

2021

ACI-NA AWARDS SUBMISSION



HUDSON – ADAPTABILITY AWARD

SINCE THE VERY BEGINNING OF THE COVID-19 PANDEMIC, HUDSON HAS TAKEN A NUMBER OF PROACTIVE STEPS TO ENSURE THE HEALTH AND SAFETY OF ITS TEAM MEMBERS, TRAVELERS, PARTNERS, AND AIRPORT AND TRANSPORTATION HUB WORKERS, AND PROVIDE AN INNOVATIVE SHOPPING EXPERIENCE THAT MEETS TRAVELERS' EVOLVING NEEDS, ALL WHILE CONTINUING TO PROVIDE ITS LEGENDARY TRAVELER'S BEST FRIEND SERVICE. ADDITIONALLY, WITH MANY FAMILIES SUFFERING FINANCIAL HARDSHIP DUE TO JOB LOSSES OR COVID-RELATED MEDICAL BILLS, HUDSON HAS CONTINUED TO GIVE BACK TO THE COMMUNITIES IT SERVES.

HIGHLIGHTS OF HUDSON'S ADAPTABILITY DURING COVID-19

Implemented Extensive Measures to Ensure the Health, Safety, and Wellbeing of All Stakeholders

- Maintained safe concessions program focused on needs of stakeholders

Remained Operational During Height of Pandemic and Continued to Open New Stores

- Select number of stores remained open in most markets to serve travelers, along with airport and transportation hub personnel
- Early on in the pandemic, Hudson was one of the only concessionaires open in many airports

Delivered Innovative Shopping Experiences

- Introduced innovative shopping concepts and payment options to address travelers' evolving needs





IMPLEMENTED EXTENSIVE MEASURES TO ENSURE THE HEALTH, SAFETY, AND WELLBEING OF ALL STAKEHOLDERS

- Team Members
- Joint Venture Partners
- Travelers and Landlord Personnel
- Communities

KEY STAKEHOLDER: TEAM MEMBERS

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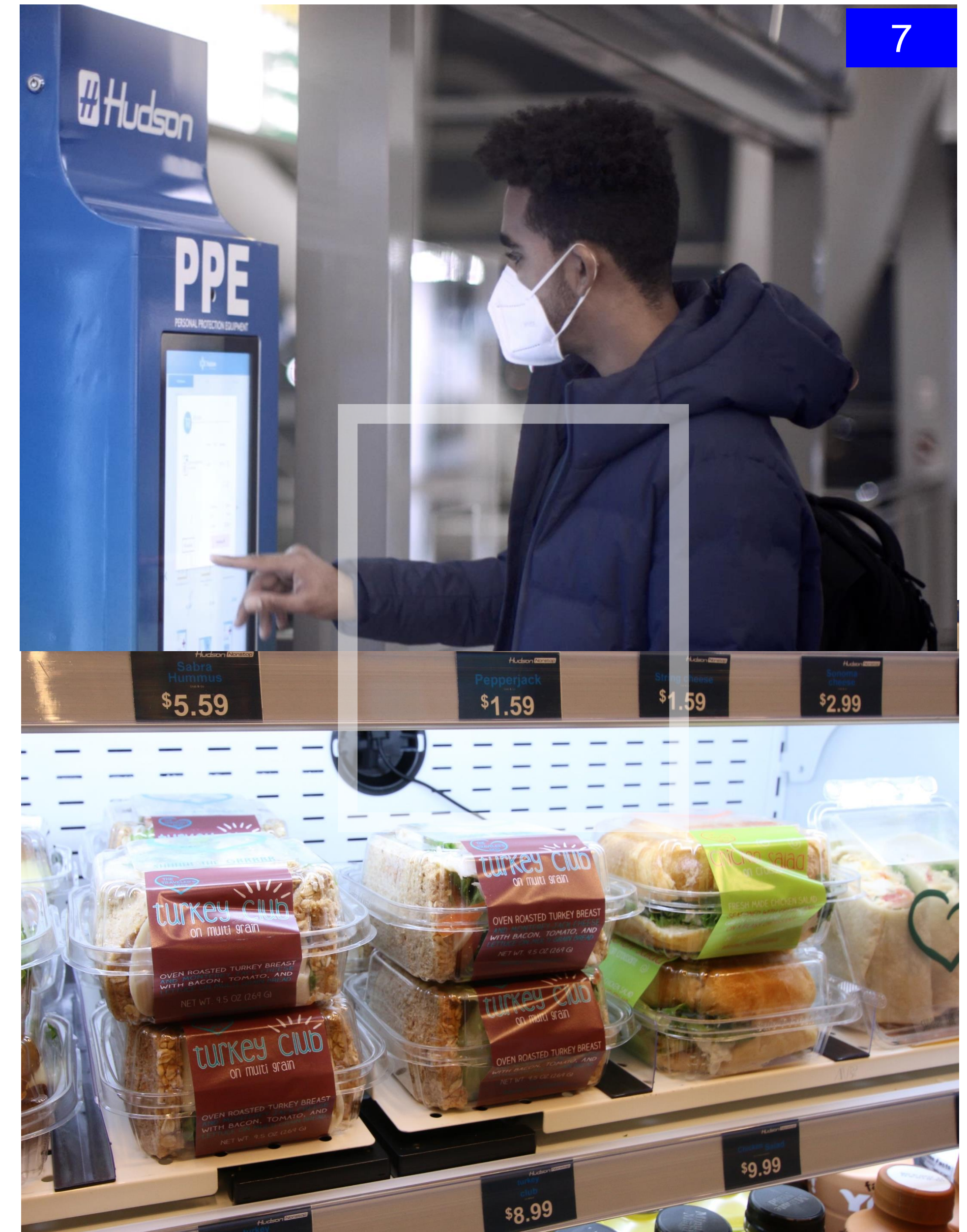
- Formed internal cross-functional Emergency Response Team (ERT) that met daily to assess COVID-19 risks to the business, develop operational policies and procedures to keep team members and customers safe, and secure extensive PPE supplies
- ERT developed three different Health & Safety Playbooks for its field operations, warehouses, and corporate offices
- Brand team developed two videos for team members, business partners, and landlords which demonstrated the numerous health and safety procedures implemented, and how our team members stepped up to serve travelers and landlords during the pandemic
- Hudson's executive team held frequent Town Hall meetings and CEO sent written communications to team members to provide updates and answer questions
- Leveraged our internal communications platform to provide timely and relevant COVID updates on behalf of the ERT
- Provided 24/7 assistance through its Employee Assistance Program and covered paid sick leave in order to prioritize the mental wellbeing of its team members and reduce the unnecessary exposure and spread of COVID-19 within its workforce
- Designed a recognition program to reward team members for their hard work, inclusive of expanded in-store discounts, Hudson hero pins, in-store recognition celebrations, and more
- Diversity & Inclusion Committee launched a new initiative to champion educational awareness and dialogue around diversity, equity, and inclusion, and to celebrate the diversity within Hudson's workforce
- Furloughed team members were treated with great respect
 - Hudson covered 100% of expenses for healthcare benefits and provided monthly updates regarding their status
 - CEO sent regular communication to furloughed team members on the state of Hudson's business and its recovery
 - As stores reopened and travel increased, Hudson has been bringing back team members: as of July 15, 2021, Hudson had recalled the majority of its U.S. team members that had been furloughed

KEY STAKEHOLDER: JOINT VENTURE PARTNERS

- Provided Health & Safety Playbook and video as well as ample PPE supplies to reduce virus spread
- CEO held frequent Town Hall meetings for business partners to provide updates and answer questions
- Explored options for assistance on behalf of the JV's and its ACDBE partners under the CARES Act and the Paycheck Protection Program
- Deferred all ACDBE loan principal payments and waived all interest payments during 2020 and into 2021
- Despite losses throughout most of 2020, Hudson deferred capital calls to help partners conserve cash
- Worked with business partners to identify ways to increase flexibility and access to capital for ACDBE's partnering on new projects
- Extended enhanced holiday discounts to ACDBE business partners and all airport and airline employees during the 2020 winter holiday season

KEY STAKEHOLDER: TRAVELERS AND LANDLORD PERSONNEL

- Implemented new safety procedures to keep team members, travelers, and landlords safe
- Retrofitted stores with social distancing measures, from store signage and decals to Plexiglas sneeze guards and in-store stanchions to manage crowd control
- Expanded merchandise selection to meet customer needs
 - Introduced proprietary line of PPE and HBA offerings (Traveler's Best) and increased number of offerings
 - Increased selection of fresh Grab & Go products, as many food & beverage locations were closed and in-flight F&B options were limited
- Extended holiday discounts to all airport and airline and transportation hub employees during the 2020 winter holiday season



KEY STAKEHOLDER: COMMUNITIES

- With many families suffering financial hardship due to job losses or COVID-related medical bills, Hudson knew it was more important than ever to continue to give back to the communities it serves
 - In December 2020, Hudson launched a company-wide toy drive initiative to provide families in need with gifts for the holidays, partnering with Toys for Tots at a national level and encouraging team members to donate to similar organizations within their local communities
 - As it has done for the past 10 years, Hudson continued to support Communities in Schools (CIS), the largest and leading school dropout prevention group in the U.S. Hudson's funds in 2020 have helped CIS provide technology for remote learning as well as access to mental health resources, social services, and regular meals that students relied on from schools prior to the COVID-19 pandemic. Hudson's total contributions have now surpassed a milestone of over \$4 million raised since the partnership inauguration.



REMAINED OPERATIONAL DURING HEIGHT OF PANDEMIC AND CONTINUED TO OPEN NEW STORES

- During the pandemic, while reducing store hours and limiting number of stores open, Hudson remained operational in most of our markets
- In many airports, Hudson was one of the only concessionaires open early on in the pandemic
- After temporarily closing more than 700 of our 1,000 stores at the height of the pandemic, Hudson began reopening stores in May 2020 as soon as enplanements began to return
- Reopened over 200 stores as of July 31, 2020, bringing total open store count to approximately 450, or approximately 45%
- As of July 15, 2021, the majority of Hudson stores have reopened
- Continued to invest in the business and open brand new stores during the pandemic, including two new stores at LaGuardia Airport Terminal B in June 2020 and six new stores at Salt Lake City International Airport Concourse A/Terminal Plaza in September 2020
- Currently open in 100% of the markets Hudson operated in prior to the pandemic (excluding two locations where the facilities are not yet open – United Nations and Billy Bishop Airport)

INTRODUCED INNOVATIVE SHOPPING CONCEPTS AND PAYMENT OPTIONS TO ADDRESS TRAVELERS' EVOLVING NEEDS



Accelerated rollout of self-checkout registers



Introduced PPE vending machines to provide 24/7 access to critical PPE and HBA products

Launched Hudson Nonstop powered by Amazon Just Walk Out technology, allowing customers to enter the store with their credit card, pick up the items they need, and walk out of the store, eliminating checkout lines or stopping to pay



Introduced Automated Retail providing a 24/7 specialty retail destination

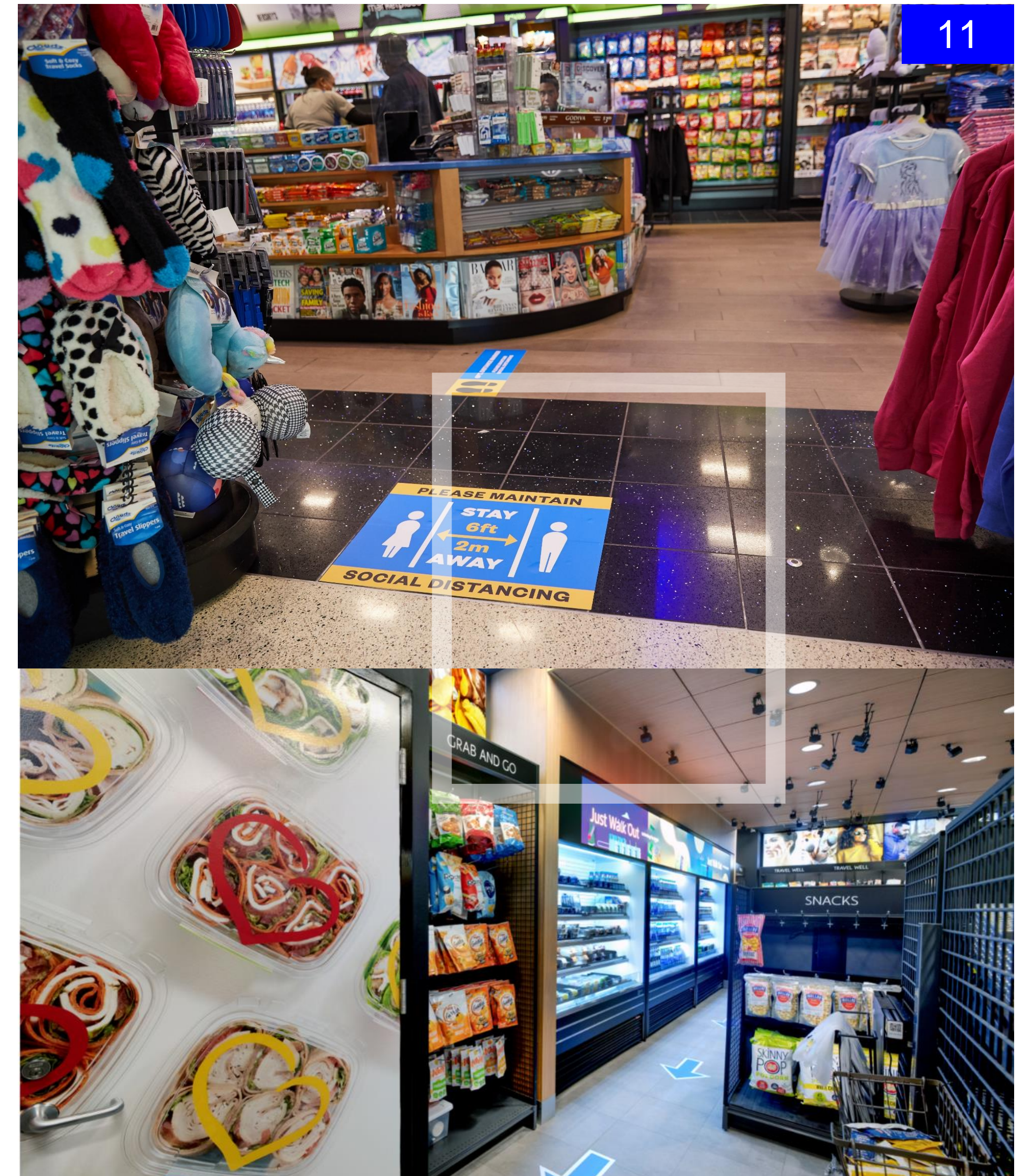


Rolled out Sunglass Hut shop-in-shops within travel convenience stores, enabling travelers to purchase premium eyewear while standalone specialty retail stores remained temporarily closed

SUMMARY OF HUDSON'S ADAPTABILITY DURING COVID-19

Hudson strategically navigated the pandemic, and emerged resilient thanks to:

- Ensuring the health and safety of its team members, partners, and landlord personnel
- Remaining operational during the pandemic height to serve essential workers
- Introducing new products for evolving traveler needs
- Accelerating and expanding digital innovations to provide contactless shopping experiences
- Engaging with all of its key stakeholders and maintaining open lines of communication throughout the most challenging times
- Giving back to the communities it serves

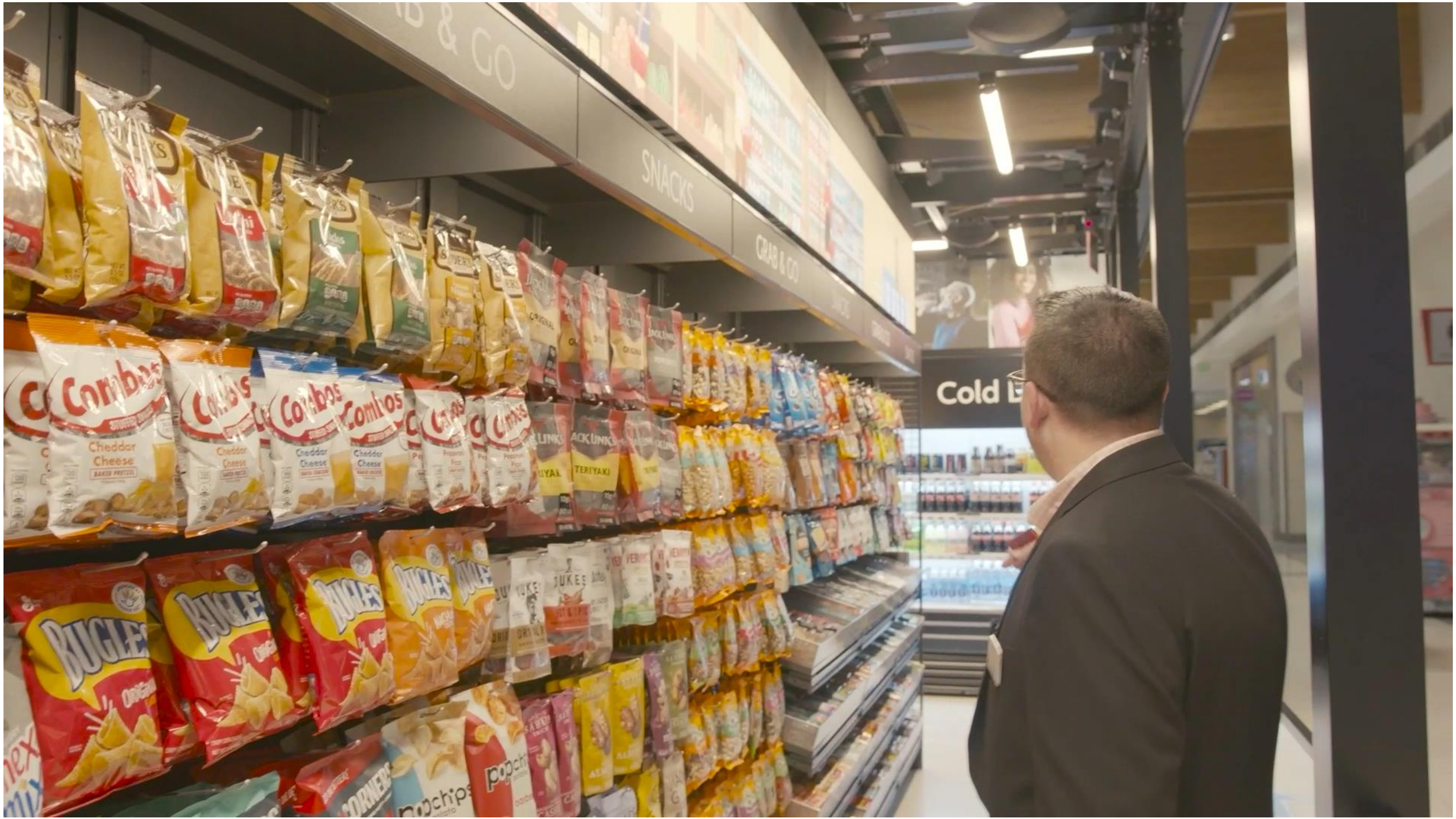


THANK YOU FOR YOUR CONSIDERATION!









SELF-CHECKOUT







