog with industry partners, regulators, and civil society directly or via industry associations in future. This exchange is a central pillar toward creating a more sustainable aviation industry, both financially and ecologically.

Nina Semprecht, Director Corporate Communications & External Affairs

“Via our collaboration in the associations, we promote and protect our business model. Travel retail is still a niche market that is often not yet understood by regulators. It is our task to provide professional and transparent as well as reliable industry data in this area.”

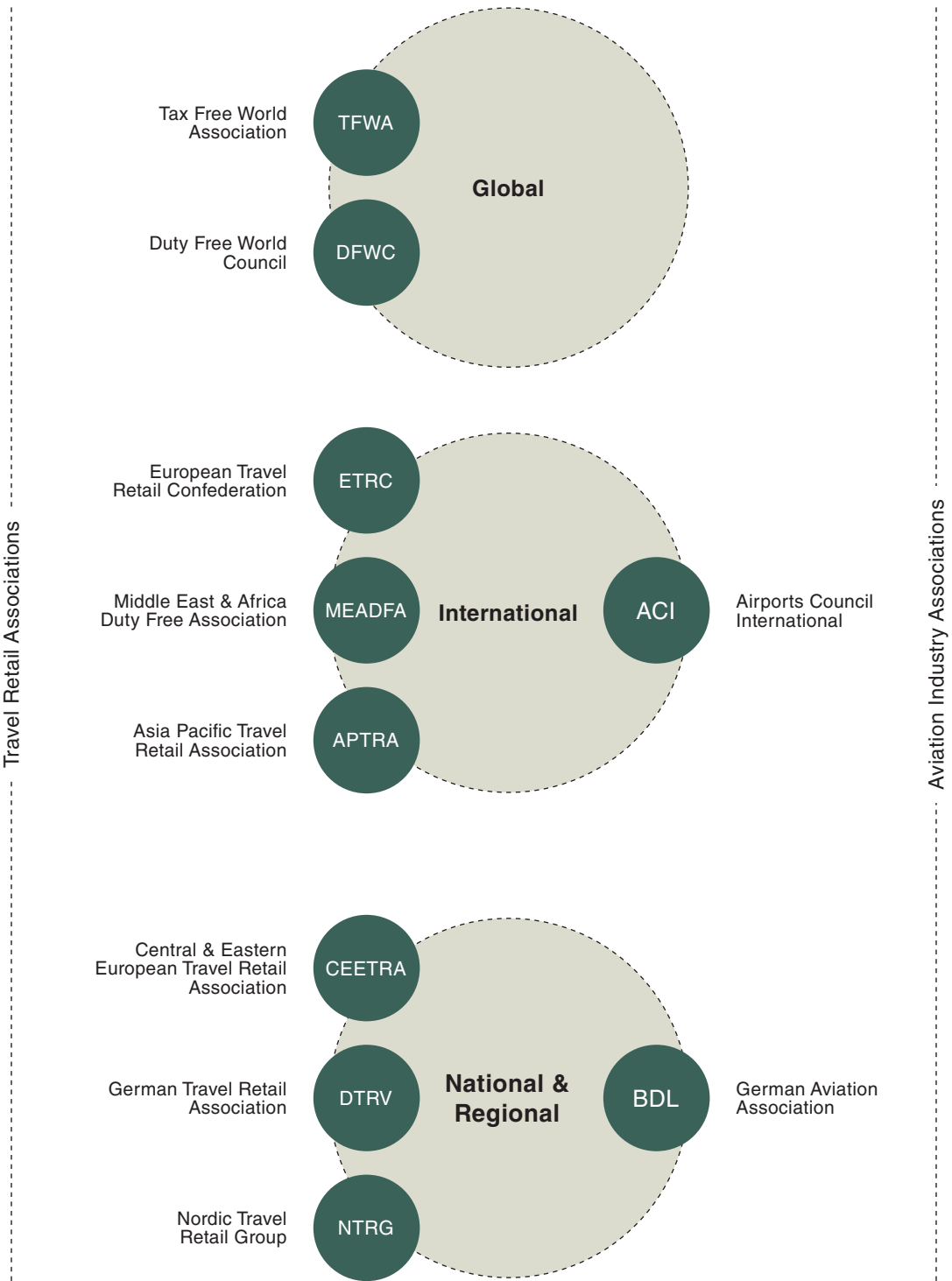


Overview of Engagement in Trade Associations

Committed to driving dialog with stakeholders.

Gebr. Heinemann is strongly committed to its work in industry associations. The Heinemann Group is convinced that active participation is key to drive the dialog on relevant topics that affect the whole travel retail industry as well as the wider aviation ecosystem. This dialog is the basis for driving change and needs to be promoted among industry partners as well as with key stakeholders outside the industry – including politics and regulators.

Therefore, Gebr. Heinemann’s engagement includes different scopes, starting with national and regional engagement in key travel retail and aviation industry associations, via international associations up to the global level, where umbrella associations deal with topics affecting the industry worldwide.



Celebrate Giving Back to Society

Striving to be the most human-centric company in global travel retail has many facets. And it involves not only direct stakeholders, but also the social community – both globally and locally.

As a family business, Gebr. Heinemann has always felt a special sense of social responsibility. In the past year, the company has continued its historically grown, multifaceted social engagement, both in the form of financial and in-kind donations, as well as through the voluntary work of its employees. Gebr. Heinemann follows the principle of global action with a local approach. In other words, the company gets involved where it can assume local responsibility through its locations and employees. Gebr. Heinemann also focuses on issues where it can have the greatest impact through its core business and expertise.

Strong Focus on Social Issues

As a family business with Hanseatic roots, Gebr. Heinemann holds a deep commitment to supporting a wide range of nongovernmental organizations and charitable projects located around its Hamburg headquarters.

In addition to initiatives for promoting health, education, and refugee aid, the company continued its long-standing financial support for the Altona Children's Hospital and the "Mamalies" educational institution, which helps women from other

countries to learn German and looks after their children in the meantime. For the tenth time, managers got involved in the "Wi mook dat" social day and implemented a construction project in a creative garden for children. Since 2022, volunteers from the company headquarters have been helping with the Heinemann Pottkieker. The Heinemann Pottkieker is a weekly food bank for socially disadvantaged people held on the premises of a church. A dedicated core team of colleagues runs and supervises the evenings, supported by volunteers from the staff on a rotating basis. After serving soup, a main course, dessert, and drinks, they also organize a game of bingo.

Other initiatives in 2023 included employee participation in charity sports events, such as the Rowing against Cancer regatta, the HafenCity Run, and the B2Run. In addition, the company again donated products to food banks in the vicinity of its logistics centers in Hamburg-Allermöhe and Erlensee near Frankfurt via Tafel Deutschland e.V.

The World Cleanup Day in September was a campaign in which around 100 Heinemann colleagues from all over the world took part. They collected litter at various locations, including the beach in Miami (USA), Istanbul (Turkey), Budapest Airport (Hungary), Hamburg's HafenCity, and the area surrounding the Erlensee logistics center. Gebr. Heinemann also continued its close cooperation with Wings of Help and provided ongoing support for aid shipments to Ukraine.

Charitable Engagement to Promote Integration

In Australia, Gebr. Heinemann established a strong foundation for its social engagement commitment last year. As part of its long-term diversity, equity, inclusion, and belonging strategy, Heinemann Australia set up its own charity committee, Heinemann Harmony. The committee, which is made up of around 20 volunteers from the staff, aims to give back to the community and promote inclusion.

For this reason, Heinemann Harmony has decided to support charitable organizations that appeal to a broad spectrum of the population, focusing on Look Good Feel Better, Starlight Children's Foundation and Gotcha4Life. These charities are committed to helping cancer patients, seriously ill children, and people suffering from mental health problems. Heinemann Harmony supports them through product donations, internal and external charity events, and fundraising activities. The committee also involves travelers: they can now easily contribute to charitable causes by donating an amount of their choice to one or more of the three organizations. To this end, Heinemann Australia has set up permanent donation boxes in central shops in the international terminals at Sydney Airport.



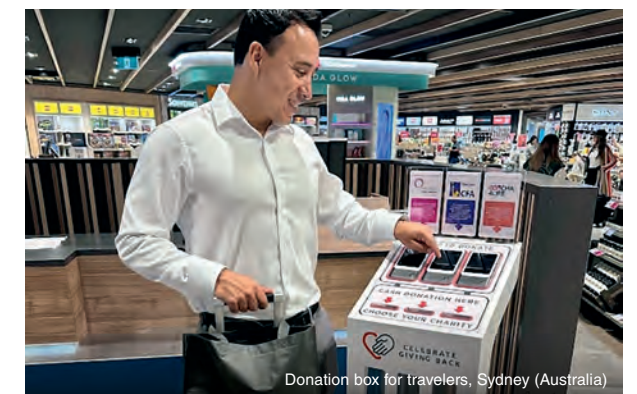
World Cleanup Day, Istanbul (Turkey)



Heinemann Pottkieker, Hamburg (Germany)



Heinemann Harmony, Sydney (Australia)



































Donation box for travelers, Sydney (Australia)



FACTS AND FIGURES





























Gebr. Heinemann's impressive employees are go-getters who want to shape the future of travel. A crucial prerequisite for this endeavor is to provide full transparency about every corner of the company's business. Let's dive in!

Global Sales Development 2023

Extended Partnerships					
Country	Location	Channel	Business model	Size in sqm	Extended until
Austria	Graz Airport		Subsidiary	-	2027
Azerbaijan	Baku Airport		Customer	about 1,000	2028
Bosnia	Sarajevo Airport		Customer	-	2026
Bulgaria	Burgas		Subsidiary	200	2028
Denmark	Aalborg Airport		Customer	-	2027
Denmark	Aarhus Airport		Customer	-	2029
Denmark	Det Forenede Dampskibs-Selskab A/S (DFDS)		Customer	-	2026 (LTC) 2027 (Beauty)
Denmark	Copenhagen Airport		Concession	4,000	2033
Europe	Ryanair		Customer	-	2025
Hungary	Budapest Airport		Subsidiary	-	2030
Ireland	Shannon Airport		Customer	-	2028
Norway	Oslo Airport, Bergen Airport, Stavanger Airport, Trondheim Airport		Affiliate	13,500	2027
Slovakia	Bratislava Airport		Subsidiary	-	2028

Shop Openings and Refurbishments with Existing Partners				
Country	Location	Channel	Business model	Size in sqm
Angola	Luanda Airport		Customer	190
Australia	Sydney Airport		Concession	2,270
Australia	Gold Coast Airport		Concession	200
Bulgaria	Cap. Petko Voivoda		Subsidiary	198
Bulgaria	Burgas		Subsidiary	104
France–UK	DFDS – Route Dieppe-Newhaven		Customer	260
Germany	Frankfurt Airport		Affiliate	1,000
Germany	Berlin Airport		Concession	-
Germany	Münster-Osnabrück Airport		Affiliate	-
Germany	TUI Cruises Mein Schiff 5		Concession	15
Hungary	Budapest Airport		Subsidiary	218
Italy	Bologna Airport		Subsidiary	1,149
Italy	Lamezia Terme Airport		Subsidiary	236
Italy	MSC Euribia		Customer	120
Italy	Bari Airport		Subsidiary	459
Kyrgyzstan	Issyk-Kul Airport		Customer	50
Norway	Kristiansand Airport, Tromsø Airport, Bodø Airport, Alesund Airport, Evenes Airport, Molde Airport, Kristiansund Airport		Customer	-
Norway	Oslo Airport, Bergen Airport, Stavanger Airport, Trondheim Airport		Affiliate	13,500
Poland	Krajnik Dolny		Subsidiary	120

Poland	Świnoujście		Subsidiary	638
Romania	Constanta		Subsidiary	106
Romania	Giurgiu		Subsidiary	160
Romania	Giurgiu		Subsidiary	270
Romania	Constanta		Subsidiary	420
Russia	Domodedovo Airport		Customer	3,000
Seychelles	Seychelles Airport		Customer	156
Turkey	Bodrum Airport		Customer	1,800
Uzbekistan	Tashkent Airport		Customer	760

New Business				
Country	Location	Channel	Business model	Size in sqm
Albania	Tirana Airport		Customer	850
All Africa	Online catalog		Customer	-
Angola	St. Clara, Luvo, Cabinda		Customer	-
Azerbaijan	Sadarak District and Julfa		Customer	70
Dubai	Various African countries		Customer	-
Egypt	Hurghada and Marsa Alam Airports		Customer	200
Germany	Bremen Airport		Customer	-
Germany	Düsseldorf Airport		Concession	3,700
Greenland	Nuuk Airport		Customer	380
Greenland	Ilulissat Airport		Customer	380
Italy	Costa Cruises (9 ships)		Customer	-
Italy	Lamezia Terme Airport		Subsidiary	360
Kazakhstan	Zhibek Zholy and Nur-Zholy		Customer	90
Lebanon	Beirut		Customer	400
Lebanon	Beirut		Customer	40
Malawi	Lilongwe Airport		Customer	170
Namibia	Various African countries		Customer	-
New Zealand	Auckland Airport		Concession	370
Netherlands	Eindhoven Airport, Rotterdam Airport, Amsterdam Airport		Customer	-
Netherlands	Antwerpen Airport, Ostend-Bruges Airport		Customer	-
Saudi Arabia	Jeddah Airport		Affiliate	6,000
Saudi Arabia	AROYA Cruises		Concession	1,600
Serbia	Horgos 2		Subsidiary	200
Sierra Leone	Freetown		Customer	-
Singapore	Changi Airport		Concession	114
South Africa	Cape Town		Customer	1,200
Uganda	Entebbe Airport		Customer	260
Uzbekistan	Gishtkoprik and Oybek		Customer	50

Our Business Models:
Subsidiary: Daughter company
Affiliate: Joint-venture partnerships
Concession: Gebr. Heinemann runs a shop for a customer
Customer: Distribution contract

Tender Win	 Airports	 Airlines	 Cruise Ships & Ferries	 Border Shops	 Military Zones	 Diplomatic Missions
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Employee Key Figures

Personnel Structure (Head Count as of Dec. 31, 2023) ¹		Unit	2023	2022	2021
Employees		Number	1,869	1,729	1,582
Female		Number	1,019	949	872
Male		Number	850	780	710
Permanent		Number	1,676	1,729	1,582
Female		Number	932	883	843
Male		Number	744	729	702
Temporary		Number	193	107	36
Female		Number	87	59	28
Male		Number	106	48	8
Full-time		Number	1,403	1,309	1,217
Female		Number	626	586	555
Male		Number	777	723	662
Part-time		Number	466	419	365
Female		Number	393	362	317
Male		Number	73	57	48
Length of service		Number	1,869	1,729	1,592
Under 3 years		Number	555	466	359
3 to 15 years		Number	811	829	823
Over 15 years		Number	503	434	410
Age structure		Number	1,869	1,729	1,582
Under 30 years		Number	236	215	171
30 to 50 years		Number	1,095	1,053	1,001
Over 50 years		Number	538	461	410
Workers Who Are Not Employees (Head Count as of Dec. 31, 2023)					
Workers who are not employees		Number	55	43	38
New Hires and Staff Turnover					
New Hires		Number	310	271	88
Female		Number	163	137	53
Male		Number	147	134	35
Under 30 years		Number	106	106	42
30 to 50 years		Number	165	137	38
Over 50 years		Number	39	28	8
New Hires Ratio		%	16.6	15.7	5.6
Female		%	16	14.4	6.1
Male		%	17.3	17.2	4.9
Under 30 years		%	44.9	49.3	24.6
30 to 50 years		%	15.1	13	3.8
Over 50 years		%	7.2	6.1	2

Departures	Number	158	136	412
Female	Number	90	84	244
Male	Number	68	52	188
Under 30 years	Number	34	19	44
30 to 50 years	Number	97	93	261
Over 50 years	Number	27	24	107
Staff Turnover Ratio	%	8.5	7.9	26
Female	%	8.8	8.9	25.7
Male	%	8	6.7	26.5
Under 30 years	%	14.4	9.2	18.4
30 to 50 years	%	8.9	9.7	29.9
Over 50 years	%	5	3	25

Parental Leave				
Employees who took parental leave	Number	87	81	97
Employees who returned to work in the reporting period after parental leave ended	Number	79	108	95

Diversity				
Diversity in senior leadership positions				
Female	%	24.2	21.2	13.8
Male	%	75.8	78.8	86.2
Under 30 years	%	0	0	0
30 to 50 years	%	69.7	72.7	69
Over 50 years	%	30.3	27.3	31
Diversity in leadership positions				
Female	%	37.7	38.8	40.8
Male	%	62.3	61.2	59.2
Under 30 years	%	3.4	4.1	4.7
30 to 50 years	%	70	73	73.3
Over 50 years	%	26.6	23	22
Nationalities	Number	61	56	53
Training and Education				
Training provided	h/employee	8.9	8.3	8.7

Occupational Health Management				
Work-related injuries	Number	49	59	31
of which occupational accidents	Number	34	46	27
of which commuting accidents	Number	15	13	4
Accidents per 1,000 employees	Number	0.05	0.06	0.03
of which occupational accidents	Number	0.03	0.05	0.03
of which commuting accidents	Number	0.02	0.01	0

Collective Bargaining Agreements				
Employees covered by collective bargaining agreements	%	49	30.3	31.8

¹ Employees with direct employment relationship (excluded apprentices and external employees).

GRI Content Index

Statement of use:
Gebr. Heinemann SE & Co. KG has reported in accordance with the GRI Standards for the period from January 1, 2023, to December 31, 2023.

GRI 1 used:
GRI 1: Foundation 2021

Applicable GRI Sector Standard(s):
None apply

Disclosure	Reference
GRI 2: General Disclosures 2021	
2-1 Organizational details	p. 10, 11
2-2 Entities included in the organization's sustainability reporting	Nonfinancial reporting covers Gebr. Heinemann SE & Co. KG. This includes the following locations: Duty Free and Travel Value Shops in Berlin-Brandenburg, Dortmund, Hamburg, Hannover, and the corporate headquarters in Hamburg as well as the logistics centers in Hamburg-Allermöhe and Erlensee near Frankfurt. If the coverage limits differ, this is made clear in the presentation of the data.
2-3 Reporting period, frequency, and contact point	<p>The reporting period covers the 2023 financial year. The relevant data available up to the editorial deadline of February 29, 2024, is taken into account. The Annual Business and Corporate Responsibility Report is published on an annual basis.</p> <p>The Corporate Communications department headed by Nina Semprecht and the Corporate Responsibility department headed by Saskia Möller are responsible for the preparation of the report and are available to answer inquiries.</p> <p>Email: corporatecommunications@gebr-heinemann.de corporateresponsibility@gebr-heinemann.de</p>
2-4 Restatements of information	There are minimal deviations in the employee figures compared to the previous year's report due to an adjustment of the calculation method.
2-5 External assurance	No external audit of the Annual Business and Corporate Responsibility Report 2023 was carried out. The carbon footprint is calculated and controlled by the external service provider envistra GmbH.
2-6 Activities, value chain, and other business relationships	p. 10, 11
2-7 Employees	p. 21, 134, 135
2-8 Workers who are not employees	p. 134
2-9 Governance structure and composition	Since 1879, the company has been managed by members of the Heinemann Family. Gebr. Heinemann Verwaltungs SE is responsible for the management of Gebr. Heinemann SE & Co. KG and is its personally liable partner. Gebr. Heinemann Verwaltungs SE is managed by an Executive Board of five Executive Directors and responsible for decision-making on and overseeing the management of the organization's impacts on the economy, the environment, and people. The former Executive Directors Claus Heinemann and Gunnar Heinemann represent the owner family on the Supervisory Board of Gebr. Heinemann Verwaltungs SE. Today, the fourth generation is represented by Claus and Gunnar Heinemann on the Supervisory Board and the fifth generation is represented by Co-CEO Max Heinemann on the Executive Board. The Executive Board is completed with Co-CEO Raoul Spanger, CFO Dr. Kai Deneke, CCO Inken Callsen, and CSO Florian Seidel.

2-10 Nomination and selection of the highest governance body	The Executive Directors are appointed by the Supervisory Board of Gebr. Heinemann Verwaltungs SE. There are no restrictions regarding the nomination and selection of the members of the Executive Board.
2-11 Chair of the highest governance body	p. 12
2-12 Role of the highest governance body in overseeing the management of impacts	The Executive Board oversees the management of impacts related to opportunities and risks and is principally responsible for the strategic orientation of the company including the sustainability strategy and target achievement.
2-13 Delegation of responsibility for managing impacts	The responsibility for managing impacts related to the economy, the environment, and people is partially delegated to the group of Vice Presidents, Directors, and Managing Directors who report back to the Executive Board in regular meetings.
2-14 Role of the highest governance body in sustainability reporting	The Annual Business and Corporate Responsibility Report is discussed and approved by the entire Executive Board.
2-15 Conflicts of interest	As a family-run company, trusting and family-oriented cooperation is important to Gebr. Heinemann. To avoid conflicts, potential issues must be addressed. The employees as well as the members of the Executive Board must deal transparently with possible conflicts of interest. A potential conflict of interest must be discussed with the Compliance department or the management wherever possible. Gebr. Heinemann addresses this topic with selected examples in its mandatory anti-corruption training courses as well as in individual consultations.
2-16 Communication of critical concerns	Critical concerns will be communicated to the Executive Board with appropriate whistleblower protection. The total number and nature of critical concerns is considered strictly confidential. Employees are encouraged to report inconsistencies or violations of directives or laws in their day-to-day business. To do so, they can contact their manager or directly approach the compliance advisor. A whistleblowing channel system for submitting reports was set up at the beginning of 2023.
2-17 Collective knowledge of the highest governance body	Various exchange formats such as the Global Corporate Responsibility Committee have been established to inform the Executive Board about the latest developments and to discuss important topics. In addition to regular meetings throughout the year within the Executive Board and between the Executive Board and the Supervisory Board, there are further status updates from the respective departments. In these, the Director Legal, Compliance & Sustainability, among others, regularly reports on the status of the implementation of the sustainability strategy and discusses the further strategic focus with the Executive Board.
2-18 Evaluation of the performance of the highest governance body	There is no formal evaluation of the performance of the Executive Board.
2-19 Remuneration policies	Fair remuneration is a key issue for Gebr. Heinemann. However, the required information is not reported due to confidentiality constraints. The company does not consider the remuneration indicator GRI 2-19 to be meaningful for assessing the fairness of remuneration structures.
2-20 Process to determine remuneration	Fair remuneration is a key issue for Gebr. Heinemann. However, the required information is not reported due to confidentiality constraints. The company does not consider the remuneration indicator GRI 2-20 to be meaningful for assessing the fairness of remuneration structures.
2-21 Annual total compensation ratio	Fair remuneration is a key issue for Gebr. Heinemann. However, the required information is not reported due to confidentiality constraints. The company does not consider the remuneration indicator GRI 2-21 to be meaningful for assessing the fairness of remuneration structures.
2-22 Statement on sustainable development strategy	p. 16-19, 22-25

2-23	Policy commitments	p. 22-25
2-24	Embedding policy commitments	p. 22-25
2-25	Processes to remediate negative impacts	By means of a group-wide compliance management system including a whistleblowing channel and risk management assessments, Gebr. Heinemann prevents for any negative impacts.
2-26	Mechanisms for seeking advice and raising concerns	Gebr. Heinemann has established a whistleblowing mechanism and the CR & Compliance Team can be consulted by employees for counseling purposes.
2-27	Compliance with laws and regulations	Compliance with laws and regulations is a key issue for Gebr. Heinemann. However, the required information is not reported due to confidentiality constraints. The company does not consider the Compliance indicator 2-27 to be meaningful to demonstrate an appropriate overview of noncompliance, or failure to comply with, laws and regulations that apply to the organization.
2-28	Membership associations	p. 122-127
2-29	Approach to stakeholder engagement	p. 6, 7, 30-33, 44-47, 82-85, 108-111
2-30	Collective bargaining agreements	p. 135
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	p. 22-25
3-2	List of material topics	p. 25
GRI 201: Economic Performance 2016		
3-3	Management of material topics	p. 16-19
201-1	Direct economic value generated and distributed	p. 20
GRI 203: Indirect Economic Impacts 2016		
3-3	Management of material topics	p. 128, 129
203-2	Significant indirect economic impacts	p. 128, 129
GRI 204: Procurement Practices 2016		
3-3	Management of material topics	p. 118-121
204-1	Proportion of spending on local suppliers	The information is unavailable.
GRI 205: Anti-corruption 2016		
3-3	Management of material topics	Gebr. Heinemann strictly condemns corruption and perceives doing so as part of its responsibility toward society. The company does not give, encourage, or accept bribery in any form. In the event of a potential conflict of interest, employees must inform their respective manager and compliance department and jointly develop a suitable and transparent solution. When handling product samples, invitations, gifts, donations, and other benefits, Gebr. Heinemann abides by the principles of legality, responsibility, and propriety.
205-1	Operations assessed for risks related to corruption	Gebr. Heinemann regularly monitors its business areas and business partners (Know your Customer / Know your business partner). Apart from regular screenings in compliance databases, sanctions lists and open source risk assessments are carried out regularly.
205-2	Communication and training about anti-corruption policies and procedures	Gebr. Heinemann strictly condemns corruption in any form and does not tolerate it in its own business activities or those of business partners. Preventing and combating corruption is one of the focal points of the company's compliance work. Anti-corruption training is regularly conducted online and in classroom trainings for employees as needed. Anti-corruption guidelines and further guiding materials support employees in dealing with these issues in everyday business.

GRI 206: Anticompetitive Behavior 2016		
3-3	Management of material topics	All conduct that prevents, restricts, or distorts free trade and competition between companies is strictly condemned by Gebr. Heinemann. Gebr. Heinemann therefore ensures that every employee has sufficient knowledge to recognize and avoid issues that are anticompetitive or issues that are or could be perceived as anticompetitive. This is especially delivered by regularly training on antitrust as well as effective counseling of the workforce in doubt.
206-1	Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	There were no legal actions pending or completed during the reporting period regarding anticompetitive behavior and violation of antitrust and monopoly legislation.
GRI 301: Materials 2016		
3-3	Management of material topics	Gebr. Heinemann is focusing on avoiding and reducing packaging materials, particularly in the area of transport packaging to safeguard goods during transit. Additionally, the company prioritizes using a high proportion of recycled materials and achieving a robust recycling rate when selecting products such as films, adhesive tapes, and cartons. Whenever feasible, Gebr. Heinemann transitions to reusable alternatives to promote a circular economy.
301-1	Materials used by weight or volume	p. 21
GRI 302: Energy 2016		
3-3	Management of material topics	p. 118-121
302-1	Energy consumption within the organization	p. 21
302-3	Energy intensity	p. 21
302-4	Reduction of energy consumption	The information is unavailable.
GRI 305: Emissions 2016		
3-3	Management of material topics	p. 118-121
305-1	Direct (Scope 1) GHG emissions	p. 21
305-2	Energy indirect (Scope 2) GHG emissions	p. 21
305-3	Other indirect (Scope 3) GHG emissions	p. 21
305-4	GHG emissions intensity	p. 21
305-5	Reduction of GHG emissions	p. 21
GRI 306: Waste 2020		
3-3	Management of material topics	Gebr. Heinemann is working on expanding the zero-waste concept across all sites. The concept includes sorting waste by type and disposing of it correctly. The company is striving to increase the recycling rate. To this end, Gebr. Heinemann is approaching stakeholders, in particular landlords, to ensure that waste is measured correctly.
306-1	Waste generation and significant waste-related impacts	p. 21
306-2	Management of significant waste-related impacts	Refer to 3-3
306-3	Waste generated	p. 21

GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	p. 118-121
308-1	New suppliers that were screened using environmental criteria	The information is unavailable.
GRI 401: Employment 2016		
3-3	Management of material topics	p. 108-111
401-1	New employee hires and employee turnover	p. 21, 134, 135
401-3	Parental leave	p. 21, 135
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	Gebr. Heinemann prioritizes a safe and supportive workplace environment while ensuring compliance with legal occupational health and safety standards. The Allermöhe logistics center is certified under ISO 45001 for Occupational Health and Safety, reflecting our commitment to maintaining high safety standards.
403-1	Occupational health and safety management system	The People and Culture Health and Safety department oversees the continual enhancement of occupational safety protocols. Across all Gebr. Heinemann sites, dedicated occupational safety specialists conduct regular meetings of the safety committee and facilitate knowledge sharing on safety practices.
403-2	Hazard identification, risk assessment, and incident investigation	Systematic risk assessments are conducted at all locations to analyze and monitor work processes for potential health and safety hazards. Utilizing a traffic light system, appropriate measures are developed to mitigate risks, overseen by designated personnel.
403-3	Occupational health services	The information is unavailable.
403-4	Worker participation, consultation, and communication on occupational health and safety	Managers and employees are regularly informed about occupational safety issues and hazardous working conditions through the company intranet and informational publications.
403-5	Worker training on occupational health and safety	Employee training in occupational safety and health protection, including fire safety, is conducted through e-learning modules or managerial instructions. Annual training completion is mandatory, supplemented by discussions on local safety concerns and equipment usage. Detailed operating instructions are provided for clarity and adherence.
403-6	Promotion of worker health	Proactively supporting employee health, Gebr. Heinemann offers a diverse array of services aimed at enhancing well-being and performance. These include medical check-ups, online training focusing on stress reduction and mindfulness, ergonomic advice, opportunities for leasing e-bikes, and collaborations with sports clubs and fitness providers, alongside internal fitness classes.
403-9	Work-related injuries	p. 135
GRI 404: Training and Education 2016		
3-3	Management of material topics	p. 100-103
404-1	Average hours of training per year per employee	p. 21, 135
404-2	Programs for upgrading employee skills and transition assistance programs	p. 100-103
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	p. 104-107
405-1	Diversity of governance bodies and employees	p. 21, 135
405-2	Ratio of basic salary and remuneration of women to men	Equal pay is a central principle that is already practiced today. The remuneration systems and processes do not differentiate between women and men. Salaries are based on the respective job description and on the Gebr. Heinemann Clear Career System, which provides for fixed salary bands that are identical for men and women.

GRI 406: Nondiscrimination 2016		
3-3	Management of material topics	p. 104-107
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination were reported in 2023.
GRI 413: Local Communities 2016		
3-3	Management of material topics	p. 128, 129
413-1	Operations with local community engagement, impact assessments, and development programs	The information is unavailable.
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	p. 118-121
414-1	New suppliers that were screened using social criteria	The information is unavailable.

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