

Connecting sustainably

Sustainability Report 2019



Facts & figures

70.6 million

Passengers in FRA
1.5% more than the previous year

€5.41 million

support for
the region

More than
23,600
employees as at
31 December 2019



Around
500
electric vehicles
in use

306
destinations in
98 countries



Around
40,600
lamps, of which more than 60%
have been converted to LED technology



Over
120 thousand
departing pieces of baggage
on peak days

Our vision:

*From Frankfurt to the world.
We are Europe's best
airport operator and set
standards worldwide.*

Airports are hubs for growth and mobility. The success of Frankfurt Airport along with the company's expertise at this site form the basis for the further development of our international investments. Whether it comes to climate change or digitalization: we develop forward-looking concepts to meet increasingly complex requirements. As a service-oriented provider, we focus on our customers. And we make a promise:

*Gute Reise!
We make it
happen*

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Foreword

Dear Reader,

Airports are of great interest to the general public and are regularly the focus of socio-political debates. As an airport operator, Fraport often finds itself at the crossroads of a wide range of demands. For many of our stakeholders, maintaining global connectivity is paramount. Other stakeholders are concerned with issues surrounding the Group's value creation and its competitiveness as well as maintaining and creating secure, attractive jobs. Global challenges such as climate change are seen as a relevant issue by a number of stakeholders. In addition, the company has a responsibility to the region, which comes with operating an international hub. As you can see, we deal with an extremely diverse range of concerns. Even against the background of the coronavirus pandemic we do not lose sight of our responsibilities.

At the Fraport Group, we have undertaken to comply with the internationally recognized codes of conduct: the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the Core Labor Standards of the International

Labor Organization (ILO). The UN Agenda 2030 provides the basis for making global economic progress in line with social justice and within the ecological limits of our planet. As a signatory to the UN Global Compact, we are particularly committed to the objectives of Agenda 2030 and the Sustainable Development Goals.

“Responsible corporate governance and ethical action are our top priorities.”

Dr. Stefan Schulte

We are convinced that the company's scope of action can only be secured by consistently including non-economic aspects in management processes. This already has a long

tradition at Fraport. Environmental protection has been one of our corporate principles since 1972, and it has always played an important role in day-to-day operations as well as in the planning and implementation of expansion projects.

We have even been addressing the issue of noise since the 1960s. The Aviation Noise Commission was established in 1966; at the time, such measures were voluntary and not yet required by law. In Frankfurt, the Aviation Noise Commission was the first body of its kind in the world, in which representatives of our airport, Deutsche Lufthansa and other airlines, air traffic control, the local municipalities, and the competent authorities discussed measures to reduce aircraft noise and made practical proposals for its implementation. For example, the German Aviation Noise Act, which came into effect in 1971, was largely based on the technical work performed at Frankfurt Airport.

“With our energy management, we are improving efficiency and reducing energy costs.”

Dr. Matthias Zieschang

In order to systematically record the Airport’s environmental performance, we decided to introduce an environmental management system in the 1990s which can be verified by external experts. In 1999, this system was validated for the first time in accordance with the European Union Regulation on the Eco-Management and Audit System (EMAS). This assessment obliges Fraport AG to continuously improve its environmental protection measures. In 2002, Fraport also became certified according to ISO 14001.

And, of course, sustainability at Fraport is also enshrined in the policies throughout the company. It plays a major role in the operational management of the company, our personnel and social policy, the communication with our neighbors in the Rhine-Main region, the Group’s corporate governance, and Fraport’s position as a corporate citizen as part of society. The numerous awards from sustainability rating agencies and the memberships in the sustainability indices show that we are on the right track.

“Fair working conditions as well as the satisfaction of our employees are important to us.”

Michael Müller

In the 2019 fiscal year, we were again honored for acting responsibly: our memberships in the FTSE4Good Index and the Ethibel Sustainability Index (ESI) Excellence Europe were

renewed once again. We were awarded Prime Status by the sustainability rating agency ISS-oekom research. We again received the Airport Carbon Accreditation by Airports Council International.

“We are introducing new technologies to meet diverse customer requirements.”

Anke Giesen

We have published a sustainability report documenting our developments since 2005. In addition, the report also provides information on our strategies with which we ensure the economically, ecologically, and socially stable development of the Fraport Group in the long term. For sustainable development also means continuous improvement. Since 2015, we have also published a separate GRI Report. Both reports serve as a progress report for the implementation of the ten principles of the UN Global Compact.

At this point, we would like to thank our over 23,600 employees who have made our Group what it is today: economically successful, sustainable, and viable for the long term. And we continue to work to keep our company viable. At Fraport AG, we have been able to steadily reduce our CO₂ emissions in recent years even as passenger numbers increase. We have set a goal of reducing CO₂ emissions to 80,000 metric tons at Fraport AG by 2030, which corresponds to a reduction by 65% compared to the emissions in the base year of the international climate change agreement (1990). By 2050, we want to be completely carbon free.

“Safety is the key requirement for air traffic.”

Dr. Pierre Dominique Prümm

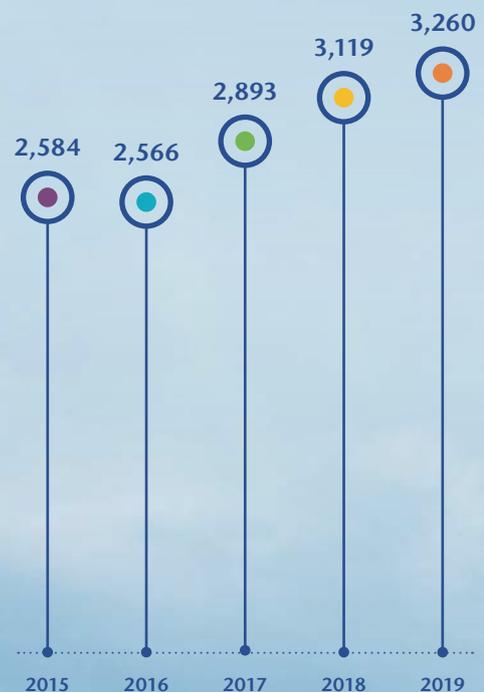
As you can see, the topics of sustainability and climate protection in particular are not only important for the general public but also a focus for us. And recently our stakeholders have also directly approached us with questions about these issues. Do you want to know what we as a Group are doing for climate protection, what strategies and goals we are pursuing and which measures we want to use to achieve our goals? To answer these questions, we have prepared a separate chapter on “Climate Protection at Fraport” at the beginning of this report.

We hope you enjoy reading it.

Your Executive Board

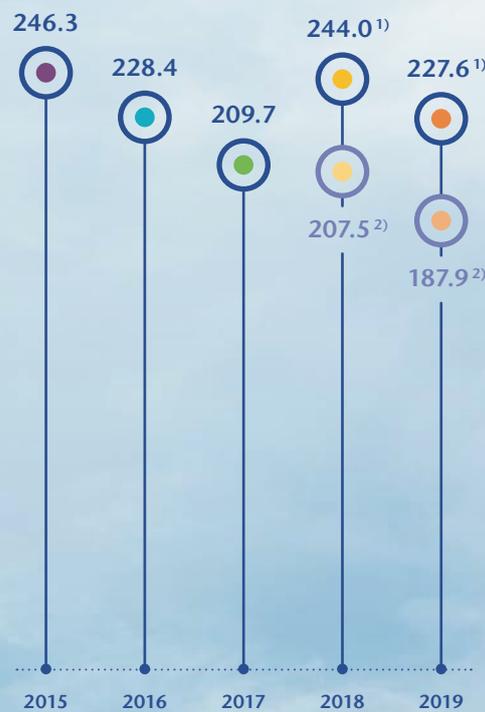
In focus: Climate protection

We want to meet people's mobility needs without additionally impacting the environment. This is something we are working on intensively. Climate protection is one of the most pressing issues for the entire aviation industry.



Revenue in € million adjusted for revenue related to capacitive capital expenditure





CO₂ emissions in 1,000 metric tons

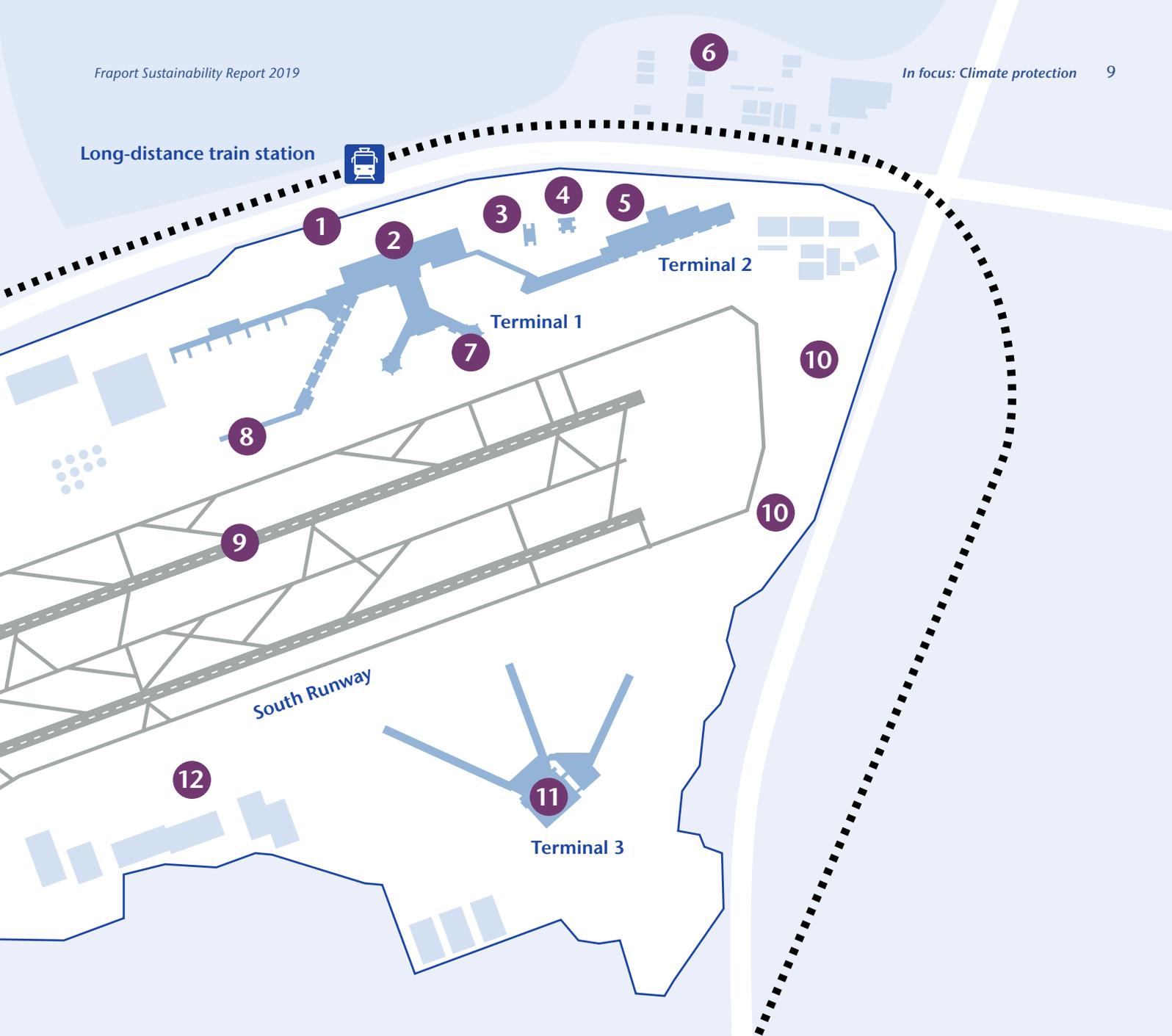
¹⁾ The higher values are due to the inclusion of the 14 Greek regional airports and the two Brazilian airports beginning in 2018 and represent the current development of Group CO₂ emissions.

²⁾ The lower values would have been reported if the 14 Greek regional airports and the two Brazilian airports were not taken into account.



Climate protection map

Fraport AG has implemented several measures for climate protection at Frankfurt Airport. The climate protection map shows exactly where these take place. More details can be found on the following pages.



1 Parking garages

Fraport AG uses LED technology in its parking garages.

↳ For more information, see page 16

2 Terminal 1

50 technical control panels will be refurbished to meet the state of the art in climate technology.

↳ For more information, see page 14

3 Fraport AG headquarters

Here, employees in environmental management monitor the development of CO₂ emissions. In 2019, the Executive Board decided to compensate all emissions from business travel.

↳ For more information, see page 11

4 Transformer stations

Part of optimizing the already intelligent distribution network is the upgrading of transformer stations.

↳ For more information, see page 19

5 Terminal 2

Using a thermal building simulation, various optimization measures are virtually modeled and then implemented.

↳ For more information, see page 17

6 House of Logistics and Mobility (HOLM)

The Competence Center for Climate Protection and Noise Abatement manages pilot projects for extracting fuels from renewable energies.

↳ For more information, see page 19

7 Baggage transfer system

The 50-mile-long system now has more energy-efficient drives that reduce friction losses.

↳ For more information, see page 15

8 Apron

In the long term, the vehicle fleet will be converted to electric mobility, and 14% of the fleet is already electrically operated.

↳ For more information, see page 15

9 Runway

The lighting is gradually being converted to energy-saving and long-lasting LED lights.

↳ For more information, see page 16

10 Runway

From 2021, micro grid battery storage will support the emergency power supply, which is CO₂-neutral.

↳ For more information, see page 19

11 Terminal 3

Based on energy-optimized construction methods, the main terminal building will have increased energy efficiency.

↳ For more information, see page 16

12 CargoCity South

Solar power is generated on rooftops and open spaces for own use. A photovoltaic system is being built on the roof of a freight hall.

↳ For more information, see page 19



Climate protection



Reducing CO₂ emissions based on the Paris climate protection agreement (1.5-degree target) by increasing energy efficiency, use and production of renewable energy, and use of alternative drive systems.

How can aviation and climate protection go together?

At approximately 3%, air transport makes a comparatively small contribution to global CO₂ emissions but is under particular scrutiny because of its other climate effects, especially in the higher atmosphere, and because of its strong growth rates. Air traffic services worldwide have more than quadrupled over the past 30 years. CO₂ emissions increased by more than 60% over the same period, thanks to corresponding improvements in energy efficiency in air traffic. This growth will incur a signifi-

cant delay. The consequences of the coronavirus pandemic will particularly affect the development of air traffic in 2020, and the ACI does not expect a full recovery in transport performance until the end of 2021. It is also realistic to assume that it will take several years before the traffic volume of 2019 is reached again.

Even if climate protection has been increasingly addressed in the media for a few years now, this does not mean that it was previously irrelevant. The focus



3%

*Share of
air traffic in
global
CO₂ emissions*

of airport operators is, of course, less on aviation itself than on emissions in their direct area of responsibility. Fraport is also committed to the due and proper consideration of the environmental requirements associated with the operation of the airport. This means, among other things, the considerate and careful use of natural resources as well as efficient energy and CO₂ management. In addition to “protection of environment and nature” and “air quality”, “climate protection” is therefore a key topic.

Climate protection targets published in 2008

As early as 1999, energy consumption at Frankfurt Airport was recognized as an essential environmental aspect, and targets were set in the environmental program. In the following years, the foundations for the greenhouse gas limits at Frankfurt Airport were laid and gradually built up for the various emitters. This was the basis for formulating the first climate protection targets published by Fraport AG in 2008.

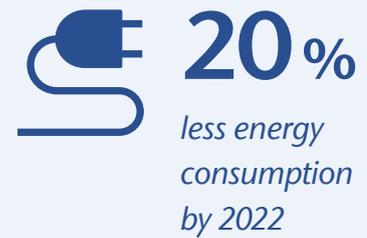
That same year saw the beginning of a cooperation in the ACI’s climate protection project, the Airport Carbon Accreditation, a program for managing greenhouse gas emissions at airports. Since then, it has evolved into the world standard for CO₂ reporting and management at airports. Participation at level 2 (“reduction”) or higher requires proof of both a CO₂ reduction target, a CO₂ management program in accordance with international requirements, and of annual emission reductions verified by external experts.

In September 2009, Fraport AG was the first airport in the world to be accredited in this program with Frankfurt Airport. Since 2012, Fraport has been at level 3 of the program (“Optimisation”), the highest level that is currently achievable without the use of compensation.

Transparency through continuous CO₂ controlling

In 2011 and 2012, Fraport AG, with the support of the Oeko-Institut in Darmstadt, compiled an overview of the energy saving potential in the processes, systems, and buildings at Frankfurt Airport, and these are gradually being implemented. Together with the measures from the energy management system in place since 2014, the implementation has since been continued and monitored by the “Energy Circle”. The target is to reduce energy consumption by 20% by 2022 compared to the levels of 2013.

With the goal of increasing transparency about energy consumption and the associated CO₂ emissions at the Frankfurt site, Fraport AG introduced a specially developed CO₂ and energy consumption controlling system in 2013. This system tracks monthly energy consumption and associated CO₂ emissions at the level of individual processes, systems, or buildings and allows for, among other things, evaluations of energy efficiency and the effectiveness of energy saving measures. Fraport AG’s climate protection goals are also established and broken down for the respective year and the individual processes and buildings. The achievement of these objectives is continuously monitored.



As an interim solution: Business travel compensated through atmosfair

In general, Fraport does not believe that compensating for CO₂ emissions is the right way forward. However, we currently see no other option for the emissions caused by our employees’ business travel. Therefore, in 2019, Fraport decided to offset all emissions from business travel via the compensation provider atmosfair. This equates to 2,232 metric tons of CO₂ in 2019.



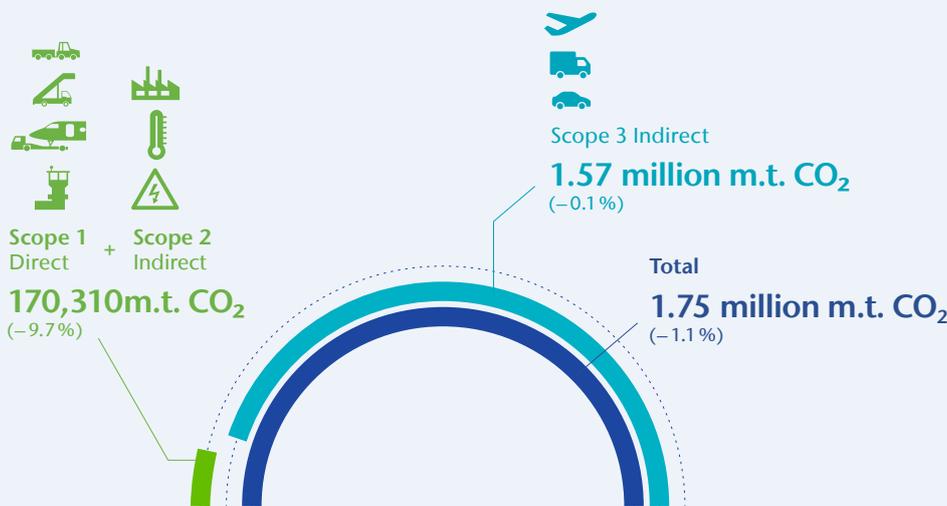
Since the climate impact of CO₂ emissions from air travel is assumed to be higher than, for example, from road transport, they are multiplied by the factor 2.7 as prescribed by the Intergovernmental Panel on Climate Change. In the medium term, Fraport AG wants to develop its own compensation option with suitable local partners.



112,000 MWh

Energy savings at Frankfurt Airport since 2013

Frankfurt Airport carbon footprint



Scope 1 includes Fraport AG’s own consumption. This mainly pertains to the operation of vehicles and equipment as well as the operation of grid replacement systems, firefighting training, and local heating systems.

Scope 2 means the energy purchased from third parties of Fraport AG. This includes electricity consumption as well as district heating and cooling consumption.

Scope 3 refers to the emissions of third parties at the Frankfurt site. This includes air traffic in the landing and takeoff cycle up to 3,000 feet, as well as incoming and departing traffic (both passengers and employees).

Old goals met, new ones set

After Fraport AG was able to meet the climate protection targets of 2008 ahead of schedule, they were updated in 2017. For the new target year 2030, Fraport AG is now aiming to reduce CO₂ emissions to 80,000 metric tons. This represents a reduction of approximately 65% (compared to 1990), despite the considerable growth the airport has experienced since then. The inauguration of Terminal 3 and the associated infrastructure (such as the passenger transport system or the parking garage) was also included in this reduction target. It not only meets the objective of the German Federal Government’s Climate Protection Plan 2050, but even exceeds it.

In addition, the Executive Board identified Group-wide CO₂ emissions in 2017 as the most important metric for measuring environmental impacts. The objective is to reduce CO₂ emissions that are directly or indirectly attributable to Fraport AG and the fully consolidated, environmentally relevant Group airports to 125,000 metric tons by 2030. The base year is either 2015 or the year in which the respective airport became part of the Group. The target value is based on the national reduction rates agreed to at the United Nations Climate Change Confer-

ence in Paris. It corresponds to a reduction of approximately 50% compared to the base year of 2015.

In the past fiscal year, Group-wide CO₂ emissions amounted to approximately 227,552 metric tons of CO₂ and were thus 6.8% lower than in the previous year (2018: 244,029 metric tons of CO₂). Fraport AG’s CO₂ emissions at Frankfurt Airport amounted to 170,310 metric tons of CO₂ and were 9.7% lower than in the previous year (2018: 188,631 metric tons of CO₂).

The development of emissions in Frankfurt is to a small extent weather-related, the major part of the reduction is however due to energy savings. Thus, Fraport AG was able to save approximately 112,000 MWh of energy at Frankfurt Airport since 2013 through a variety of technical and operational measures, mainly electricity, district heating and district cooling. This corresponds to a saving of about 16% compared to the base year 2013. In addition, an improvement of the emission factors for electricity and district cooling had a reducing effect on CO₂ emissions.

Zero emissions by 2050

According to the Intergovernmental Panel on Climate Change (IPCC), climate neutrality is needed by 2050 to achieve the 1.5-degree target – without compensating for CO₂ emissions with the help of allowances.



Therefore, Fraport took the next step in 2019 and added Frankfurt Airport to the Net Zero Carbon Initiative of ACI Europe. By 2050, it aims to reduce CO₂ emissions under its direct responsibility to zero (“Net Zero Carbon” according to the IPCC).

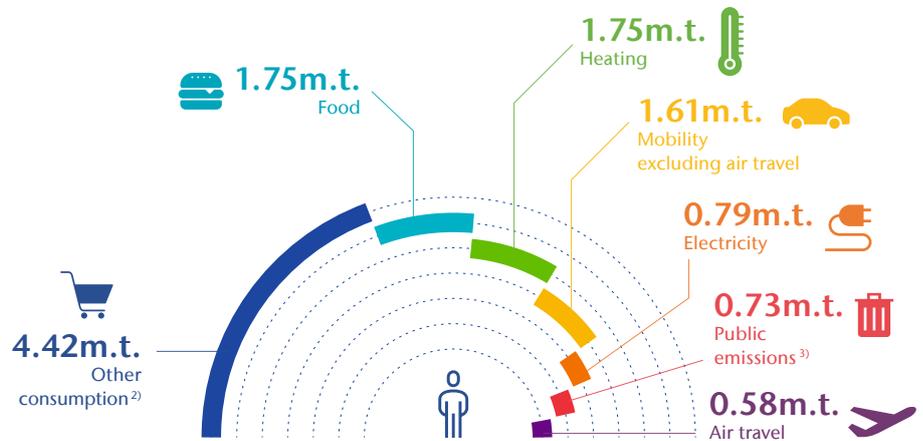
Air travel as a factor in personal carbon footprints

There are a lot of people who believe that flying is the largest factor in their carbon footprint. But, the highest share of CO₂ emissions traced back to the average German citizen are in consumer behavior (4.42 metric tons), as in the purchase of clothing, household appliances, or leisure activities. This is followed by food and heating (1.75 metric tons each) and mobility (1.61 metric tons). Air travel averages 0.58 metric tons for one's own carbon footprint. Looking at CO₂ emissions in Germany, it is clear that electricity generation accounts for the largest share. Around 30% come from coal and lignite-fired power stations. Industry is the second largest emitter of CO₂, and it has only been able to reduce emissions slightly since 2000. The emissions are mainly generated, for example, in the production of metals such as iron and steel, in the chemical industry, and in the production of cement. The transportation sector is the third largest polluter with 18.2% each year, which is mainly emitted by road transport. German domestic air travel accounts for 0.3 percentage points.

The share of air traffic worldwide: 2.8%

Global aviation accounts for 2.8% of global CO₂ emissions (source: www.klimaschutz-portal.aero). The proportion that can be attributed to airports is even lower. Nevertheless, airlines, aircraft manufacturers, air traffic control companies, and airport operators world-

Greenhouse gas emissions attributable to an average German citizen¹⁾



¹⁾ in CO₂ equivalents
²⁾ e.g., clothing, household appliances, leisure activities
³⁾ e.g., water supply and disposal, waste disposal

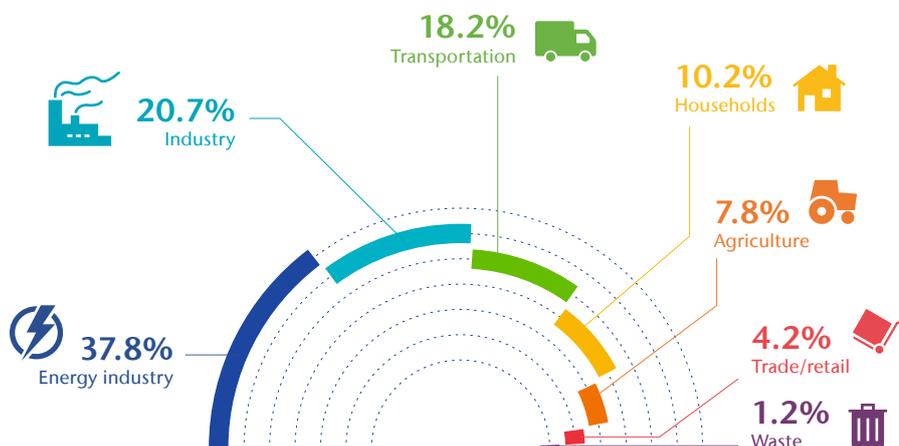
Source: based on the German Federal Ministry for the Environment

wide agreed on a climate protection strategy as early as 2009. In order to reduce CO₂, fuel efficiency needs to be increased by 1.5% per year. Reducing the specific energy requirements for each aircraft will reduce the consumption of jet fuel and thus CO₂ emissions per passenger. Thus far, this target has been achieved every year.

The international aviation climate change strategy contains three main points:

1. Increase efficiency or reduce CO₂ growth through technical innovation and optimal processes on the ground and in the air.
2. Enable CO₂-neutral flying by 2050 with new aircraft concepts as well as alternative fuels and propulsion systems.
3. Global climate protection projects that compensate for the increase in CO₂ emissions.

CO₂ emissions in Germany by sector



Source: based on the German Federal Ministry for the Environment (2016)

The German Federal Ministry for the Environment sees great potential in developing combustibles and fuels from renewable energies. A conference on this topic was held at the end of 2019 with experts from business, associations, science, and trade unions discussing the possibilities of "Power-to-X" (PtX). PtX is a process in which combustibles and fuels (power-to-gas, power-to-liquid), raw materials for industry (power-to-chem), or other forms of energy (power-to-heat) are supplied from renewable electricity. PtX products are almost climate neutral when using renewable energies and are thus an important building block for reducing CO₂, especially wherever electricity cannot be used directly in the medium term, as in the case of air transport.

Ecologically and economically responsible action

Conserving energy and thus protecting the climate: This has been an important issue at Fraport for a long time. We want to reduce carbon dioxide emissions at Frankfurt Airport to less than 80,000 metric tons by 2030. By 2050, the airport will seek to be carbon free, i.e., zero emissions. The progress made can already be clearly seen: Compared to 2000, we have reduced CO₂ emissions at the Frankfurt site by approximately 40% despite increased traffic numbers. We want to significantly reduce our carbon footprint and also seek to be economically responsible in our actions. We are focused on three areas:

- Optimized use of energy and refurbishment of existing buildings
- Gradual conversion of fleets to alternative drives
- Conversion of lighting on runways and aprons, terminals, and parking garages

A huge effort is needed to renovate the buildings to bring them up to date in terms of energy efficiency, as some of them at Frankfurt Airport date back to 1972. Fraport continuously optimizes air-conditioning and ventilation technology and converts them to energy-efficient systems. One starting point is the replacement of the 50 technical control panels in Terminal 1. These systems include indoor air technology (air conditioning, heating, measurement and control technology, building automation), sprinkler and electrical technology, heat and cooling supply, as well as smoke extraction. The renovation work includes highly efficient fans, pumps, switchgears, and modern heat recovery. The total investment volume is approximately €260 million.



50 technical control panels will not only be completely refurbished but also optimally adjusted individually.



90%

of the fuels that Fraport AG obtains are consumed on the apron for the handling of the aircraft.

Central control via software

Beginning in 2020, a new energy monitoring software will also help to successfully complete the project. A separate profile will be drawn up for the ventilation systems, and the energy consumption will be compared with the settings. If a system consumes significantly more energy than another comparable system, the operational energy managers can directly adjust the settings. The optimal adjustment and adaptation to the actual demand for air conditioning in the respective terminal section alone can conserve energy by 10 to 30% per control panel. In recent years, operational energy management has already implemented a range of measures that enabled a savings potential of approximately 13 gigawatt hours (GWh) in 2019, for example by adjusting room temperatures to the outdoor air temperature.



Up to 50 pushback operations are possible with the remote-controlled electric aircraft tow tractor without having to recharge.

Long-term goal: Exclusively electrical ground handling

Another factor in saving energy is the conversion of the vehicle fleet to electromobility. Approximately 90% of the fuels that Fraport AG obtains are consumed on the apron for the handling of the aircraft. For large handling equipment such as the pallet trucks, converting to battery power saves approximately 7 metric tons of CO₂ per year. For cars, the conversion results in only approximately 1 metric tons of CO₂ during the same period. The long-term goal is to use only electrically powered devices and machines for ground handling in Frankfurt. This has been supported by the State of Hesse since 2014 with its E-PORT AN initiative. Approximately 500 electric vehicles, ranging from pallet and container trucks to conveyor belt trucks and minibuses, are already in use. This represents approximately 14% of all Fraport vehicles on site.

Lufthansa AG is also part of this initiative and is seeking to switch its own ground fleet at Frankfurt Airport to electric mobility. Two plug-in hybrid aircraft tow tractors are already in use. To allow for longer operating times, for example for transport to the hanger, the electric drive is supplemented by a diesel engine.

Fraport also tested an electric aircraft tow tractor in the fall of 2018. The remote-controlled vehicle from Mototok International was in service for several months in the ground handling process. As a test partner, Lufthansa provided aircraft for the pushback in which the e-tractor pushes the plane from the park position onto the runway. A Fraport employee

operated the tractor remotely. Between 30 and 50 pushback operations are possible without having to recharge the battery. The extent to which the Mototok can be integrated into ground handling processes is still being examined. In addition, Fraport AG is currently procuring two small electric aircraft tow tractors with a standard driver's cab for use at the General Aviation Terminal.

Testing electric buses

Since March 2020, Fraport has been testing the use of electrically powered buses for passenger transport on the apron for the first time. The purchase was also supported by the State of Hesse through the E-PORT AN initiative. Fraport will initially collect data on the energy requirements for power, heating, and air conditioning. The prerequisite for general use is to ensure battery capacity and the associated range meet the requirements of passenger transportation. Approximately 90 diesel-powered buses currently take passengers from the gates to their planes. Replacing the entire fleet and setting up the necessary charging infrastructure call for major capital expenditure. Purchasing such buses only makes sense if the charging times allow for use in multi-shift operation.

Friction losses on belts and rollers reduced

Energy is also conserved in the baggage transfer system at Frankfurt Airport. The system, the largest in the world, is over 50 miles long. It connects over 430 check-in counters in the departure halls, 26 automatic entry points for transfer luggage on the apron and nearly 90 baggage claims. It serves as a model for many other airports. The conveyor speed of the luggage trays is up to five meters per second (approximately 18 km/h). Up to 20,500 bags can be handled per hour. On peak days, the facility handles over 120,000 departing baggage items. With a reliability rate of 99.6%, the system, which was put into operation in 1974, has made it possible to develop the airport into one of the world's most important hubs.



Countless rollers, belts, and motors move the luggage trays with the suitcases from A to B. In addition to the use of more energy-efficient drives, the duration and friction losses in particular will be reduced in order to conserve energy. These measures also increase the intervals at which the system needs to be serviced due to less wear. Performance measurements show an expected saving of approximately 30% by implementing these measures, which corresponds to approximately 7 GWh per year.



Electric buses are being tested for passenger journeys on the apron.

Market development too slow

For passenger buses, a slightly adapted motor for the combustion of hydrogen is also an option as an alternative to the electric motor. When the hydrogen is generated regeneratively, this drive is CO₂ free. Another option are fuel cells: Especially for large commercial vehicles, a combination of a battery and a so-called “range extender”, for example an additional fuel cell or a hydrogen combustion engine, can be beneficial. Here, too, Fraport monitors market developments and is active in the relevant working groups.

However, only a few companies are pushing ahead with the development of commercial vehicles that are highly specialized in ground handling, meaning that, so far, there are few innovative ideas on the market. In addition, suitable charging infrastructure is required for the use of solely battery-electric vehicles at the airport. Such systems are currently being designed.

The third factor for saving energy: lighting

For an infrastructure facility such as the airport, which is in operation day and night, the topic of lighting is, by its very nature, inevitable when it comes to considering energy-saving opportunities. Large parts of the terminals, both inside and outside, at Frankfurt Airport are illuminated around the clock. Even during the night flight ban, the lighting of the runways must not be completely switched off if an emergency landing is required. In addition, there is the road safety obligation, which is even more demanding for the lighting of the airport grounds than is necessary for public areas.

For this reason, Fraport has set the goal of gradually replacing almost all conventional lighting with energy-saving and long-lasting LED technology. This applies to the terminals, the apron, and the other buildings on the premises, such as offices, parking garages, or workshops. This has already been completed in the terminals, with approximately 14,000 lights replaced, saving approximately 4.8 million kilowatt hours (KWh) per year. This is equivalent to the amount of electricity supplied to approximately 1,100 households during the same period. However, a small part of the conventional lighting will remain while the lamps are still working.

Lamps exchanged in parking garages and on the apron

An important point is the lighting in the parking garages. In total, we replaced more than 17,600 lamps in the parking garages alone. From 2013 to 2018, this allowed Fraport to save approximately 4,000 metric tons of CO₂. On the apron, 19 aircraft positions are already equipped with LED spotlights. Another plan is to convert another 106 aircraft positions from metal halide to LED lighting technology between 2021 and 2024. This enables energy savings of 1 million kWh per year. In the case of runway lighting, 60% of all lamps are already LED. Over the course of the runway renovations, 90% will have LED technology by 2025. The savings potential is 600,000 kWh per year.

Energy-optimized construction at Terminal 3

Energy-optimized construction is also at the heart of the planning for Terminal 3. Among other things, a highly thermally insulated building envelope, on-demand sun protection, optimized daylight use, heat recovery, and the widespread use of LEDs will ensure the energy-efficient operation of the terminal.

The additional energy required for the operation of the terminal and the additional infrastructure such as the parking garage and the passenger transport system will amount to approximately 116,000 megawatt hours (MWh) per year. This represents an increase of approximately 20% compared to Fraport AG's current energy consumption (electricity, heating, and cooling). The expected increase in consumption is taken into account in planning for the 2030 climate protection targets.



“The digital simulation of the buildings helps us choose the right measures”



Thorsten Koch

Thorsten Koch holds a degree in engineering and is one of many Fraport employees who are involved in energy optimization of buildings and building systems. His specialty is thermal building and plant simulation.

Mr. Koch, what is a thermal building and plant simulation?

For the simulation, all conditions of the building are examined: structural properties of the building envelope, internal heating sources such as lighting and equipment, as well as the outside temperature, wind speed and its flow direction to the building. The systems' performance data, which ensure a pleasant indoor atmosphere, are entered into the software tool. The software then takes into account other factors such as the influence of outdoor air through doorways as well as the heat dissipation and CO₂ emissions of passengers.

The model is then calibrated and adapted to the actual energy situation via temperature and CO₂ sensors in the building and operational analyses of the technical building equipment. Various optimization measures are then virtually modeled and implemented. The result is a comprehensive picture of the building's energy uptake and the energy required for it.

In Germany, this method is often used as proof of functioning technical systems in individual rooms. At Fraport, we simulate entire office and terminal buildings. This is a very innovative approach that is currently only practiced in Scandinavian countries.

Why do you have to simulate this, can you not just feel whether a building is warm or cold enough?

The advantage is that different variations are tested before the actual measures. We can calculate, evaluate, and optimize their impact on the indoor climate as well as operating and investment costs. This is especially important as each building has a unique ambiance. The building simulation makes it possible to experiment virtually on the computer and, if necessary, to adapt the planned measures. The connections between construction, indoor ambiance, energy supply, and technology are very difficult to predict with conventional engineering methods.

Why is this particularly interesting for Frankfurt Airport?

The method is particularly suitable for large buildings with complex interconnections. We have already successfully created simulations for large parts of Terminal 1. With these simulations, we have developed various energy saving scenarios and put them into practice. We are currently working on a 1:1 simulation of Terminal 2, which also takes into account the external elements on the following one to two days. The high entrance hall and its thermal conditions are particularly challenging to ensure optimal air conditioning. If we successfully do this, we will then seek to transfer the results to the large hall areas in Terminal 1.

Can you describe the challenges at Terminal 2 in more detail?

Terminal 2 has a total area of over 430,000 m². In particular, the large, light-flooded hall with the 30,000 m² glass facade is appreciated by the passengers.

But it is precisely this large surface area that makes it difficult to ensure proper air conditioning. Currently, air conditioning systems pump approximately 1.1 million m³ of air-conditioned hot or cold air into the large hall per hour. In Terminal 2, approximately 3.5 million m³ of air are moved every hour in the entire building. This is due to the fact that there are hardly any surface heating and cooling systems in the building and that the room temperature is only controlled by the air conveyed from the air conditioning systems, which is expensive.



≈ **1.1 million m³**

air-conditioned hot or cold air is currently pumped into the large hall of Terminal 2 per hour.

So what are the next steps?

We are currently working on creating an inventory of all data in order to feed the model and generate the first test runs. By summer, we want to be able to make an initial statement about potential savings and draw up various scenarios. The system will then be assessed and adapted. There will be a number of possible short-term measures but also long-term options for action. Our goal is to save at least 10 Gwh of electricity per year compared to current consumption.

Investing in renewable energies



Fraport AG aims to significantly reduce CO₂ emissions. In addition to energy efficiency measures, the program also includes generating electricity from renewable energies. Fraport AG already uses an energy mix at its Frankfurt site with a renewable share of 55%, which is above the German average. With the expansion of solar energy and wind turbines in Germany, the German energy mix is becoming even greener and has a positive impact on the emission factors and the carbon footprint of Fraport AG.



Energy mix with a renewable share of

55 %

In addition, Fraport AG has committed to taking responsibility and making an active contribution to the energy transition. In the next few years, capital expenditure at the Frankfurt site will be directed towards renewable power generation plants, among other things. On the airport site, solar power is generated on rooftops and open spaces for own use. The first photovoltaic system will go into operation in the summer of 2020 and generate approximately 1.5 million kWh of electricity – comparable to the annual demand of approximately 450 four-person households. Further photovoltaic systems are already in the planning stage and will be implemented in the coming years. According to current estimates, systems with up to 30 megawatts of power can be installed on existing and new buildings as well as open spaces.



1.5 million

kWh of electricity will be generated by the first photovoltaic system.

Since solar power alone cannot cover Fraport AG's electricity consumption, the purchase of electricity from offshore wind turbines is also planned through power purchase agreements or in-house operation. The electricity supply from so-called post-EEG plants is also currently being examined. These are systems whose funding has expired under the Renewable Energy Act (abbreviated as EEG in German). Technically, these plants can continue to generate electricity, but only if an investor is found.

Support for emergency power supply with micro grid battery storage

Another starting point is the use of micro grid battery storage systems as carbon neutral support for the existing emergency power supply. The power supply of the runways must be designed to be redundant, so that even in the event of a power failure, the aircraft can continue to take off and land. The emergency power is currently guaranteed by diesel engines. With the construction of a micro grid battery storage system for each runway, Fraport AG is significantly reducing its running times in bad weather conditions in order to save up to 300,000 l of heating oil per year. This corresponds to approximately 800 metric tons of CO₂. In addition, the emission of NOx and particulate matter is reduced. The first container is scheduled to be put into operation in 2021.

The findings gained in the projects at the Frankfurt site will serve the implementation of similar renewable power generation projects at the Fraport Group's airports, for instance in Bulgaria and Greece.

Intelligent grid use

Fraport AG is taking measures to make the best possible use of the renewable electricity to further optimize the already intelligent distribution network at its Frankfurt site. Smart grids link energy generation and consumption to grid resources with minimal effort. This calls for users of the energy system to be connected to the energy supply network. In other words, an exchange of information between producers, switchgears, storage systems, consumers, and other actors in the energy system is necessary in order to guarantee an efficient and reliable grid. This creates an integrated data and energy network with modified structures and new functionalities.

Measures in this context include, for example, the upgrading of transformer stations. The old technology is replaced by current, fully digital network protection and control bodies.

Power-to-liquid as an alternative to jet fuel?

The question of the availability of fuels applies to the entire aviation industry, especially as a replacement for conventional aircraft fuel. But airport operators are also very interested in an alternative to jet fuel, diesel, and gasoline. Fraport AG regards synthetic fuels as a future market and as a realistic option to enable CO₂-neutral flying in the foreseeable future.

provided that it is available in large quantities, whether as an admixture to jet fuel or a complete switch to synthetics. Since no new storage or transport routes are required, no new infrastructure would need to be created nor would the existing infrastructure require any investment.

Fraport therefore supports the position of the Federal Association of the German Transport Industry (BDL) in this debate. The pilot projects for extracting fuels from renewable energies should therefore be pursued. The Competence Center for Climate Protection and Noise Protection at the House of Logistics and Mobility (HOLM) commenced operation at the beginning of 2020. The aim is to advance research for the mass-market-capable development of e-fuels (synthetic fuels).

Moreover, it would not be difficult to switch to synthetic fuel at Frankfurt Airport. From a purely technical standpoint, Fraport AG could also switch to synthetic fuels at short notice,

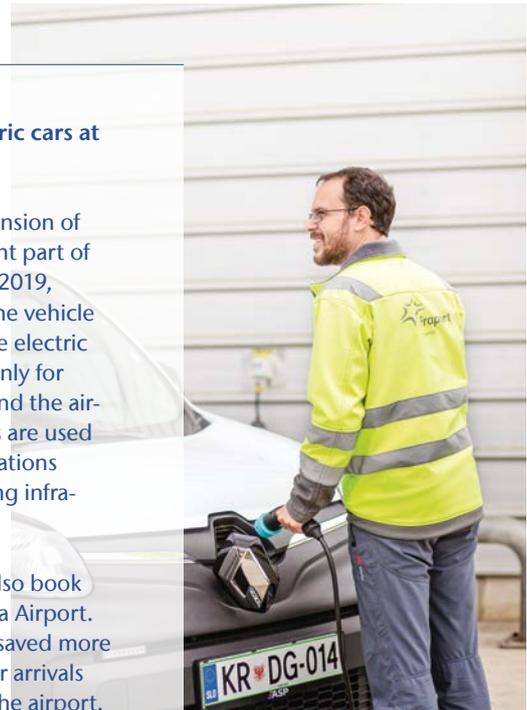
Energy efficiency and climate protection in focus across the group

Climate protection activities and thus reducing CO₂ emissions are not only an issue in Germany. Companies around the world are increasingly being held responsible for the release of air pollutants. The environmentally relevant fully-consolidated companies of Fraport AG have, for many years, been obliged to report, among other things, on the level of their CO₂ emissions and corresponding measures to reduce CO₂ emissions. As a reflection of the relevance of the topic, the Executive Board defined Group-wide CO₂ emissions in 2017 as the most significant non-financial performance indicator for the area of the environment. The overall target is the calculated sum of the individual savings targets for the respective Group companies. These, in turn, were derived from the CO₂ targets set for the countries by the Paris climate agreement.

Good experience with electric cars at Ljubljana Airport

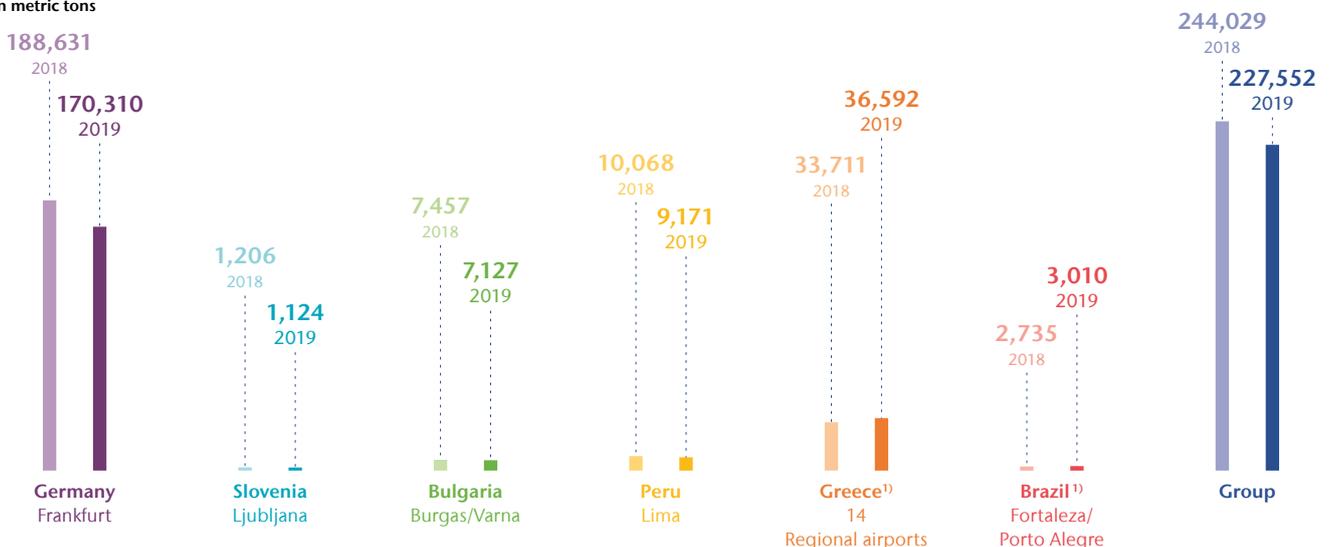
At Ljubljana Airport, the expansion of electromobility is an important part of the sustainability strategy. In 2019, Fraport Slovenija expanded the vehicle pool for employees with three electric vehicles that will be used mainly for short-haul routes in and around the airport. In addition, electric cars are used for all business trips to destinations where an appropriate charging infrastructure is available.

Since 2016, passengers can also book electric rental cars at Ljubljana Airport. Since then, this initiative has saved more than 50 metric tons of CO₂ for arrivals and departures to and from the airport.



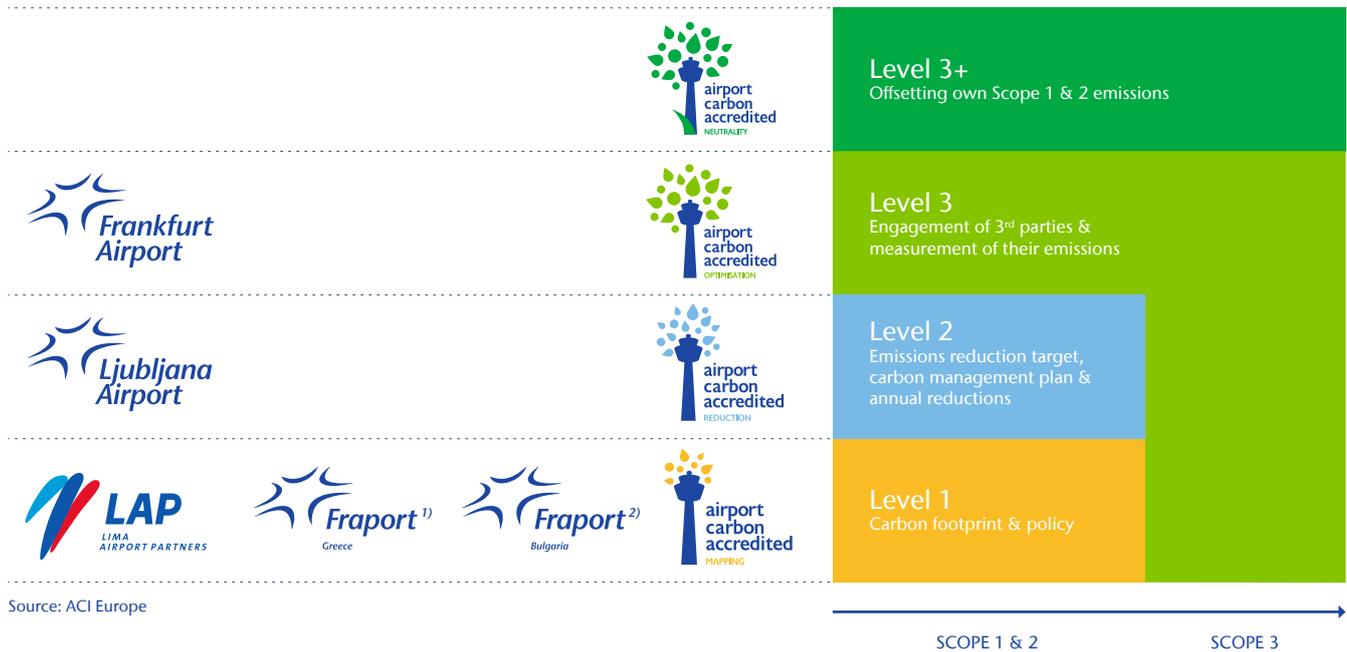
Development of CO₂ emissions

in metric tons



¹⁾ The increase in emissions at the Greek regional airports and the Brazilian airports is due to the significant expansion of the infrastructure areas. The specific consumption was reduced. The emissions did, however, increase due to the expansion of the terminals and aprons.

Classification of Fraport’s airports in the categories of the Airport Carbon Accreditation



¹⁾ Certification of Kefalonia, Mytilene, Rhodes, and Thessaloniki airports.
²⁾ Certification of the Burgas and Varna airports.

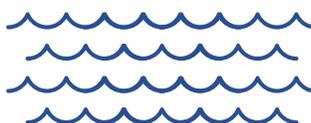
In order to achieve their targets, all fully-consolidated Group companies pursue a similar strategy. Wherever possible, they are replacing heating oil with natural gas, for example, and renewing the lighting or runway lighting with energy-saving LED technology. The replacement of the vehicle fleet with electric vehicles or vehicles with lower fuel consumption is also on the agenda in many places. The airports in Brazil, Fortaleza and Porto Alegre have an advantage in terms of their CO₂ emissions given their locations. Since 80% of Brazilian electricity comes from hydroelectric power plants, the carbon footprint of the two airports is significantly lower compared to other airports of similar size with traditional electricity generation.

Reaching the goal with the Airport Carbon Accreditation

In order to have their CO₂ management checked externally, some airports of the Fraport Group are already participating in the Airport Carbon Accreditation of the Airport Council International (ACI).

Ljubljana Airport achieved ACA Level 2 (“Reduction”) in 2015 and is aiming for CO₂ neutrality (Level 3+) in the medium term. The Varna and Burgas airports successfully reached the first level (“Mapping”) in April 2019 and are now creating the conditions for the next level. Lima Airport also received Level 1 certification.

Fraport Greece has already achieved this at four airports: Kefalonia, Mytilene, Rhodes, and Thessaloniki are certified at Level 1. The Fortaleza and Porto Alegre airports and other airports of Fraport Greece have yet to participate; however, they are obligated to have their carbon footprint assessed by way of an external audit according to corporate guidelines.

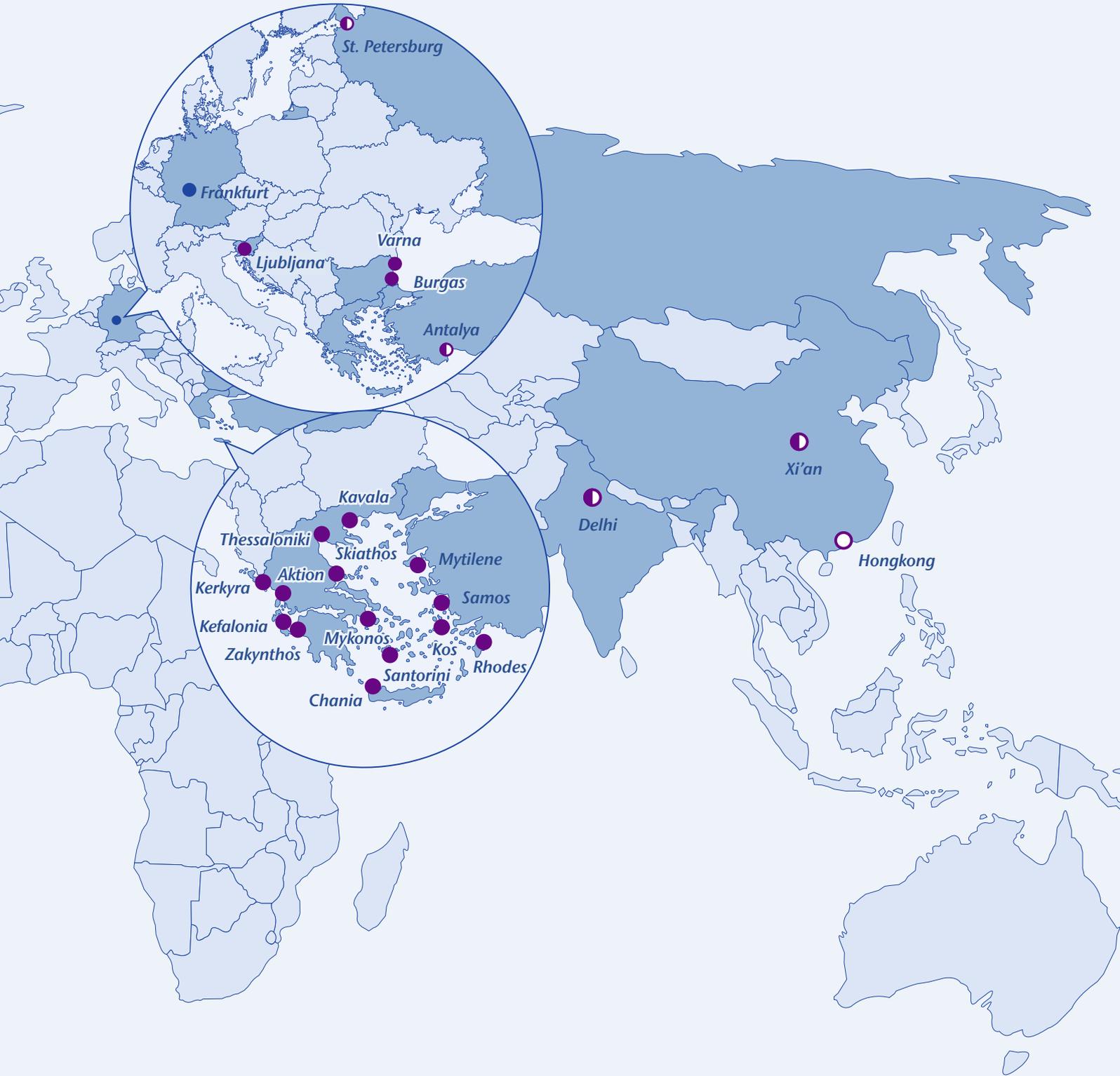

80%
of Brazilian electricity comes from hydroelectric power plants.




Fraport international

Fraport has a total of 25 airports around the world. We apply our know-how to a wide range of projects: Whether this is the construction of a new terminal in Lima, at our international training center “Fraport Academy” in Ljubljana, or the operation of 14 Greek regional airports. We always benefit from the enormous knowledge of our worldwide specialists.

For all of us are Fraport, regardless of which Group company we work for: Together we will achieve our goals!



- Property, unlimited
- Majority holdings
- ◐ Joint ventures and minority holdings
- Retail concessions (US) and cargo handling

1

Our Group

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Fraport: a global airport operator

Profile

Fraport Group (hereinafter also referred to as: Fraport) is among the leading global airport operators with its international portfolio. Fraport provides all operational and administrative services for airport and terminal operation as well as other associated services. The Group's range of services also includes planning and consulting services. Passenger traffic, which impacts on a majority of the services the Group provides, is key to its revenue and earnings performance.

In contrast to time-limited airport operating models, the Fraport Group parent company, Fraport AG, wholly owns and operates Frankfurt Airport with no time limits. With around 10,500¹⁾ employees, Fraport AG, which has been stock exchange-listed since 2001, is also the biggest single company of the Group, which has more than 23,600¹⁾ employees. It directly or indirectly holds the shares in the other Group companies and its head office is in Frankfurt/Main.

The Fraport Group is divided into four segments: Aviation, Retail & Real Estate, Ground Handling, and International Activities & Services. While the first three aforementioned segments are mainly

active at the Frankfurt site, the "International Activities & Services" segment is primarily responsible for the Group companies outside of Frankfurt.

The Group's main site is Frankfurt Airport, one of the largest passenger and cargo airports in the world. Last year, the Group once again achieved more than half of its earnings in Germany, specifically at Frankfurt Airport.

The airports in Lima and Antalya were also significant in terms of results. The recently acquired concessions in Greece and Brazil (2017 & 2018) already contributed almost 7% to the Group result.

The Group's long-term strength lies in integrated airport management, which guarantees comprehensive know-how in domestic and international airport services.

Breakdown of Group result



51.8%

Germany

48.2%

International business

¹⁾ As at the balance sheet date December 31, 2019.

Segment structure

Fraport Group				
Segments ¹⁾	Aviation	Retail & Real Estate	Ground Handling	International Activities & Services
Directly assigned strategic business units and service units of Fraport AG	Airside and Terminal Management, Corporate Safety and Security	Retail and Properties	Ground Services	Global Investments and Management Integrated Facility Management Information and Telecommunications Airport Expansion South Corporate Infrastructure Management
Central units	Controlling Digitalization, Innovation, and Transformation Finance and Investor Relations Internal Auditing HR Top Executives Human Resources Accounting Legal Affairs and Compliance Corporate Development, Environment and Sustainability Corporate Communications Cargo Infrastructure and Development Central Purchasing, Construction Contracts			

¹⁾ Including assigned Group companies.

Organization

Fraport AG is a publicly listed corporation registered in Germany. As such, its management and control are divided into three independent bodies. As a management body, the Executive Board bears the strategic and operational responsibility. At the end of 2019, the Executive Board consisted of the five members Dr. Stefan

Schulte (Chair), Anke Giesen (Executive Director Retail & Real Estate), Michael Müller (Executive Director Labor Relations), Dr. Pierre Dominique Prüm (Executive Director Aviation & Infrastructure), and Dr. Matthias Zieschang (Executive Director Controlling and Finance).

The Supervisory Board appoints the Executive Board and controls the latter's activities. It exists under German law and, as a result of the size of the parent company, comprises 20 members who are appointed or elected by shareholders and company employees in equal numbers.

Shareholder structure as at December 31, 2019¹⁾

in %



¹⁾ The relative ownership interests were adjusted to the current total number of shares as at December 31, 2019 and therefore may differ from the figures given at the time of reporting or from the respective shareholders' own disclosure. Shares below 3% are classified under "Free Float".

Organization /
Group mission statement

As an additional decision-making and control body, Fraport AG’s shareholders exercise their participation and voting rights in the company at the Annual General Meeting.

The largest shareholders in Fraport AG are the State of Hesse and Stadtwerke Frankfurt, as a subsidiary of the City of Frankfurt. Together, they make up more than 50% of Fraport AG’s shareholders, which is why the company is majority-owned by the public sector.

Deutsche Lufthansa AG, the main customer of Frankfurt Airport, also holds a strategic stake of 8.44% in Fraport AG. The asset manager Lazard Asset Management LLC is the largest institutional investor with a stake of just over 5%.

The ordinary Annual General Meeting makes decisions on all tasks assigned to it by law and the Group’s articles of association, such as appropriation of profit, election and discharge of the Supervisory Board, and discharge of the Executive Board. Each share grants one voting right.

Group mission statement

The changing conditions in global aviation influence the entire air aviation sector. Price wars between airlines as well as passengers’ price-conscious travel behavior are leading to more competition among airports. In order to compete in this dynamic environment, Fraport has to offer an excellent product to a range of customer groups at Frankfurt Airport and the Group’s international airports.

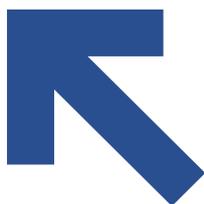
With the slogan “Gute Reise! We make it happen”, the mission statement of the company defines the focus on our customers. In Frankfurt and throughout the world, possibilities have been created to meet the mobility needs of society. The aim, among other things, is to offer our B2B partners an optimal platform to ensure their success. Technological support, processes and interfaces will be continuously improved and procedures simplified and accelerated. This also strengthens the economy in the region of each respective airport.

The vision of establishing Fraport as Europe’s top airport operator and also to set global standards forms the basis of the mission statement. The five strategic goals lay out what we want to achieve in concrete terms:

- Growth in Frankfurt and internationally
- Service-oriented airport operator
- Economically successful through optimal cooperation
- Learning organization & digitalization
- Fairness and recognition for partners and neighbors

Our values of competence, commitment, openness, reliability, courage, and trust are the core values of our corporate culture.

Group mission statement



Our vision:
We are Europe’s best airport operator and set standards worldwide.

Growth in Frankfurt and internationally

Service-oriented airport operator

Economically successful through optimal cooperation

Learning organization & digitalization

Fairness and recognition for partners and neighbors

Strategy

In the 2019 fiscal year, Fraport continued to implement the Group’s strategy based on its mission statement. In contrast to the previous year, necessary capital expenditure on our infrastructure and climate protection must be considered against an increased number of airline bankruptcies, the increased discussion about climate change, and a weakening economy. In order to continue to achieve the desired goals and to meet the strategic challenges in the changed environment, the “Future FRA” program was set up at the end of the 2019 fiscal year. It implements numerous measures with the aim, in particular, of increasing

competitiveness, the associated necessary improvement in earnings and the required cultural change at the Frankfurt site. The strategic programs drawn up in the 2018 fiscal year were partially integrated into the "Future FRA" program. The mission statement continues to be the central framework for “Future FRA”.

While market consolidations were visible in the past fiscal year and had a negative impact on growth rates in the air transport sector, aircraft manufacturers Airbus, Boeing, and Embraer as well as the international umbrella association of airport operators ACI continue to expect long-term

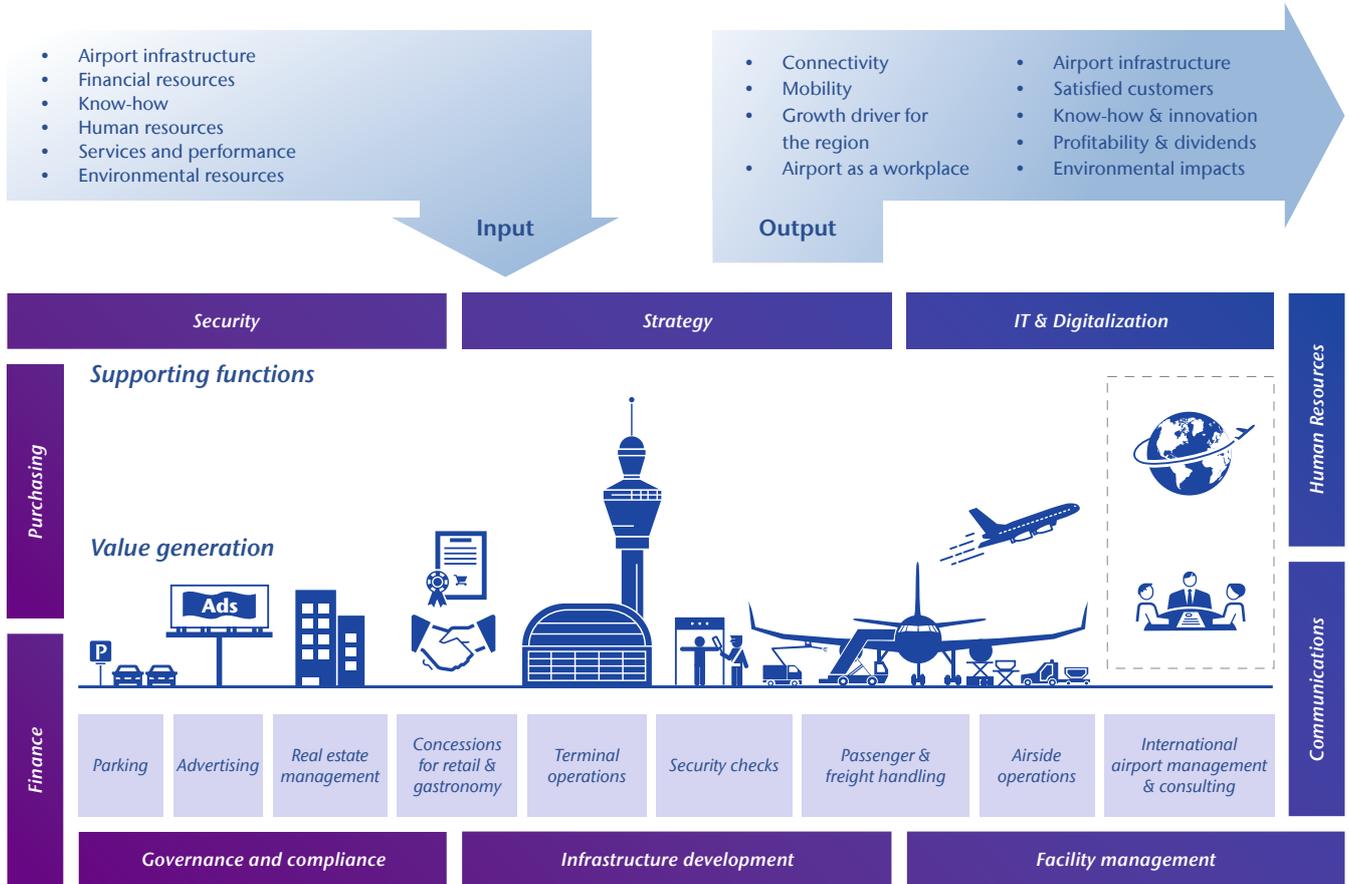
stable growth in the aviation market. Fraport aligns its strategy to the long-term forecasted development of the global aviation market and its market trends. This is supported, in particular, by the projected global economic growth and the continuing global expansion of the middle class, which consumes more. Supporting effects continue to result from the continuing internationalization of labor and education, as well as the projected increase in traffic due to migration and tourism. Disproportionate growth is still expected from and in the economic emerging markets.

Long-term development of the aviation market



Source	Period	Reference	CAGR
Airbus	until 2038	Revenue passenger kilometers	+4.3%
Boeing	until 2038	Revenue passenger kilometers	+4.6%
Embraer	until 2038	Revenue passenger kilometers	+4.4%
ACI	until 2040	Number of passengers	+3.7%

Value generation chain



The graphic above shows Fraport’s value chain. As input, we consider the factors that must be in place as a basis for airport operations. The process of value generation is shown in the middle of the graphic. It ranges from non-aviation business areas to aviation services. In addition, there is the international business with Group companies and consulting in which we

also offer all the fields of value added presented depending on the concession. The functions which support the value-adding process are shown on the periphery. As output, we consider the added value created by our value generation process. An exception is the “environmental impact” item, which we use to identify the negative impact of our

business model. The topics of sustainability are included in the graphic as both input and output. For example, the topic “Attractive and responsible employer” is part of “Human resources”, “Profitability” is found in “Financial resources” and the environmental issues are reflected in the “Environmental resources” or “Environmental impacts”.



Responsibility

For us, sustainable action means creating the future responsibly. We understand sustainable development to be a continuous process. We are convinced that the company's scope of action can only be secured by consistently including non-economic aspects in management processes.

The topic of sustainability or responsibility falls under the remit of the central unit "Corporate Development, Environment, and Sustainability", which is assigned to the Chairman of the Executive Board. The unit brings together the strategically relevant topics and initiates their development. It is also in charge of drawing up the materiality matrix and the sustainability program. Responsibility for reporting and managing rankings and assessments lies with the "Finance & Investor Relations" unit, which is allocated to the Executive Director Controlling and Finance.

Stakeholder dialog

Airports are of great interest to the general public. They are often the cause of social and political debates, particularly in the

case of Frankfurt Airport, which is one of the largest hubs in Europe. As an operator, Fraport AG is caught between very different demands.

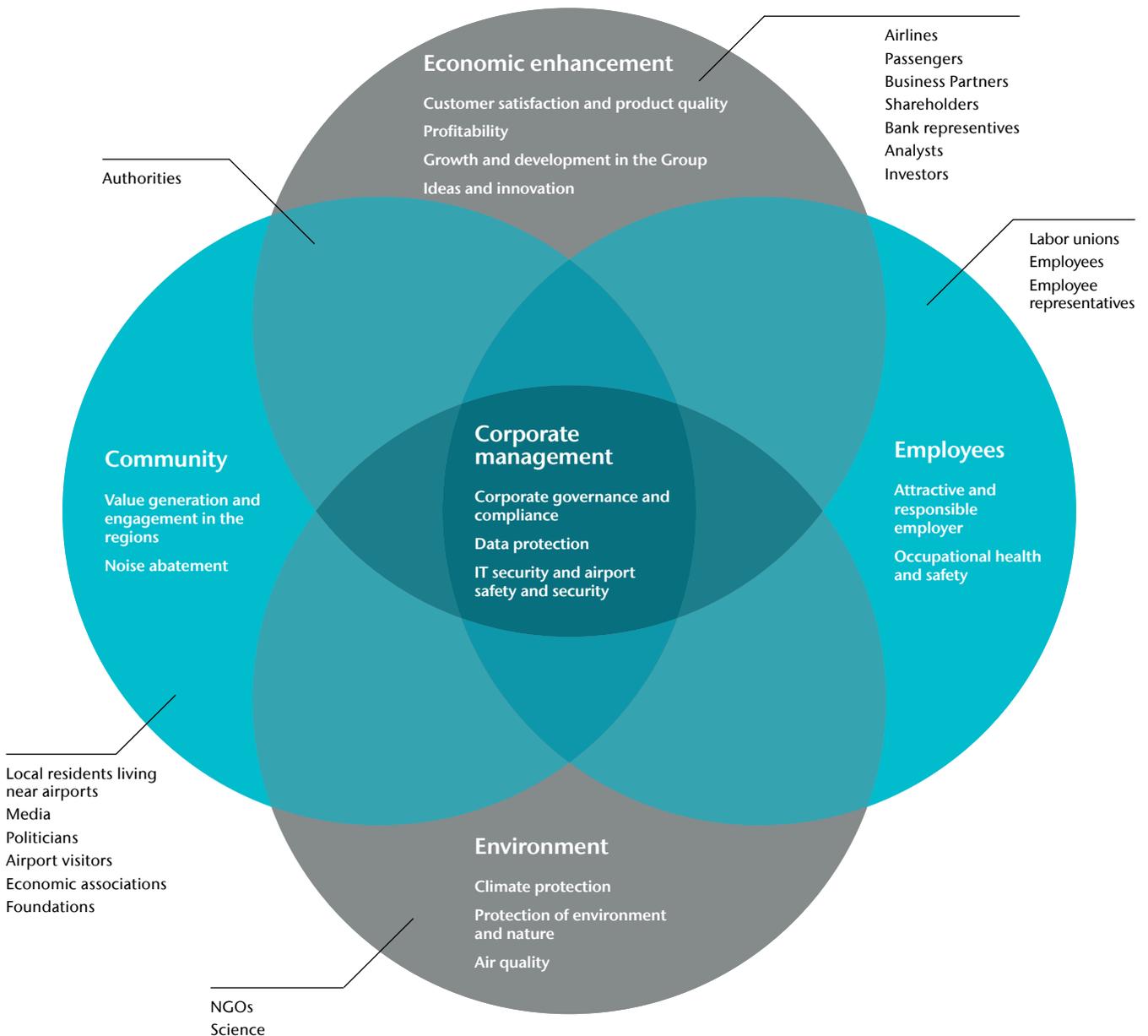
What is most important to many of our stakeholders are business or private travel needs as well as the worldwide shipment of their products. Other stakeholders are concerned with issues surrounding the Group's financial value generation and its competitiveness, as well as maintaining and creating secure, attractive jobs. Noise from airplanes is an extremely important issue for many people who live in the proximity of an airport.

The concerns submitted to us are extremely diverse. We firmly believe that exchanging information with all stakeholders contributes to mutual understanding and developing solutions. We also consider dialog to be an important tool with which we can develop proposals regarding the strategic orientation of the company and information for risk management. As a "learning organization" we also strive to achieve progress in science and technology.

With its stakeholder dialog activities, Fraport addresses all of the company's key stakeholders in a targeted manner. They include passengers, business partners, analysts, property owners, as well as civil society, political, and government representatives. Special attention is given to airport employees and neighbors affected by aircraft noise, especially at our Frankfurt site.

At Frankfurt Airport alone, the largest workplace in Germany, there are around 81,000 employees. We bear direct responsibility for Fraport employees in particular. The Fraport Group also maintains close contact with its main customers – airline companies – to strengthen each site and further develop the quality of service based on close collaboration.

Key stakeholder groups



Examples of stakeholder communication in 2019

External :

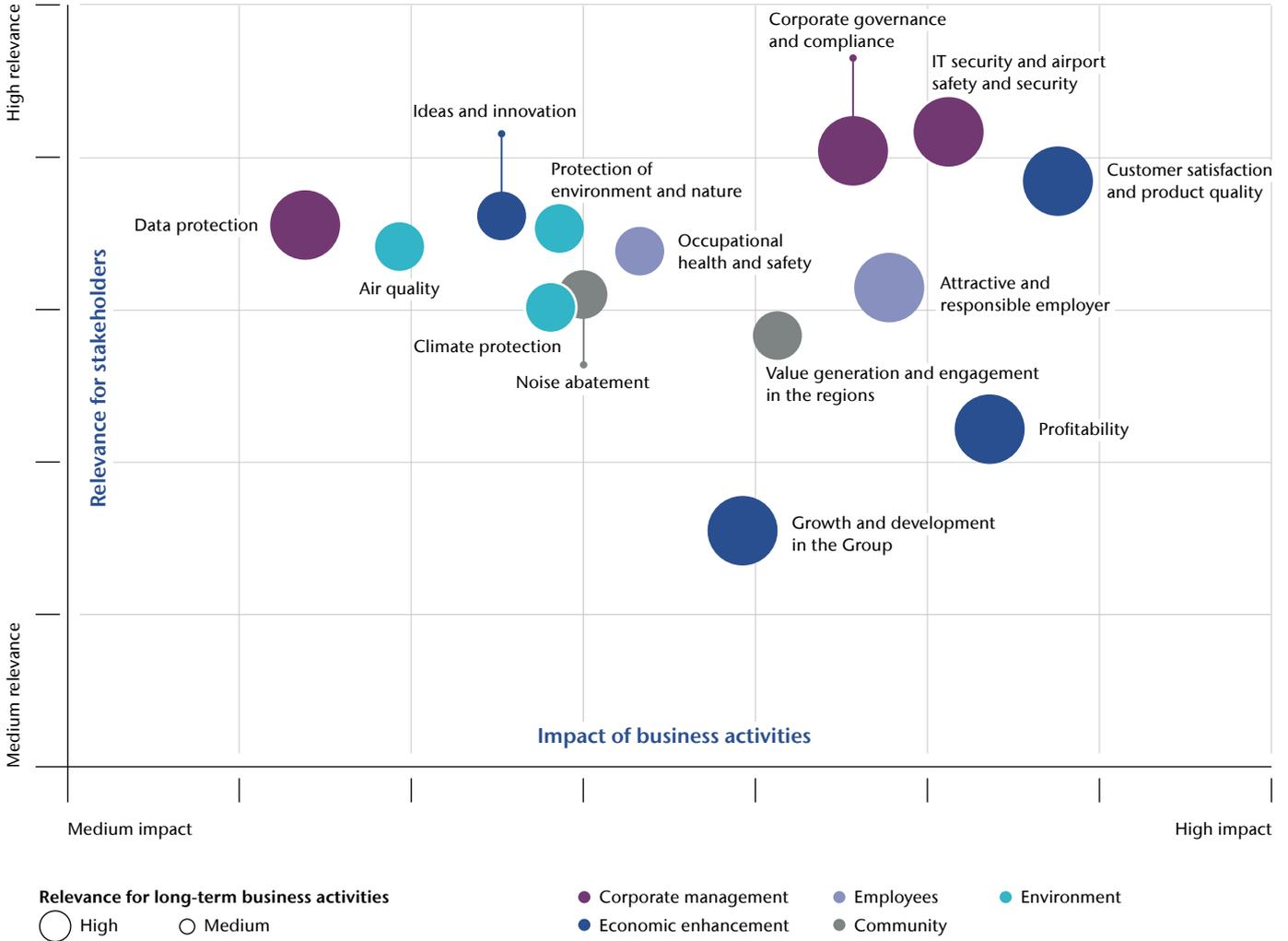
- Annual Report 2018
- Sustainability Report 2018
- GRI Report 2018
- Abridged Environmental Statement 2019
- Noise abatement reports
- Website www.fraport.com
- Press releases and FRA Service News
- Social media activities
- Customer Advisory Board for passengers

- “Air Cargo Community Frankfurt” association
- “STARTfrei” Frankfurt Airport magazine
- “FRAprorter” journalist information service
- Participation in Airport and Regional Forum
- Informational events for airport neighbors
- Involvement with associations
- Dialog with authorities

Internal:

- Employee meetings
- Management conference
- “Fraport World” employee newspaper
- “Skynet” intranet
- “Fraport Barometer” employee survey
- Forms of dialog with the Executive Board and employees

Materiality matrix



Materiality matrix

Our systematic talks with internal and external stakeholders provide us with inspiration for the strategic orientation of the company. Since 2010, we have used the results of these talks to create a materiality matrix based on the guidelines of the Global Reporting Initiative. The matrix shows the challenges and thus the factors for success for the company. In 2018, Fraport AG conducted an assessment of the selected topics. Fraport’s management and representatives of the most important stakeholders (analysts, shareholders, employee representatives,

employees, local residents living near airports, business partners, investors, and passengers as well as representatives from banks, airlines, the media, non-governmental organizations, politics, authorities, economic associations, and scientific institutions) then confirmed the relevance of the selected topics in an online survey. Both groups were also asked to prioritize the topics. The matrix was then confirmed by the Executive Board. Its validity for the fiscal year 2019 has been assessed and confirmed.

The graphic shows the impact of direct and indirect business activities on the corresponding key topics, their relevance for stakeholders, as well as the relevance for Fraport’s business activities.

Definitions of the key topics

Corporate governance and compliance: Responsible corporate governance and compliance with national and international laws and regulations and internal policies. Anti-corruption and bribery matters.

Data protection: Protecting personal data against improper use and protecting the right to privacy of individuals.

IT security and airport safety and security: Ensuring the security of IT systems that are critical to the company and data protection. Maintaining high operational security standards at airports and fulfilling statutory security obligations.

Customer satisfaction and product quality: Strong customer and service focus. Increasing the Group's competitiveness and securing Frankfurt's role as a hub.

Profitability: Ensuring the profitability of the Fraport Group through yield-oriented capital expenditure and an efficient use of existing resources.

Growth and development in the Group: Growth, consolidation, and expansion of the Group's portfolio.

Ideas and innovation: Developing new products and more efficient processes.

Attractive and responsible employer: Protection of jobs and provision of a working environment that is characterized by diversity, equal opportunities, and respect. Offers regarding the work-life balance and development opportunities to recruit, qualify, and retain dedicated personnel.

Occupational health and safety: Maintaining and promoting the physical and mental capacities of our employees.

Value generation and engagement in the regions: Positive contribution to the economic development of the regions in which we operate airports. Charitable involvement in the neighborhood of the airport and dialog with our stakeholders.

Noise abatement: Improvement of the noise situation in neighboring residential areas and staying permanently below the noise ceiling.

Climate protection: Reducing CO₂ emissions based on the Paris climate protection agreement (1.5-degree target) by increasing energy efficiency, using and producing renewable energy, and using alternative drive systems.

Protection of environment and nature: Careful use of natural resources and continual improvement of environmental performance such as reduced use of drinking water, prevention and recovery of waste, protection of soil and water, as well as preservation and promotion of biodiversity.

Air quality: Recording air pollutant emissions stemming from airport operations.



Common goals for global challenges

With Agenda 2030 for Sustainable Development, the UN Member States are expressing their conviction that global challenges can only be solved if we all work together. The Agenda provides the basis for making global economic progress in line with social justice and within the ecological limits of our planet.

The heart of the agenda consists of 17 Sustainable Development Goals (SDGs). The SDGs give equal weighting to all three dimensions of sustainability – social, environmental, economic.

As a signatory to the UN Global Compact, Fraport AG is particularly committed to these objectives and the Sustainable

Development Goals. Our focus in this regard is on the SDGs which, in our view, lie within the scope of what we are able to influence by our actions. In addition, we have identified four SDGs (shaded in gray) within this selection with which we make our largest contribution or have the greatest impact based on the number of associated topics.

3 GOOD HEALTH AND WELL-BEING


Fraport AG assumes responsibility for the health of its employees and offers comprehensive benefits to maintain and promote their physical and mental performance. We monitor the air quality at the airport and are working on an inventory of air pollutant emissions. Our noise abatement goals contribute to noise abatement in nearby residential areas and reduction in the number of those affected by noise at the Frankfurt site.

Key topics

- Occupational health and safety
- Air quality
- Noise abatement

4 QUALITY EDUCATION


Well-trained employees are required in a specialized field such as managing and operating an airport. We therefore provide a wide range of continuing education opportunities and offer numerous traineeships every year. Through our own environmental fund, we also support projects, institutions, and facilities that improve the employability of young people in the region, as well as research and environmental education activities.

Key topics

- Attractive and responsible employer
- Value generation and engagement in the regions

5 GENDER EQUALITY


Fraport AG is committed to ensuring a working environment that is characterized by diversity, equal opportunities, fairness, and respect.

Key topics

- Corporate governance and compliance
- Attractive and responsible employer

6 CLEAN WATER AND SANITATION


Operating an airport requires a lot of water and simultaneously generates a large amount of waste water. When dealing with the legally protected resource of water, Fraport takes all aspects of modern water management into account and conserves natural resources.

Key topics

- Protection of environment and nature

Responsibility

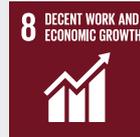


The use of renewable energies is an essential component for achieving the climate protection targets of the Fraport Group. We manage our electricity purchasing portfolio to keep our emissions factor below the national average.

When our energy efficiency measures are exhausted, we increase the renewable proportion in the purchasing portfolio to bridge the gap to achieve our climate protection targets.

Key topics

- Climate protection



The Fraport Group is internationally one of the leading companies in the airport business and has set itself the goal of profitable growth and the long-term achievement of a positive value added in all business fields (economic enhancement). This includes creating good

labor conditions and development opportunities to recruit, qualify, and retain dedicated personnel.

With our value generation, we also make a positive contribution to the economic development of the regions in which our sites are located.

Key topics

- Profitability
- Growth and development in the Group
- Attractive and responsible employer
- Value generation and engagement in the regions



Innovations are a key to competitiveness for Fraport AG. The aim is to introduce new technologies and continuously optimize complex processes to meet a wide range of customer demands while staying true to our economic and business requirements. This is also part of

the further development of our airport infrastructure and Group portfolio.

Key topics

- Ideas and innovation
- Customer satisfaction and product quality
- Growth and development in the Group



Fraport monitors the air quality at the Frankfurt site and is working on an inventory of air pollutant emissions. This includes evaluating the airport's share of the local concentration of nitric oxide.

Key topics

- Air quality



We want to operate our business model as sustainably as possible. To this end, compliance with international regulations on occupational health and safety is the obvious course for us. We consider ourselves responsible for protecting the environment, and we expect our suppliers and service providers to do the same.

Key topics

- Corporate governance and compliance
- Occupational health and safety
- Climate protection
- Protection of environment and nature



Operating an airport and air traffic have an effect on the environment. Fraport considers itself responsible for taking due consideration of the resulting environmental requirements. This includes, in particular, increasing energy efficiency, as well as monitoring and minimization of the emission of climate-relevant gases caused by airport operations.

Key topics

- Climate protection



As transport hubs, airports make intensive use of resources. We are committed to the maintenance and improvement of the biodiversity of the airport grounds and their surroundings.

Key topics

- Protection of environment and nature



As a company with operations throughout the world, Fraport bears responsibility at both a national and an international level. We have made a commitment to comply with internationally recognized standards of conduct and are a member of national and international working groups to promote sustainable development.

Key topics

- Corporate governance and compliance

Sustainability program

The sustainability program regarding strategically important topics for responsible corporate governance is structured analogously to the key topics included in the materiality matrix. Fraport has set itself concrete targets and defined the actions required to achieve them.

The program is reviewed and updated annually. Its scope is essentially the Fraport Group, i.e., all companies that are included in the scope of consolidation for financial reporting. Nevertheless, there are targets that only apply to Group companies in Germany and the Frankfurt site or the Fraport AG individual company. They are identified in the program accord-

ingly. The responsibility for implementing the measures and achieving the targets lies with the relevant departments. For the issues that apply across the entire Group, measures from the Group companies were taken as examples.

Every target is measurable and recorded using at least one key performance

Topic	Target	Key performance indicator	Target level
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Governance

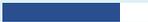
<p>Corporate governance and compliance</p> 	<p>We seek to lead the company responsibly and with transparency in all matters.</p>	<p><i>It is not necessary to determine the key performance indicators and term since the topic "corporate governance and compliance" is a basic requirement for our business and is included in our standard processes.</i></p>	
<p>Data protection</p>	<p>We want to ensure the handling of personal data in compliance with the data protection laws and safeguard the rights of those affected.</p>	<p><i>It is not necessary to determine key performance indicators and term since the data protection regulations in each respective country must be observed at all times.</i></p>	
<p>IT security and airport safety and security</p>	<p>We protect our IT systems and data against failure, manipulation, and unwanted publication.</p> <p>We want to ensure the safety of everyone at our airports.</p>	<p>Confidence level in accordance with specific aviation security standards.</p> <p><i>It is not necessary to determine key performance indicators and term since security in aviation and on Fraport premises is always the highest priority.</i></p>	<p>Highest confidence level</p>

indicator (KPI). The KPIs make it possible to present the extent to which targets are achieved to be presented in a transparent manner. The topics of “Corporate governance and compliance”, “Data protection”, and “Airport safety and security” are an exception here, as they are essential for Fraport’s business and are always a top priority. We report on key opportunities

and risks in the current annual report at www.fraport.com/publications.

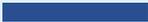
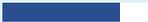
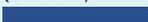
The “Profitability” topic was supplemented by the key performance indicators “EBITDA” and “Shareholders’ equity ratio”. For the “ROFRA” and “Net Financial Debt to EBITDA” KPIs, the target values and terms were adjusted. The “Global passen-

ger satisfaction” performance indicator has been extended to include the scopes “Group” and “Fully consolidated Group companies excluding Frankfurt”. In the topic “Occupational health and safety”, we use the internationally used performance indicator “LTIF (Lost Time Injury Frequency)” instead of the rate per 1,000 employees.

Term	Scope	Measures (as at end of 2019)	Status and target attainment end of 2019
	Group	Group: <ul style="list-style-type: none"> – Reporting of compliance violations via a certified whistleblower system (BKMS® system) and clarification of the facts by the Compliance department – Own regulations of the Group companies (e.g., Fortaleza and Porto Alegre: internal anti-corruption policy, Fraport Slovenija: Ethical and Compliance Committee) – Commitment to implement the corporate policy on the Compliance Management System at all fully consolidated Group companies Fraport AG: <ul style="list-style-type: none"> – Measures to prevent corruption (training, business partner assessments, and documentation of compliance-related processes) – Code of Conduct for Employees 	does not apply
	Group	Group: <ul style="list-style-type: none"> – Compliance with the European General Data Protection Regulation and national data protection laws Fraport AG: <ul style="list-style-type: none"> – Implementation of a data protection management system – Implementation of a privacy policy and a uniform guideline for deleting data – Establishment of an adequate training concept 	does not apply
2020	Fraport AG & integrated subsidiaries at the FRA site, parts of Fraport Greece	<ul style="list-style-type: none"> – Continued development of existing security standards within the scope of industry working groups – Introduction of standardized tool support for all processes in IT security, including documentation – Awareness-raising activities for staff and external workers to ensure high security awareness – Revision of the guidelines – Redesign of IT risk management 	second-highest confidence level 
	Group	Group: <ul style="list-style-type: none"> – The Group is responsible for guaranteeing airport security at the Group airports – Conducting safety and security workshops at the Group sites and in Frankfurt – Specialized Exchange Events Fraport AG: <ul style="list-style-type: none"> – Continuation of the air safety program for Frankfurt Airport – Emergency planning according to ICAO regulations – Emergency management with ERIC (Emergency Response and Information Center) and Fraport Emergency Team (F.E.T.) – Safety management system according to EU Regulation 2018/1139 – Security awareness campaign for all employees at Frankfurt Airport – Regular meetings with airlines, security firms and authorities 	does not apply

Topic	Target	Key performance indicator	Target level
Economic enhancement			
Customer satisfaction and product quality 	We want to continuously optimize the focus on customers and services at our airports.	Global passenger satisfaction	≥ 80% ¹⁾
		Customer Service Index Airline	At the level of the previous year (2018: 73.9%)
		Baggage connectivity	> 98.5%
Profitability 	We want to generate earnings growth in the long-term and maintain financial strength at a high level, despite future capital expenditure.	EBITDA	2019: between around €1,160 million and approximately €1,195 million 2020: taking into account the negative effects of the coronavirus, a significant decline is expected
		Group result	2019: between around €420 million and approximately €460 million 2020: taking into account the negative effects of the coronavirus, a significant decline is expected
		ROFRA	> WACC (2019: 6.4%)
		Net financial debt to EBITDA ratio	max. 5 ×
		Shareholders' equity ratio	> 30%
		Free cash flow	2019: Noticeably below previous year's level and significantly in negative territory 2020: Significantly negative

¹⁾ From 2021 with Pier G: 82.5%, from 2025 with Terminal 3: 85%.

Term	Scope	Measures (as at end of 2019)	Status and target attainment end of 2019
2021	Frankfurt	<ul style="list-style-type: none"> – Continuing the service program to improve the quality of the time spent at the airport – Implementation of training formats for employees within the scope of the “service excellence” program to further improve the hospitality and service focus – Exchange with our local partners in the service quality committee (semi-annually) – Expansion of the range of digital passenger services (among other things optimization of free Wi-Fi, digital information media) – Implementation of a communication concept for passengers for travel preparation (in particular to security checks, hand luggage regulations) – Measures to increase control capacities (construction of an extension hall in Terminal 1, Hall A for additional security checks) and improvement of processes 	88% 
2021	Fully consolidated foreign Group airports		Reporting from 2020
2021	Group		Reporting from 2020
2019	Frankfurt	<ul style="list-style-type: none"> – Regular exchanges with airline representatives – Assistance with requests regarding internal organization and maintaining contacts with authorities and Group companies – Information on infrastructure and commercial innovations at the site 	74.1% 
2019	Frankfurt	<ul style="list-style-type: none"> – Continuous development of optimization measures, which are agreed upon in close collaboration with customers during regular performance meetings – Creation of redundancies with additional bypasses and baggage collection points 	98.4% 
2020	Group	<ul style="list-style-type: none"> – Maintaining the competitive integrated business model at the Frankfurt site – Reduction and flexibilization of operating costs through optimal cooperation within the Group – Implementation of the strategic program “Future FRA” – Reducing operating expenses among other things by decreasing energy consumption at Frankfurt Airport by 20% by 2022 compared to fiscal year 2013 without major capital expenditure 	€1,180.3 million 
2020	Group		€454.3 million 
no time limits	Group		8.8% (–2.3 PP) 
no time limits	Group		3.5 
no time limits	Group		33.7% 
2020	Group		–€373.5 million (2018: €6,8 million) 

Topic	Target	Key performance indicator	Target level
Growth and development in the Group  	We want to increase passenger numbers organically and optimize the structure of our portfolio.	Frankfurt passengers Group passengers	2019: Growth between around 2% and roughly 3%; 2019 adjusted: Growth slightly below the range of around 2% and roughly 3% in 2020: significant negative development 2019: passenger growth at all Group airports 2019 adjusted: Passenger growth at all Group airports; Twin Star decline of approximately 10% 2020: Without taking into account the spread of coronavirus – growth at all Group airports; Fraport Slovenija decline in the double-digit percentage range, significantly negative influences due to the coronavirus are possible
Ideas and innovation 	We want to promote and take advantage of the know-how and skills of our employees and incorporate the input of our stakeholders.	Benefit of implemented ideas	at least €300,000/year

Employees

Attractive and responsible employer   	<p>We want to create good working conditions and increase employee satisfaction.</p> <p>We want to increase the proportion of women in management positions.</p> <p>We want to offer good development opportunities to recruit and retain motivated employees.</p>	Employee satisfaction Women in management positions (first and second level below the Executive Board) Apprenticeships	Better than or equal to 3.0 30% ≥ 110
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¹⁾ Includes Fraport AG and the German Group companies.

²⁾ Includes Fraport AG and eleven Group companies at the Frankfurt site as well as Fraport Greece and the Group companies Twin Star, Fraport Slovenija, Fortaleza, and Porto Alegre.

Term	Scope	Measures (as at end of 2019)	Status and target attainment end of 2019
2020	Frankfurt	<ul style="list-style-type: none"> – Continued development of the Frankfurt site as a hub as well as maintain its appeal for network carriers – Implementation of modernization and expansion measures at the airports in Peru, Brazil, Greece – Further development of the offer at Frankfurt Airport by expanding the landside and airside capacities, among others through the construction of Terminal 3 – Strengthening Frankfurt Airport as a cargo hub through capital expenditure in infrastructure 	Growth of 1.5% (70.6 million passengers) 
2020	Group	<ul style="list-style-type: none"> – Further expansion of retail space management, among others through the Group company Fraport USA 	Overall passenger growth at Group airports 
2020	Group ¹⁾	<ul style="list-style-type: none"> – Presentation of ideas and innovation award – Topic-specific campaigns to generate ideas for selected problems – Creation of an online platform for employees to share knowledge and develop solutions 	€101,263 
2020	Group ²⁾	<p>This indicator is regularly updated based on survey data. The results are used to identify potential for improvement and derive appropriate measures. At Fraport AG, they are documented by the Human Resources unit; the implementation is controlled.</p> <p>Group:</p> <ul style="list-style-type: none"> – First employee survey in Fraport Greece and Fraport Brasil – Regular visits by the local management and employee events (Fraport Greece) <p>Fraport AG:</p> <ul style="list-style-type: none"> – Implementation of a Mindful Leadership Program in a service unit with the participation of management levels 1 to 3 – Employee retention measures in facility management (among others stay interviews) – “Respect for Diversity – I, You, We” campaign – Implementation of a talent management process 	2.78 
2021	Group ¹⁾	<ul style="list-style-type: none"> – Strategic succession planning across all management levels in the Group – Specific coaching and mentoring programs – More targeted individual development measures for women – Review of recruitment processes – Strengthening a more open corporate culture – Targeted communication campaigns (e.g., leadership in part-time positions) 	28.5% 
2020	FRA site	<ul style="list-style-type: none"> – Varied range of traineeships with a job guarantee of at least one year, permanent contracts offered to apprentices (for those who demonstrate professional and personal aptitude) in technical occupations, site firefighting department and emergency medics – Entry-level qualification “Ready for takeoff” – Offer of political education in cooperation with the Akademie Frankenwarte and the Anne Frank Educational Center 	125 

Topic	Target	Key performance indicator	Target level
Occupational health and safety  	We want to constantly reduce the number of workplace accidents.	LTIF (Lost Time Injury Frequency)	≤ 22.5
	We want to stabilize the sickness rate in the medium term and reduce it in the long term.	Sickness rate	≤ 7.2%
Community			
Value generation and engagement in the regions  	We want to make a positive contribution to the economic and social development of the regions.	Gross value generation (corporate performance)	at least +2% compared with previous year ²⁾
Noise abatement 	We want to keep the area affected by aircraft noise below the noise ceiling during the day.	LOG noise area: Area affected by Leq of 55 dB(A) day	≤ 22,193 ha

¹⁾ Includes Fraport AG and the German Group companies.

²⁾ Subject to maximum net financial debt of 5 × EBITDA.

Term	Scope	Measures (as at end of 2019)	Status and target attainment end of 2019
2025	Group	<p>Group:</p> <ul style="list-style-type: none"> – Implementation of the Fraport occupational safety and health management system in all Group companies – Carrying out training and monitoring to raise employee awareness of hazards – Occupational Health and Safety Management System (OH&S-MS) Board (annually for Group, quarterly for FRA site) <p>Fraport AG:</p> <p>Consistent implementation of the measures set out in the policy with regard to:</p> <ul style="list-style-type: none"> – Enhancement of the prevention culture through targeted training measures and projects with managers and employees, with a focus on “safe behavior in the workplace” – Continued development of the occupational safety management system – Implementation and further development of load-reducing technical solutions in the ground services section – Risk assessments – “ZERO” prevention project in ground services 	<p>25.0</p>
2025	Group ¹⁾	<ul style="list-style-type: none"> – Supplementary company health insurance – Appreciation campaign for operational units with high workloads – Check-ups at work, relaxation loungers in lounges, skin cancer screening – Fitness mobile as a mobile training component – “brainLight” relaxation loungers in the lounges – WeightWatchers@Work – Health courses 	<p>8.0%</p>
2020	Group	<ul style="list-style-type: none"> – Procurement of goods, services, and/or construction works – Awards to domestic companies 95% (Twin Star, Bulgaria) – Award rate 80% regional (Fraport Slovenija) – Award rate 66% regional (Fraport Greece) – Sponsorship of the national ski team and the Olympic team (Fraport Slovenija) – Supporting the work of the Kavala volunteer organization in the fight against cancer, Sponsorship of the Ionian Center for Historical Studies (Fraport Greece) – Operational and financial improvements at Group sites – Capital expenditure on existing airports to meet the future mobility requirements of the particular regions and markets 	<p>+3.2% (around €3.4 billion)</p>
Up to full capacity	FRA site	<ul style="list-style-type: none"> – Active noise abatement measures, such as: <ul style="list-style-type: none"> Encouraging the replacement of fleets with quieter aircraft through the charges schedule – Increase in the approach glide angle for the northwest runway to 3.2 degrees – GBAS-based noise-abatement flight approach procedures, especially increase in angle of approach glide to 3.2 degrees for south and central line – Incentivization of GBAS as a component of the application for airport charges 	<p>17,332 ha</p>

Topic	Target	Key performance indicator	Target level
Environment			
Climate protection 	<p>We want to reduce the CO₂ emissions of the Fraport Group.</p>	Absolute emissions (sum of scope 1 and 2 GHG Protocol) of the Fraport parent company and the fully consolidated Group airports	125,000 metric tons of CO ₂ ¹⁾
	<p>We want to reduce the CO₂ emissions of Fraport AG at the FRA site.</p>	Absolute emissions (sum of scopes 1 and 2 GHG Protocol)	80,000 metric tons of CO ₂
		Specific CO ₂ emissions per traffic unit (sum of scopes 1 and 2 GHG Protocol)	0.9 kg CO ₂ /traffic unit
Protection of environment and nature 	<p>We want to provide our services in the Group while always taking environmental concerns into account and to constantly improve our environmental performance.</p>	Proportion of fully consolidated, environmentally relevant Group companies with certified environmental management systems (EMAS or ISO 14001), weighted according to revenue	100%
Air quality 	<p>We seek to record the air pollutant emissions of all relevant emission sources from airport operations.</p>	Inventory of air pollutant emissions according to main sources	NOx: 100% PM10AA: 100%

¹⁾ If necessary, the goal will be adjusted for changes within the Fraport airport portfolio.

²⁾ Fraport AG and Fraport Greece as well as the Group companies GCS, Fra Ground, Fraport Slovenija, Lima, Fortaleza, Porto Alegre, and Twin Star.

³⁾ Including air traffic up to 300 m.

⁴⁾ Values refer to the special evaluation in 2016.

Term	Scope	Measures (as at end of 2019)	Status and target attainment end of 2019
2030	Group ²⁾	<ul style="list-style-type: none"> – Improvement of energy efficiency in terms of running buildings and airport infrastructure – Increased use of vehicles and ground handling equipment with alternative drive systems – Use of alternative energies in accordance with the given local circumstances – Participation in the Airport Carbon Accreditation program of the ACI 	<p>227,552 metric tons</p> 
2030	Fraport AG	<ul style="list-style-type: none"> – Improvement of the energy efficiency of existing buildings of Fraport AG <ul style="list-style-type: none"> – In the terminals – In offices and services buildings – Planning and implementation parallel to construction of the energy-efficient Terminal 3 – Implementation of energy measures in the baggage transfer system by 2020 – Expansion of the electric vehicle fleet (focus on ground services) by 2020 – CO₂ and energy consumption controlling – Focus on using renewable energy to meet future energy needs 	<p>170,310 metric tons</p> 
2030	Fraport AG		<p>1.86 kg CO₂/traffic unit</p> 
2020	Group	<p>Group:</p> <ul style="list-style-type: none"> – Assessment of Group companies in terms of their environmental relevance – Expansion of environmental management systems in other Group companies that are environmentally relevant based on their portfolio <p>Fraport AG:</p> <ul style="list-style-type: none"> – Continuation of the existing environmental management system 	<p>84.1%</p> 
2022	FRA site ³⁾	<ul style="list-style-type: none"> – Quality assurance of the inventory and operating data (transfer of SAP data to calendar year, first plausibility test) – Optimization of methodology for the use of operating data for the emissions model (contracting external support, initial coordination of processes) – Specialist support of the LASPORT program (emission and propagation model to determine emissions caused by the airport and aircraft), test and commissioning of LASPORT version 2.3.10 – Cooperation with the HLNUG and the UNH to study ultra-fine particulates (UFP) 	<p>NOx: 87%⁴⁾</p>  <p>PM10AA: 30%⁴⁾</p> 

2

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Corporate governance and compliance



Responsible corporate governance and compliance with national and international laws and regulations and internal policies. Anti-corruption and bribery matters.

Building trust with all stakeholders

Corporate governance

The term “corporate governance” at Fraport means responsible corporate management and control. The objectives of corporate governance at Fraport are long-term economic enhancement and creating as well as strengthening confidence among investors, customers, employees, and the public. Good corporate governance therefore has the highest priority at Fraport. In this context, efficient collaboration between the Executive Board and the Supervisory Board is as important as protecting shareholders’ interests and maintaining open and transparent corporate communications.

Fraport is also committed to internationally recognized codes of conduct, in particular, the principles of the UN Global Compact, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the Core Labor Standards of the International Labor Organization.

For Fraport, a responsible and transparent corporate management and control structure is the foundation for creating value and trust.

Fraport AG as a German listed company has adopted corporate governance principles which are primarily based on the German Stock Corporation Act, capital market law, and the suggestions and recommendations of the German Corporate Governance Code (GCGC) in its current version. The Board of Management and Supervisory Board issue an annual statement of compliance, which is available under www.fraport.de/corporategovernance. In accordance with the statutory provisions, Fraport AG is subject to a “dual

governance system”, which is achieved by the strict separation of personnel in the management and control bodies (two-tier board). The Executive Board manages Fraport AG; the Supervisory Board monitors the Executive Board. The members of the Executive Board and the Supervisory Board work closely together in the interest of the company.

Compliance

Ensuring the integrity of all employees worldwide is of great importance to Fraport. Compliance is a key prerequisite for the future viability of the company. The Compliance Management System (CMS) at Fraport is a systematic tool for ensuring legal and compliant behavior within the Group. The objective of the CMS is to ensure corporate management based on values and with integrity which goes beyond the mere fulfillment of standards.

“Fraport does not tolerate any form of corruption or other unfair business practices. The anti-corruption and bribery matters are also an essential part of the Fraport Code of Conduct for Employees, which applies worldwide.”



Dr. Stefan Schulte
Chairman of the Executive Board

The Code of Conduct for Employees reflects the culture of values practiced at Fraport and stipulates the requirement to act responsibly when dealing with the economic, legal, and moral challenges of everyday business. Fraport undertakes to respect the fundamental right to freedom of association and the right to collective bargaining that governs the general working conditions within the Group, offer legitimate employee representatives an

The Code of Conduct for Employees that applies worldwide to the Fraport Group reflects the culture of values practiced at Fraport.

open and trusting cooperation, and strive for a fair Group-wide balance of interests. Fraport rejects any form of forced or child labor and advocates respect for the rights of children and adolescents.

Regulations on working hours and complaints mechanisms, for example, are implemented as part of large financing projects, some of which are also demanded by external lenders. The planning and construction contract for the construction project at the 14 Greek regional airports, for example, obliges the general contractor to fully protect human rights. Violations of these provisions constitute a breach of contract and may result in the termination of the contract. Regular visits to the construction sites are made to verify compliance with the contractual agreements.

The Group company Lima complies with the standards of the IFC Environmental Health & Safety Guidelines and is required to comply with the requirements of the Environmental Impact Study for the Expansion Program of the AIJCH of the Peruvian State. In addition, the company will commit itself to respect the “Equator Principles”, a set of rules set forth by banks to comply with environmental and social standards in the area of project financing. Compliance with the principles is a prerequisite for financing and will also be included in the contractual agreements. Within the context of the tender offer for the expansion of the airport, all bidders were obliged to sign an anti-corruption agreement.

Within the scope of the expansion program of the Brazilian Porto Alegre Airport, under the concession contract, the

Corporate
governance and
compliance

Group company is committed to relocate over 900 families. Initial measures to implement their relocation have already been taken. The relocation is being conducted in a structured manner that is already in practice in Brazil. Close cooperation with the competent authorities of the municipal administration and the regional government ensures strict compliance with local legislation. The Group company Porto Alegre will compensate the affected families.

The Group companies Fortaleza and Porto Alegre have their own anti-corruption guidelines. Compliance issues and information received on violations of the Code of Conduct for Employees are handled within the Group company Fraport Slovenija by the Ethical and Compliance Committee.

There are several ways for employees and customers around the world to report potential compliance violations, such as complaints of human rights abuse or evidence of corruption incidents, securely and in confidence.

Fraport has set up an electronic whistleblowing system that is available to all Group companies. The whistleblowing system is an essential tool for preventing and detecting potential compliance violations. In addition, Fraport AG has an ombudswoman, an external, independent lawyer, at its disposal. Employees at the Frankfurt site can also contact an internal representative.

Information received will be carefully evaluated. Compliance breaches are systematically penalized and any grievances are remedied.

Fraport employees are regularly informed on the topic of compliance through various internal channels and undergo mandatory training. The Code of Conduct for Employees and the Compliance Guidelines in place at the Fraport Group are available to the employees on the corre-

sponding information platforms. Guidelines on receiving invitations and gifts have been defined for the employees of Fraport AG in a separate policy, which regulates, among other things, the electronic documentation of the approval of received gifts and invitations. The policy supports employees in complying with existing laws and internal regulations.

In its Supplier Code of Conduct, Fraport describes the requirements and principles for cooperations with contractors, suppliers, and service providers. The Supplier Code of Conduct details how to treat employees correctly, including respecting human rights, environmental and climate protection, and integrity in the course of business, for example the prohibition of corruption and bribery.



Supply chain and procurement

Unlike manufacturing companies, Fraport's management does not focus on the supply chain, but on the quality of the services offered and the functionality of the infrastructure required for this. Irrespective of this, it is crucial that business partners and suppliers are selected carefully. The Group companies each have their own procurement management.

Fraport compels business partners and suppliers to comply with its Supplier Code of Conduct as part of its General Terms and Conditions (GTC), depending on the local conditions.

A violation of this code may result in the termination of the business relationship. A contractual penalty may be imposed and a claim for lump-sum damages may be raised in the event of antitrust violations and serious misconduct. Business partners and suppliers must also undertake to observe these principles in dealings with their own suppliers.

This is particularly relevant for major construction projects such as the new terminal at Lima Airport, the modernization of the Greek regional airports, and the construction activities of the Brazilian Group companies Fortaleza and Porto Alegre, where compliance with the Fraport Supplier Code of Conduct is an integral part of the contract.

Fraport AG undertakes to generally focus on sustainability criteria when purchasing products and services and has signed a target agreement initiated by the Hessian Ministry for the Environment, Climate Protection, Agriculture, and Consumer Protection.

Possible ecological procurement criteria and certificates (e.g., the OEKO-TEX 100 standard) are taken into account when commissioning.

Fraport has a heterogeneous requirement structure. Its requirements range from architectural services to the construction of airport infrastructure and its maintenance, from office materials to IT services and aircraft push-backs.

Over 60% of the order volume at Group airports have been awarded to domestic companies.

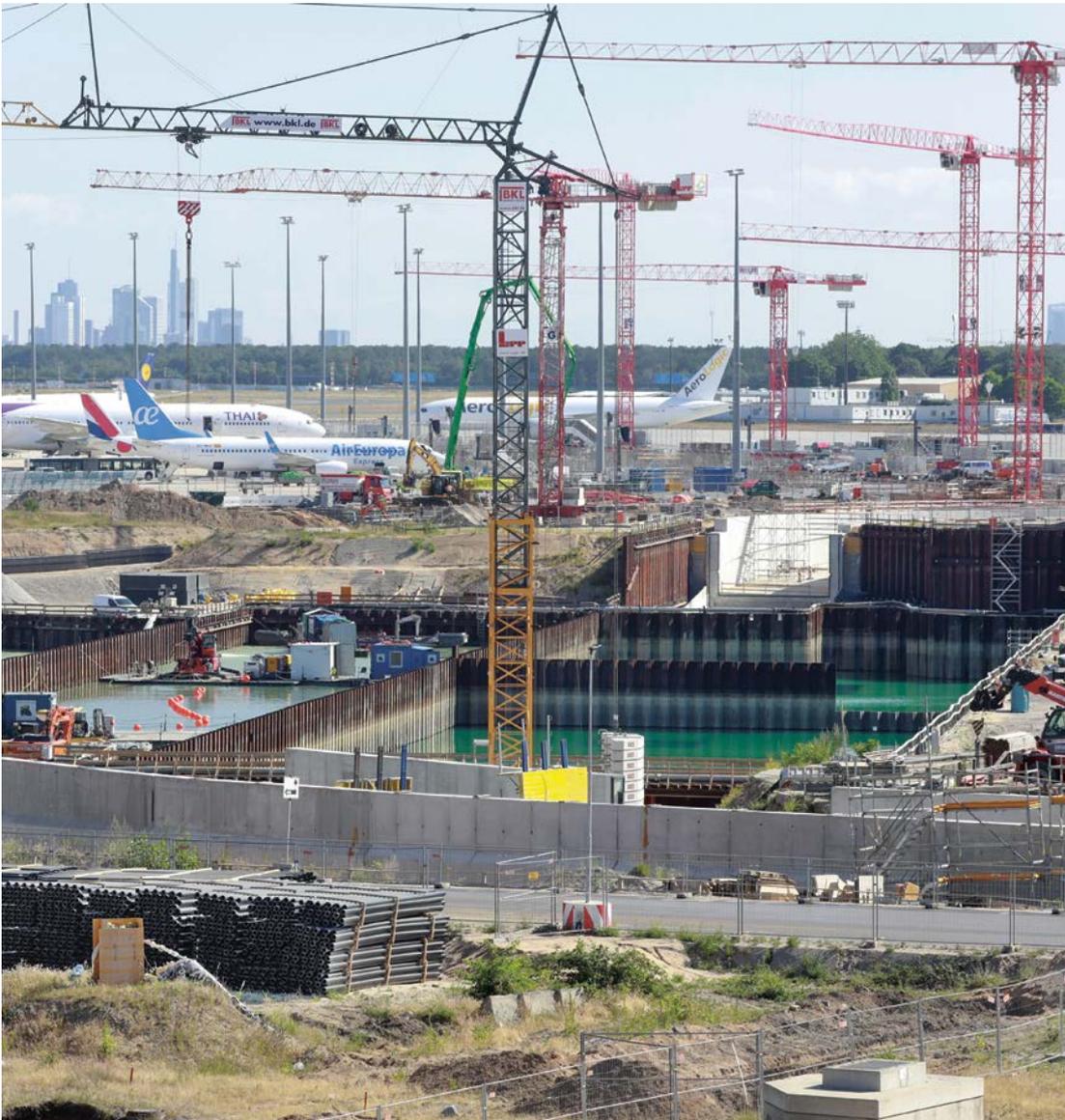
At Fraport AG, more than 70% went to companies in the Rhine-Main region.

Around 98% of Fraport AG's order volume amounting to approximately €1,278 million was awarded to suppliers and service providers based in Germany, approximately 1% to those based in the EU and about 1% to those based in the US and Switzerland. As there are comparable legal standards in these countries, in particular in relation to anti-corruption and bribery matters and respect for human rights, the first level of Fraport AG's supply chain is not deemed critical. The five largest suppliers to Fraport AG according to order volume are the companies FraSec, FraGround, FraCareS, Goldbeck Südwest GmbH, and GCS. Fraport AG wholly owns the Group companies FraSec, FraGround, and GCS. The Group company FraCares is 51% owned by Fraport AG. These mainly provide security services, ground handling services, and cleaning services. Goldbeck Südwest GmbH has been contracted to install photovoltaic systems at Frankfurt Airport and is subject to the award conditions described above.

If Fraport AG tenders and awards contracts for product groups that include suppliers or service providers from risk countries, the contractors will be reviewed depending on the order value. This also applies to orders for work clothes, for example. The location of production sites is periodically checked. If a business relationship is started with a supplier from one of these countries, sanction lists are extensively checked in advance. Sanction lists are official lists of people, groups, or organizations subject to economic or legal restrictions. If there are irregularities, further checks are planned which may result in the withdrawal of an order.



A new terminal is being built in Thessaloniki for around €100 million.



Major construction site
Terminal 3 in the
southern part of
Frankfurt Airport

Fraport AG has fulfilled the legally compliant assignment of external personnel based on independent service and work contracts, as opposed to temporary work, by implementing external staff compliance within the framework of a policy on assignment and deployment of external personnel. The policy includes a mandatory inspection process in determining different types of contracts and reduces the risk of false service or work contracts or covert contracts for temporary work. This review process also covers the assignment of external workers by Group companies for Fraport AG. The Group companies independently ensure the legally compliant assignment of external personnel by implementing suitable processes.

A separate procurement process via the Group company Fraport Ausbau Süd was defined for the Expansion South project, in particular Terminal 3 at Frankfurt Airport, due to the size and complexity of the project. By submitting an offer in this procurement process, building companies are obliged to comply with all requirements in the Posted Workers Act (Arbeitnehmer-Entsendegesetz, AEntG) and the Minimum Wage Act (Mindestlohngesetz, MiLoG), to make contributions to the collective bargaining parties' joint facilities, and also to only engage subcontractors or other third parties that meet these requirements.

The Fraport Supplier Code of Conduct is an integral part of all contracts for Terminal 3.

A due diligence review process was defined for purchases made for the construction of Terminal 3, which has since been carried out depending on the order value. In addition to mandatory checking of sanction lists and company information, this includes extensive research online on potential business partners before business relationships are started.

Data protection

Protecting personal data against improper use and protecting the right to privacy of individuals.

Protection and security of personal data

The objective is to ensure the handling of personal data in compliance with the data protection laws and to safeguard the rights of the data subjects, irrespective of whether the data is from passengers, customers, employees, or external companies. Personal data of passengers are required by Fraport AG primarily for the use of parking garages and for baggage handling. The processing of travel data is the responsibility of the airlines. The majority of the personal data processed by Fraport is due to the issue of airport ID cards and is thus compulsory for security reasons.

The Executive Board works towards ensuring that Group companies in Europe comply with the European General Data Protection Regulation (GDPR) as at Fraport AG. The individual Group companies are independently responsible for the implementation, which is monitored by Fraport AG. For the Group companies outside the EU, the laws on data protection must be complied with in accordance with national regulations. In addition to training employees, the Group companies have created technical conditions for compliance with data protection, which are regularly checked for their effectiveness.

More on data protection

Information on the processing of personal data by Fraport as well as the data protection statements for all so-called data subject categories such as stakeholders, employees, visitors, applicants, business partners, passengers, or customers are available at [privacy-statement.fraport.com](https://www.fraport.com/privacy-statement).



Personal data form the basis for the issuance of an airport ID card.

The Data Protection Officer at Fraport AG monitors compliance with the regulations within the company. This officer reports directly to the Executive Board and is independent in exercising his tasks in the area of data protection. Violations of the GDPR or related complaints can be sent directly to him, anonymously if necessary. In 2019, Fraport AG did not record any violations of data protection that were reportable according to the GDPR.

Fraport AG has a notification process for data protection and data security incidents in place. To consolidate the processes and rules at Fraport AG, it has implemented existing processes in a data protection management system. An e-learning tool and video training have been made available to employees, and they can be accessed permanently on the intranet.

The processes required for compliance with the GDPR are part of the quality management system according to ISO 9001.

In order to guarantee the privacy rights of passengers, visitors, and employees, Fraport AG has a concept for using video technology at the Frankfurt site which lays out clear rules for users of all video data regarding the respective purpose and data protection requirements. Regulations on the use of Fraport video technology by authorities is also included.

Personal access rights to operating and security areas in Frankfurt are managed and verified by way of an identification management system as well as access control systems. Fraport AG has implemented both technical and organizational measures to protect data against misuse.



Contact details are required to reserve a parking space.

IT security and airport safety and security

Ensuring the security of IT systems that are critical to the company and data protection. Maintaining high operational security standards at airports and fulfilling statutory security obligations.

Security has many facets

Security is the key requirement for air traffic. This principle applies equally to passenger traffic and air freight. This is why security management has always been a top priority at Fraport.

All countries in which Fraport is active belong to the International Civil Aviation Organization (ICAO) and have contractually committed to comply with the organization's safety standards and recommended practices for airports. In contrast to most ICAO member states, German law allocates passenger and baggage checks to government authorities, whereas in other countries this is usually the responsibility of the airports.

IT security

All important business and operating processes at Fraport AG are supported by IT systems and IT components. Due to the ongoing development of new technologies and the increasing global threat of cyberattacks, there is an underlying risk potential for IT systems. Fraport takes account of this situation with active and preventative IT security management.

The objective is to protect the IT systems and data against failure, manipulation, and unwanted publication.

These systems are configured redundantly and are housed at separate sites. The requirements for IT security are specified in the IT security policy and security guidelines that must be

followed throughout the Group, and compliance with these requirements is checked regularly by the Internal Auditing department, by IT security management, or external advisors.

The Group companies outside of Frankfurt use their own IT infrastructure, that they protect according to the Group's IT security guidelines. As a rule, the IT systems of the Group companies at the Frankfurt site as well as the SAP systems of Fraport Greece are integrated into the technology of Fraport AG and managed from there.





Within the scope of a working group in the German Air Transport Association (BDL), Fraport AG along with other airport operators, Deutsche Lufthansa and the German Air Traffic Control has developed the security standards of the industry. These are based on the new requirements laid out by the IT Security Act for Critical Infrastructures (KRITIS). The goal is to establish a high standard of security within the aviation industry through the selection of security measures, the assignment of measures according to predefined confidence levels, and mutual assessment.

The use of a standardized tool for all IT security processes, including documentation, is currently being planned. In addition, the department coordinates awareness-raising activities for staff and external workers to ensure a high security awareness. The level of IT security is also part of the annual management report for the ISO 9001 quality management certification. A specific KPI system provides information about the status of IT security measures, divided into security and compliance aspects, at any time.

In 2019, Fraport AG once again implemented a variety of projects to adequately respond to the growing risks arising from information technology. In addition, new requirements from the German IT Security Act, such as the reporting of incidents and an independent audit of security levels, have been implemented.

Airport safety and security

This area encompasses both safety and security: regular weekly or monthly meetings are held with airlines, security service providers, and authorities to exchange current information.

The goal is to safeguard the security of everyone at Fraport's airports. This includes passenger, baggage, and cargo controls, as well as access controls.

At the international Group airports, the security requirements of each respective country as well as international standards for safety and security management are in effect. Compliance with and adherence to these requirements is the responsibility of the local management of each respective Group company and includes, among other things, establishing and maintaining a safety management system and implementing access checks before entering the security area.

Safety and security are of central importance in day-to-day operations and already play an important role in the planning of new terminals as well as air

and land infrastructure at Group airports. Fraport AG supports the Group companies in planning and implementing security measures and trains its employees, for example, within the scope of safety and security workshops at the Group sites and in Frankfurt on an ad hoc basis. In the context of specialist exchange events, there is also a regular exchange between the Group companies on the topic of airport security.

Areas of airport safety and security

“Safety”

refers to the operational safety of the overall airport as well as the safety within the airport site

“Security”

is understood in terms of defending against terrorist threats and protecting civil aviation

Safety

The Safety Management System (SMS) is in place with the goal of preventing personal injury and damage to aircraft, vehicles, or infrastructure due to accidents and technical defects. For example, anyone with access to the airside areas (apron and runway) must complete SMS training before they may enter the airside areas.

At Frankfurt Airport, security incidents are recorded and evaluated, and potential vulnerabilities are identified with the SMS.

As a central reporting and alarm point for security matters, a security control center is in place at Frankfurt Airport, which activates the emergency and crisis management, if required. The airport fire department, medical services, ambulance service, and the security services then coordinate operations in the field.

The Care Team and the ERIC Support Team were merged in 2019 under the umbrella concept Fraport Emergency Team (F.E.T.).

A crisis unit commences operation in the “Emergency Response and Information Center” (ERIC). It coordinates and executes all measures that require a concerted approach at the site beyond any routine damage and risk prevention. If necessary, the “Fraport Emergency Team”, consisting of volunteer employees of Fraport AG and the Group companies at the Frankfurt site, is deployed, which interacts with passengers, greeters, and relatives on site, supports the crisis unit, or operates the “emergency information center” to handle telephone inquiries.

The contingency plan for Frankfurt Airport “FRA Not” documents which preparations have been made for various emergency scenarios and defines procedures to minimize the impact.

ICAO and EASA prescribe regular exercises to be carried out by the respective airport operating company at the international airports to train for the handling of emergencies and other security-related scenarios. Such exercises have no impact on flight operations. The results will be used for further education and training.

Safety first!

In rescue operations, every second counts. Fraport rescue workers know the airport area like the back of their hand. This is not always the case for large construction sites. Prime example: The Terminal 3 construction site. Covering an area of more than 50 soccer fields, up to 5,000 construction workers will be at work at peak times each day. The constantly changing terrain is a major challenge for those who don’t know their way around. A two-day training exercise took place there in July 2019. The aim was to improve the knowledge of the construction site and the interaction of all those involved. About 30 people from the airport fire department, the Group companies Medical Airport Service and FAS, as well as a construction company were in attendance.

A special safety concept has been developed to ensure that emergency services can quickly find their way to the site despite the fact that the construction site is changing from week to week. People with knowledge of the site meet at fixed meeting points, and they quickly and safely show the emergency services the way to the accident site. This allows them to avoid wasting any valuable time on their way. In order to further speed up the rescue chain, about 30 SOS boxes are stationed in the construction site area of the terminal building. In the event of an emergency, a push of a button is enough to alert the control center of the emergency service.

Conclusion of the exercise: The emergency services were on the scene within seven minutes. And just three minutes later, the ambulance arrived.





More security in FRA

The “2019 Security Days” were held to raise awareness amongst all employees about the contribution they can make to keep Frankfurt Airport safe and secure. The two-day fair included occupational safety and health, IT security, safety management, corporate safety and security, the airport fire department, and the paramedic service. Booths, testimonials, and key-note speeches on safety-related topics informed employees in an exciting and interactive way. For example, all participants were able to assess traffic violations themselves and allocate demerit points. They were also able to try out how to use a defibrillator properly and see how an alcohol and drug test works. The number of road accidents on the apron dropped by 15 percent in 2019. This is a positive development that should continue through correct behavior in critical situations. More attention is especially needed in the most sensitive area of the airport – on the apron.

Security

Both international and European regulations contain guidelines on the structural design of airport infrastructure for the purposes of defending against attacks on the security of air traffic.

The security measures at the airports aim to prevent attacks, such as acts of sabotage or terrorist activities.

In Germany, the Air Security Act (LuftSiG) regulates passenger and baggage checks, access controls in the

airside areas as well as the security of the premises, which are the direct responsibility of the airport operator. At Frankfurt Airport, Fraport AG employees as well as employees of the Group company FraSec and other private security providers currently carry out airport security checks on behalf of the German Federal Police.

Fraport AG develops independently measures in agreement with the competent authorities responsible for maintaining the high safety standards. In 2019, test runs for an autonomous fence monitoring system were continued in cooperation with the Fraunhofer Institute, and evaluations are still ongoing. The Security Awareness Campaign launched in 2018 has been followed up and expanded to

include safety issues. In October, for example, “security days” were held, during which airport employees were informed about security-relevant topics with booths, testimonials, and talks. Airport security, the security control center, airport fire protection, and the ambulance service were involved. Two films to raise awareness about safety-related topics were produced.

3

Economic enhancement

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Customer satisfaction and product quality



Strong customer and service focus. Increasing the Group's competitiveness and securing Frankfurt's role as a hub.

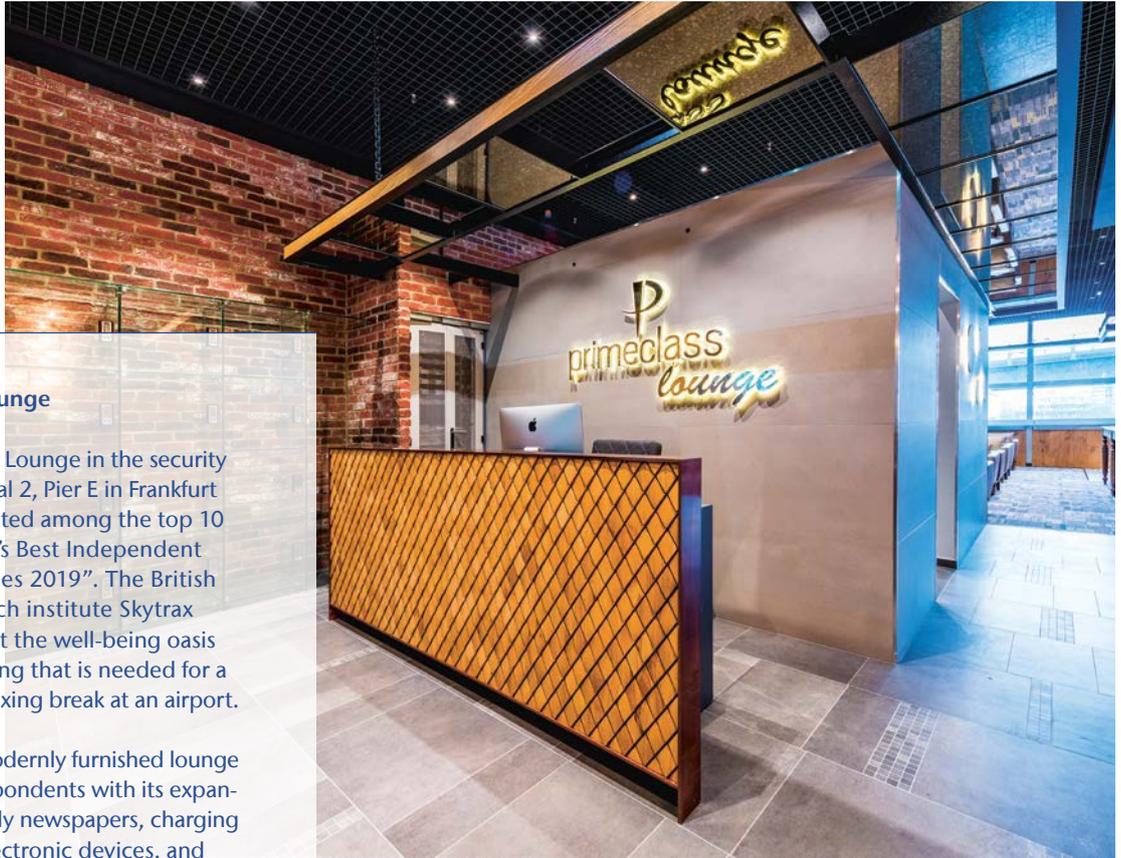
The customer in focus throughout the Group

The customer comes first at Fraport, both in Frankfurt as well as at all international Group airports. This is also reflected by the mission statement, "Gute Reise! We make it happen". The goal is to continuously optimize the focus on customers and service at Fraport's airports. Passenger satisfaction and baggage connectivity are considered the most important criteria for service quality.

In order to guarantee service quality while traffic volume increases, and to meet passengers' and airlines' increasing requirements, Fraport is conducting extensive expansion and modernization

measures in Frankfurt and at other Group airports. Among other things, a new terminal will be built at Lima Airport and extensive expansion and modernization measures are carried out at the Greek regional airports. At the Greek regional airports and Brazilian airports, improvements have been made to the check-in processes to reduce waiting times. Attention is also paid to the cleanliness of the terminals and passenger comfort. The Group company Twin Star maintains a high service level with various measures, for example the further development of the "We Care" service program. In 2019, measures regarding the website, parking,

and employee motivation were implemented. Based on the previous year's results, the Group company Lima has identified the areas that have the lowest satisfaction levels and developed a corresponding package of measures including monitoring. The Group company Fraport USA has adapted the system for evaluating satisfaction in order to better respond to the needs of its customers in the future.



Primeclass Lounge

The Primeclass Lounge in the security area of Terminal 2, Pier E in Frankfurt has been selected among the top 10 of the “World’s Best Independent Airport Lounges 2019”. The British market research institute Skytrax concluded that the well-being oasis offers everything that is needed for a restful and relaxing break at an airport.

The 270 m² modernly furnished lounge impressed respondents with its expansive buffet, daily newspapers, charging stations for electronic devices, and sanitary facilities with showers.

Passenger satisfaction at Frankfurt Airport

The service program launched at Frankfurt Airport in 2010 has increased global passenger satisfaction significantly at the Frankfurt site. As part of five sub-initiatives, directions and signposting, ambiance and convenience, and the range of relaxation, work and entertainment options on offer in the terminals were all significantly improved. Most of the measures were successfully completed in 2018. Individual measures, such as the renovation of the sanitary facilities, also continued in fiscal year 2019. In addition, various measures have been implemented to expand the range of digital passenger services. Among other things, free Wi-Fi for passengers has been further improved and simplified in terms of availability and access procedures. Further digital information media have been implemented to assist passengers in the terminal. In order to improve the procedures around security checks, various measures to increase the

capacity for security checks were carried out in 2019 in cooperation with the German Federal Police. In addition to new security check technology at the Frankfurt site, this includes an extension hall in Terminal 1, Area A, which provides additional capacities, particularly for peak times during the summer months. More luggage tray returners were also employed. A comprehensive information and communication concept is in place to better prepare passengers for their time at Frankfurt Airport. In addition to tips for a timely and smooth arrival at the airport, the focus was on the most important messages for preparing for security checks (including hand luggage regulations, carrying electronic devices, etc.). Nonetheless, passenger satisfaction with waiting times at security checkpoints was down in 2019 at 74% (previous year: 80%). In total, passenger satisfaction improved from 86% to 88% in 2019.

88%

satisfied passengers

Fraport has been exchanging ideas with Deutsche Lufthansa, the security companies working at the Frankfurt site, retail concessionaires and other service providers, and Deutsche Bahn regarding service, hospitality, and customer satisfaction in the Service Quality Committee since 2016. The first important milestone was the definition and approval of the Service Guidelines for FRA. In these guidelines, the partners reiterate their desire and their joint responsibility to strengthen the Frankfurt site and to further develop service quality and trusting cooperation. Examples of such successful cooperation

Customer satisfaction and product quality

are the inclusion of trainers at partner companies for joint training activities (e.g., intercultural training) and visits by the Executive Board and management levels at events within the framework of the “Service Excellence” program. The goal is to ensure that common passengers, customers, and guests retain a positive impression of Frankfurt Airport. Furthermore, it is also intended to improve global satisfaction of the passengers, the willingness to recommend Frankfurt Airport, satisfaction with the hospitality, and improving the sense of security.

900 employees completed training within the scope of the “Service Excellence” program; the goal was to further improve hospitality and service orientation.

Luggage management as a competitive factor

Moreover, the reliable loading of luggage for departing flights and the fast delivery of luggage to the baggage claim for arriving flights have a major impact on customer satisfaction. Fraport AG measures this performance for departure baggage with the “baggage connectivity” indicator. In order to maintain connectivity at its current high level in the future coupled with the increasing number of baggage items, Fraport is constantly working on optimization measures that are implemented in close cooperation with airlines within the scope of regular performance discussions. In 2019, on the one hand, recruitment and qualification was intensified. On the other hand, processes were developed further regarding the IT infrastructure of the baggage transfer system.

Despite all the precautions taken, there was an extensive disruption of the baggage transfer system in Terminal 1 on September 28, 2019 in which over 30,000 pieces of luggage could not be loaded on time. This was caused by several simultaneous electrical and subsequent mechanical failures. In order to reduce the risk of similar disruptions in the future, an operational and infrastructural package of measures was adopted. The

construction of additional bypasses and baggage collection points will create redundancies and relieve the strain on the system during peak traffic times. As a result of this incident, baggage connectivity was 98.4% in 2019, missing the 98.5% target. The last major disruption was over two years ago.

Fraport offers airline customers at the Frankfurt site comprehensive support and advice on strategic and operational topics such as the commencement of flight operations, frequency adjustments, and slot allocation. With regard to developing routes, Fraport supports airlines from the analysis of potential routes up to marketing activities, also in cooperation with partners from the tourism industry. Airline customers are continuously involved when dealing with important matters in the development of the airport, such as regarding Terminal 3 and the management of ongoing performance measures. The Customer Service Center (CSC) offers all airline customers a direct point of contact for questions regarding operations. In addition to early information on construction or operational changes, the CSC provides a central point of contact for the airline stations through regular customer visits.

Fraport AG measures the success of the measures for the airline customers by using the Customer Service Index Airlines KPI. The aim for each year is to achieve the level of the previous year. At 74.1%, the figure for 2019 was slightly above the previous year’s figure of 73.9%. The survey primarily includes the airline-relevant areas of the airport, i.e., the baggage checking performed by ground services, flight and terminal management services, and corporate safety and security.

“Gute Reise” in Bulgaria



We place the airport in the traveler’s heart

The vision of our Twin Star colleagues from Varna and Burgas: “We place the airport in the traveler’s heart” is based on the Group’s mission statement and focuses on customers. The mission statement focuses on seven values such as reliability, commitment, and respect.



For our customers, we provide connections to all over the world.



We contribute to sustainable development in the Black Sea region.



Our dedicated employees respond to the needs of our customers.



We ensure a “gute Reise” with compassion and understanding.

Profitability



Ensuring the profitability of the Fraport Group through yield-oriented capital expenditure and an efficient use of existing resources.

Increased revenue for long-term business success

For Fraport, the growth-oriented development of financial performance indicators is critical for the long-term success of the company. The overriding importance of these indicators is reflected in the Group strategy as a set of criteria for the Group objectives “Growth in Frankfurt and internationally” and “Economically successful through optimal cooperation”.

The key figures for Group results of operations, the Group’s asset and financial position as well as key figures for value management are also significant. In accordance with the long-term oriented Group strategy, the Executive Board manages and evaluates the development of financial key figures while also taking account of long-term forecasted market developments.

The key financial performance indicators of the results of operations for Fraport are the revenue adjusted for IFRIC 12, EBITDA, EBIT, and the Group result.

EBITDA and, indirectly, the Group result through the earnings per share (EPS) are a component of the Executive Board remuneration and underline the relevance of these financial key figures as a control element.

Group revenue increased by 6.5% in the 2019 fiscal year to over €3.7 billion. Adjusted for the revenue in connection with the capacitive capital expenditure based on the application of IFRIC 12, revenue increased by 4.5% to over €3.2 billion. The positive revenue development is mainly due to the good overall traffic figures across the Group. This increased revenue in Frankfurt as well as at Fraport Greece and the Group companies Lima and Fraport USA.

The net retail revenue per passenger, an indicator of the development of retail business, increased significantly by 5.1% to €3.28 compared to the previous year.

Lower other operating income – mainly due to the disposal of shares in Flughafen Hannover-Langenhagen GmbH in the previous year – as well as an increase in personnel expenses due to collective bargaining agreements and traffic volume led to Group EBITDA of €1,180.3 million (+€51.3 million). The application of IFRS 16, an accounting standard for leasing expenses that was applicable for the first time in the 2019 fiscal year, led to an increase in Group EBITDA in the amount of €47.5 million, while at the same time increasing depreciation and amortization

by €44.6 million. This led to Group EBIT of €705.0 million (–€25.5 million). The deteriorated financial result led to a Group result of €454.3 million (–10.2%).

Higher capital expenditure, negative free cash flow

The result of the strategically adopted measures and operating activities of Fraport is also reflected in the Group’s asset and financial position.

The level of the shareholders’ equity ratio represents the basis for the current and future operating activities for Fraport. A solid base of shareholders’ equity is, for example, essential for the financing of large strategic projects, such as the construction of Terminal 3 at Frankfurt Airport, and it is also a benchmark for the creditworthiness of a company. The aim is to achieve a shareholders’ equity ratio of at least 30%.

Shareholders’ equity rose to €4,623.2 million (+5.8%) in 2019 due to the positive Group result. The shareholders’ equity ratio reached 33.7% as at December 31, 2019, slightly down compared to the previous year’s figure (–1.2 percentage points).

Profitability

Apart from the shareholders' equity ratio, the net financial debt to EBITDA ratio, and the free cash flow, in particular, serve as key financial indicators to the Executive Board to assess the financial strength.

The net financial debt to EBITDA ratio provides information on the financial stability and ability of the company to repay the net financial debt with EBITDA in years to come if consistent figures are assumed for both indicators. The Executive Board has decided on a ratio of a maximum of 5 for this performance indicator.

The free cash flow provides information about the financial funds available to the Group from the operating activities of a period after deducting operating capital expenditure activities. Due to the intensive capital expenditure activities in Frankfurt and internationally, the Executive Board expects a negative free cash flow in the medium term.

The free cash flow decreased significantly as expected to –€373.5 million due to higher capital expenditure at the Frankfurt site and in international business (previous year: €6.8 million). Net financial debt was 3.5 times EBITDA.

To increase the Group's value in the long term, the Executive Board specifically draws parallels between the development of the results of operations and the asset and financial position. In this context, the Executive Board plans and manages the Group's development according to the principles of value management.

At Fraport, the most important measurement and steering figure of this approach is the "Return on Fraport assets", in short: ROFRA, which makes the different-sized segments of the Fraport Group comparable in terms of economic enhancement. Compared to the current WACC, which

shows the current pre-tax cost of capital of 6.4% as it relates to Fraport, the ROFRA shows whether the business units created value (ROFRA > WACC) or not (ROFRA < WACC). ROFRA underlines the long-term goal of Group-wide business activities that create value and is also an element of the Executive Board remuneration.

ROFRA was 8.8% in the 2019 fiscal year and exceeded the WACC by 2.4 percentage points. The Fraport Group thus also created value in the past fiscal year.

Detailed information about the development of earnings in the past fiscal year as well as the forecast for 2020 can be found in the Annual Report 2019.

Key financial figures



€3.2 billion

Revenue adjusted
for IFRIC 12
(+4.5% compared to 2018)



€454.3 million

Group result
(–10.2% compared to 2018)



€–373.5 million

Free cash flow
(2018: €6.8 million)

€1,180.3 million

EBITDA
(+4.5% compared to 2018)

33.7%

Shareholders' equity ratio
(–1.2 percentage points compared to 2018)



€705.0 million

EBIT
(–3.5% compared to 2018)

3.5 times

Net financial debt to EBITDA ratio
(2018: 3.1)

8.8%

ROFRA
(–2.3 percentage points compared to 2018)

Growth and development in the Group



Growth, consolidation, and expansion of the Group's portfolio.

Solid Group-wide passenger development

Fraport particularly uses the passenger numbers at Frankfurt Airport as well as at the Group airports as an indicator for the Group-wide growth in traffic. International business activities continue to grow, generate a stable return in the long term, and increasingly contribute more to EBITDA and the result. At the same time, the portfolio is adjusted, through acquisitions and sales, if attractive opportunities present themselves on the market.

After the high-growth years of 2017 and 2018, the past fiscal year was also marked by growth, albeit to a lesser extent. The airports in the Fraport Group recorded solid passenger development. In the 2019 fiscal year, passenger traffic at **Frankfurt Airport** exceeded the previous year's figure by more than one million passengers and amounted to around 70.6 million (+1.5%). On June 30, the daily volume reached its previous high of 241,228 passengers.

With the start of the winter season, there was a lower number of offers compared to the previous year, which was reflected in significant declines in passenger numbers at the end of the year. Demand for domestic traffic, which had already stagnated over the course of the year,

turned into a noticeable decline (–3.4%). Demand for European traffic (including connections within Germany), which has been above average in recent years, slowed down in the reporting period (+0.4%). After a prolonged period of weakness, intercontinental traffic, on the other hand, again showed significant growth (+3.4%). The momentum at the end of the year rebounded significantly due to large increases in offers, in particular on flights to the United States and the Caribbean.

70.6 million

Passengers at Frankfurt Airport

The persistently high uncertainty in terms of economic policy and the trade conflict between the United States and China particularly weighed on the German economy, as it specializes in the export of capital goods to a higher degree than other economies. In 2019, cargo volume increased by 3.9% to approximately 2.1 million metric tons.

Long-term capacities secured

In particular, the expansion and modernization programs contribute to maintaining and improving the Frankfurt site's international competitive position. Fraport AG laid the cornerstone for Terminal 3 at Frankfurt Airport on April 29, 2019 and will invest around €4 billion in the Airport Expansion South project over the next few years. By 2021, Pier G will be the first to be built with a capacity of up to 5 million passengers. The pier is being built as a full and modern terminal building, and will be integrated into Terminal 3 at a later stage. The shell construction in the upper floors is well advanced. At the same time, work on the technical building installations has been running in the lower levels since the end of 2019. Completion of the main terminal building with Piers H and J is planned for 2023. This will increase capacity to up to 21 million passengers. Terminal 3 can be expanded to include Pier K at a later date. Once the expansion project is fully completed, capacity will increase to 25 million travelers.

*Growth and development
in the Group*

Growth in most Group airports

Ljubljana Airport recorded a decline in passengers by 5.0% to around 1.7 million in fiscal year 2019. The decline in passengers is due to the bankruptcy of Adria Airways (market share of around 51%) at the end of September 2019. This was partially offset by the take-over of some frequent routes, mainly by airlines of the Lufthansa Group and Turkish Airlines. The expansion of the terminal was started in July 2019 with the goal of increasing the quality of service at the airport and improving operational processes; the project is expected to be completed by mid-2021.

The Brazilian airports **Fortaleza** and **Porto Alegre** welcomed 15.5 million passengers (+3.9%) in 2019. International traffic in Fortaleza grew by 37.4%, primarily thanks to the creation of an Air France/KLM hub. In Porto Alegre, both domestic traffic (–0.1%) and international traffic (–0.7%) were slightly below the previous year's level. The expansion activities are proceeding on schedule. In Fortaleza, the terminal expansion was inaugurated in March 2020. Extensions to the runways are expected to be completed by 2021.

Shareholding in Lima Airport Partners increased

Lima Airport welcomed nearly 23.6 million passengers (+6.6%) for the full year 2019. The growth in international traffic is primarily due to Peru's touristic and economic appeal and the increasing importance of Lima as a transfer airport, especially for the airlines LATAM and Avianca Perú. With the purchase of an additional 10.0% in Lima Airport Partners



Construction work on the Samos airport in Greece was completed on time.

S.R.L. in May 2019, Fraport strengthened its position as a majority shareholder. The expansion of the airport, which is necessary due to the strong passenger growth in recent years, began in the past fiscal year, among other things, with environmental rehabilitation measures. The volume of the capital expenditure on the runway and the terminal is expected to be around US\$1.5 billion. The completion of the second runway is scheduled for the second half of 2022, and the terminal should be completed by 2024.

With nearly 30.2 million passengers, **Fraport Greece** recorded slight growth of 0.9% in the reporting period, despite the consolidation process in European air traffic and the shift in traffic to other tourist destinations such as Turkey and northern Africa. The appeal of Greece as a tourist destination is demonstrated by the high share of international passengers of almost 77%. The 40-year concession agreements budget for capital expenditure of approximately €400 million on airport

infrastructure in the first four years. A priority area is also expanding the offer of shopping and services. The expansion and modernization works at the Greek airports in Chania, Zakyntos, Kavala, Aktion, Skiathos, Samos, Mytilene, Rhodes, and Kefalonia have been completed. Construction work at the remaining airports is on schedule and will be completed by the first quarter of 2021 at the latest.

The Black Sea airports in **Burgas** and **Varna**, with a total number of passengers of around 5.0 million, were the second and third-largest passenger airports in Bulgaria after Sofia. Following the dynamic development of previous years, the airports recorded a 10.7% decrease in passenger numbers in 2019 compared to 2018. Domestic and international traffic were negatively affected, among other things, by route reductions and airline bankruptcies (Small Planet and Germania) as well as the resurgent tourism activity to Turkey and northern Africa. Through gradual, modular expansion measures of the terminals, both tourist sites offer sufficient capacity to meet the growth expected in the medium term.

With approximately 35.5 million passengers, the airport in **Antalya** posted a record result in 2019. Antalya was the second-largest passenger airport in Turkey in the past fiscal year, behind Istanbul Airport, and is one of the dominant tourist airports in the Mediterranean region. The number of international passengers increased by 15.1% to around 28.5 million due to a continued increase in tourist demand from passengers from Russia and western Europe, such as Germany, the United Kingdom, and the Netherlands.



The expanded terminal of the Brazilian airport in Porto Alegre was inaugurated at the end of 2019.

Ideas and innovation



Developing new products and more efficient processes.

Digitalization in Ground Services

As a service group, Fraport does not conduct research or development in the narrower sense. Nonetheless, it is very important for Fraport to be able to react flexibly to customer requests and to design services efficiently. Identifying and introducing new technologies, optimizing processes as well as the further developing internal workflows are fundamental in this regard. In the year under review, Fraport AG established the central unit “Digitalization, Innovation, and Transformation”, which promotes the strategic orientation of innovations and digitaliza-

tion, and coordinates the digitalization and innovation projects within the Group. The Group’s idea management is also integrated into this unit. The benefit of the implemented ideas amounted to €101,263 (previous year: €126,000).

Virtual and augmented reality

Long since an integral part of the international video game industry, and also used by museums to offer visitors the ability to rediscover art worlds: so-called Virtual reality glasses (VR glasses).

Thanks to the high-resolution 360° representations and the realistic surround sound, VR glasses immediately convey a feeling of direct proximity to the action. The Group company FraGround, whose core competence lies in the provision of ground services at Frankfurt Airport, has started using this fascinating technology and is taking innovative paths in personnel marketing and development with the integration of modern VR technology. At job fairs in 2019, FraGround’s recruitment team had ample opportunity to use VR glasses to inspire applicants with a virtual tour of the airport. Another area of application for the technology is virtual reality training for operational process training. Fraport AG has developed new digital training content with a partner, for example for operating processes shortly after the arrival of an aircraft at the parking position. The goal is to have employees practice processes in a protected space before their first actual shift. Both new and already trained employees can use the training module, which is offered in both German and English. There are also plans for apron safety training and a module for baggage sorting.



The “Smart Air Cargo Trailer” project was initiated by transport specialist Sovereign Speed.

Use of innovative technologies

Digitalization and automation of processes as well as their redesign strengthens the competitive position of Frankfurt Airport on both the land and air side.

The aim is to permanently increase efficiency, speed, and process quality.

In the year under review, an important milestone was reached in the automatic docking and pullback of boarding bridges. In July 2019, the first boarding bridge was automated in a step-by-step process. After the necessary safety check for the obstruction clearance has been carried out via cameras and sensors, the boarding bridge is automatically returned to the parked position by a dispatcher from central command. And therefore not, as previously had been the case, by the bridge driver at the control panel in the bridge cabin on site. In addition to improved resource planning, this innovation also enables more efficient and flexible process design. The next project steps include the pullback of boarding bridges from control command for bridge structures with three bridges as well as the automated docking of boarding bridges.

Passengers today can also directly experience the ongoing automation of airport processes, for example for baggage drop-off at Frankfurt Airport. The first fully automatic machine, which was specially developed for Fraport and has a new IT infrastructure, has been in test mode for baggage drop-off in Terminal 1 since May 2019. Passengers can automatically drop off their suitcases at a self-service device after their boarding pass has been scanned and the baggage tag printed. With the new fully automatic machine, passengers need an average of only ten seconds to drop off their luggage. The fully automatic machine is constantly being developed during test operation. The machines developed on this basis will then be rolled out at the airport.

Automation is also being promoted in the freight section. Intelligent trucks, so-called smart trailers, were used to successfully carry out tests on how efficiency can be increased by shorter waiting times at the ramps and higher use of the trucks. The specially developed camera system equipped on the trailers collects information about the content and level of the containers and transmits it to the cloud-based platform. As soon as the trailer is sufficiently filled, the transport is triggered automatically. The next step will be another test run with an autonomous truck and smart trailer.

Digitalization and innovation at Fraport's international airports

The digitalization goals derived from the Group strategy – digital customer experience, new digital business models, digital companies, and the digital world of work – are also being pursued to varying degrees in the Group companies. Last year, the airports in Fortaleza and Porto Alegre focused on new digital business models as well as the digital world of work. There, modern tools were implemented to map the approval processes during procurement as well as for the more efficient handling of maintenance orders. New digital business models have also been further developed at Fraport Greece and have led to process improvements in baggage handling through the use of scanners to automatically recognize baggage tags. A learning management system has been introduced to support human resources development as part of the digital world of work objective. The learning platform enables web-based training and online exchange of information among the Greek airports. Twin Star and Lima, on the other hand, focused on the digital customer experience. In 2019, the homepage of the two Bulgarian airports Varna and Burgas was modernized and made more customer-friendly, and new features were added. At Lima Airport, a mobile application for passengers and visitors has been developed, which includes detailed information on flights as well as departure and arrival times.



YAPE

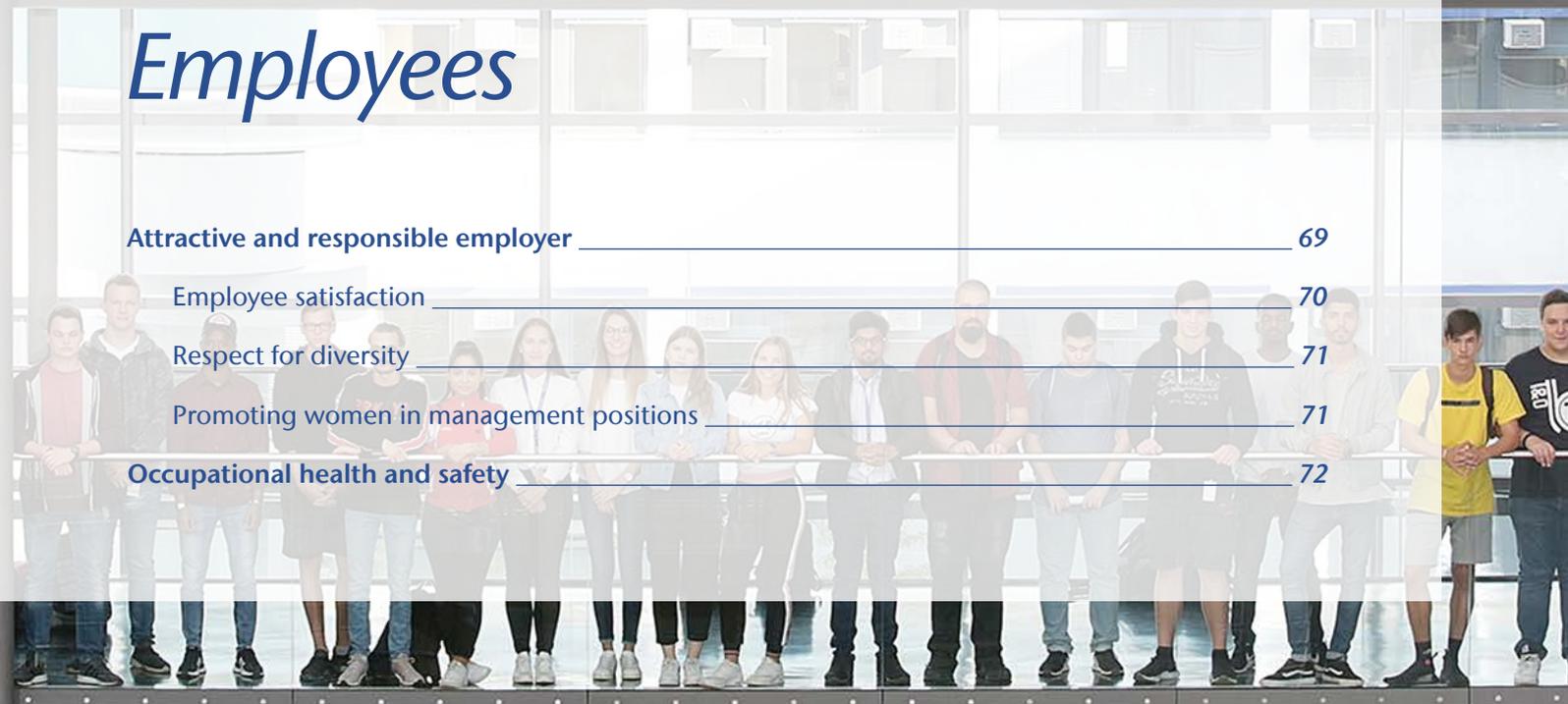
YAPE (Your Autonomous Pony Express), the transport and delivery robot based on artificial intelligence (AI) and equipped with a high-resolution HD map, cameras, and sensors, was deployed in the transit area of the airport during a five-day test phase in September 2019. In addition to studying how it was received by passengers, the requirements for airport infrastructure were also tested by the use of robotics and AI.



4



AZUBIS 2019



Employees

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Attractive and responsible employer



Protection of jobs and provision of a working environment that is characterized by diversity, equal opportunities, and respect. Offers regarding the work-life balance and development opportunities to recruit, qualify, and retain dedicated personnel.

Provide employees with a fair and safe working environment

Fraport AG has a long tradition as a company with a social perspective and a partner-centered approach. Group-wide, Fraport aims to remain competitive at all sites and in all sections and thereby secure jobs with fair and just working conditions. This involves providing fair wages and salaries, and a package of benefits that goes beyond pay. Fraport offers a high level of job security, good working conditions based on collective bargaining agreements, professional and personal development options, and a highly developed corporate ethic.

The Fraport policy forms the overarching structure for all commitments and the codes of the Group based on specific topic areas. Pursuant to responsible corporate governance, Fraport has made a

commitment to comply with internationally recognized standards of conduct, such as those defined in the principles of the UN Global Compact, the OECD guidelines, and the ILO Core Labor Standards. They are published in the Code of Conduct for Employees, which commits employees to comply with these fundamental principles.

Over
23,600
employees
in the Fraport Group

Given the growing challenges, such as increasing international competition in the aviation industry and passengers' and airlines' increasing demands, and the continuous focus of the Group on earnings, the aim is to organize the personnel structure in such a way that this competitive pressure can be withstood. Employees' personal and professional skills are boosted Group-wide by training measures.

Employee satisfaction slightly lower

If employees are satisfied, this is a sign of a good working atmosphere. Employee satisfaction is also a component of the variable part of the remuneration of the Executive Board. Fraport aims to maintain employee satisfaction at a stable level Group-wide and continually improve the rating in the long term to be better than or equal to 3.0 (index value in line with German school grading system).

The average grade for satisfaction by the employees of the Fraport Group was 2.78 in the past fiscal year and therefore slightly below the previous year's figure of 2.76. The values of the Group companies in Greece and Brazil, participating for the first time, were both better than the Group value (2.58 and 2.16 respectively). In particular, employee satisfaction declined in some operational Group companies. While pay received a better assessment, satisfaction with job security declined due to the challenges posed by air traffic.

The results of the employee surveys are used by all international group companies to increase their own employee satisfaction. Based on this, in 2019, the Group company Twin Star developed a package of measures which is meant to contribute to increasing employee satisfaction, among other things, in the areas of communication, appreciation, and wages.



Around

30

apprenticeships and dual vocational study programs

At Fraport AG, the results of the employee survey are used to identify potential for improvement and derive appropriate measures. In individual cases, the measures and the intended improvements can be included in the target agreements with executives.

A high level of employee satisfaction is also a valuable contribution to attracting new as well as retaining qualified and motivated employees. Fraport has developed and implemented a variety of measures and initiatives to meet the staffing needs of the labor-intensive Group companies. This also applies to attracting suitable apprentices.

125

apprentices started their Fraport careers in 2019.

The goal of filling at least 110 apprenticeships has thus been successfully implemented.

In 2019, the employee retention measures focused on several groups of employees in facility management and on skilled workers responsible for operating and performing maintenance on the baggage transfer system. Core elements of retention management are, on the one hand, so-called stay interviews with employees who, due to their operational functions and socio-demographic data, have a high degree of comparability with those who have left the company in the past. The feedback from these discussions is analyzed in order to see how the influenceable conditions of work, management behavior, and operational performance lead to generally higher employee satisfaction and, in turn, a higher retention rate.

Respect for diversity

As a responsible employer, Fraport respects and promotes personal diversity and attaches great importance to ensuring that this is reflected in the way employees interact with each other.

Diversity is a key goal for Fraport, which the Group systematically tackles as part of its diversity management.

Diverse cultural backgrounds, international experience and gender aspects enrich collaboration and promote innovation and creativity. This enables Fraport to flexibly respond to the changing requirements in the international markets and benefit from them. Fraport is sending a clear signal throughout the Group with its campaign "Respect for Diversity – I, You, We", which was launched in June 2019.

As far back as 2007 Fraport committed itself to the "Charta der Vielfalt" – a company initiative to promote diversity in companies and institutions. The Group agreement "Conduct of Partnership, Diversity and Equality in the Workplace" formed the platform for principles such as freedom from discrimination and equal opportunities. The company agreement includes explicit definitions of values as well as specific internal regulations and structures.

Attractive and
responsible employer



Diversity matters

The aim of the “Respect for Diversity” campaign is to draw attention to the diversity of Fraport employees. The colorful mix of experiences, skills, and perspectives is what drives the Group forward. Diversity makes Fraport strong. Being courageous, open, and trusting in dealing with challenges – the campaign takes up key aspects of the mission statement. The focus is on treating each other with respect. This promotes team collaboration and helps to further improve service and customer orientation.

Over the course of a year, the campaign makes the different facets of diversity visible in the company. Across the Group, there are ambassadors who promote the six dimensions of diversity in tandems: cultural and religious diversity, work-life balance, handicap, sexual orientation, gender, and generations. There will be numerous events in the individual divisions as part of a roadshow in 2020.

Initiatives to promote women in the workplace

In order to identify, attract, promote, develop, and place talented employees in the company in the best possible way, a talent management process has been established. Through the long-term, systematic development and retention of talented employees, Fraport AG meets the long-term need for qualified employees and thus contributes to maintaining its competitiveness. In this respect, Fraport places particular focus on promoting women in management positions. In fiscal year 2019, the proportion of women in management positions in Germany at the first and second level directly below Fraport’s Executive Board was 28.5% (previous year: 26.0%). The objective is to increase the proportion of women in management positions at the Fraport companies in Germany across both levels to 30% by 2021.

Particular focus is placed on all staff development processes that have an influence on increasing the proportion of women in management positions. This includes strategic succession planning across all levels of management as well as talent management with a development check management system and corresponding individual development mea-

asures. The long-term measures that are already proving to be successful include the Cross Mentoring Program, coaching measures within the context of the continuous development of female executives as well as individual support within the scope of the “GROW” development initiative for middle management. The success of the initiative is ensured thanks to a digital learning platform, among other things. There are also offers, such as the option of holding an executive posi-

tion on a part-time basis within the scope of an 80% or 90% workload. In the event of job vacancies, suitable female candidates are also actively approached and systematic development and career paths are presented. In 2019, the topic of “part-time executives” was discussed to strengthen and encourage women and men with leadership responsibilities to reflect on and implement possible success-defining aspects of management in part-time positions.

Occupational health and safety



Maintaining and promoting the physical and mental capacities of our employees.

Preventing health risks

Occupational health management in the Fraport Group has always focused on preserving the health, performance and therefore productivity of employees in the long term. With its preventive nature, Fraport contributes to maintaining employee performance and prevents work-related health risks. Employees are regularly informed about health-maintaining measures and behavior, and their workplaces are ergonomically designed in the operational and administrative areas. Fraport evaluates, among other things, the effectiveness of the measures by continuously analyzing the sickness rate in the German Group companies. The objective for the Fraport Group in Germany is a maximum rate of 7.2% by 2025. In the 2019 fiscal year, the Group sickness rate in Germany improved by 0.2 percentage points to 8.0% (previous year: 8.2%). The slight improvement is due, in particular, to Fraport AG, which has a large number of employees, and the Group company FraSec. The sickness rate in the operational Group companies FraCareS and FraGround deteriorated.

Fraport AG's multi-award-winning occupational health management initiates a wide range of health-promoting activities and measures with various focal points. For example, cooperation with gyms

8.0%

*sickness rate
in 2019*

made it possible for employees to exercise close to their place of residence. Those who exercise regularly are rewarded with a contribution to membership fees. In 2019, supplementary occupational health insurance was extended to include an inpatient component. In total, around 2,500 contracts were concluded with employees and their relatives. In particular, the employees in operating areas were thanked for their work in particu-

larly stressful circumstances (such as the heat in the summer months) with vouchers for ice cream, fruit, smoothies, and cereal bars. In addition, skin cancer screenings were offered at various locations on the airport site in 2019.

Strengthening behavioral health and safety at work

A strong prevention culture means that, in addition to health management, occupational safety is systematically integrated into the company's processes and structures as well. Strengthening the personal responsibility of all employees and management in particular is a top priority and is part of the goal of continually reducing accidents at work everywhere in the group.

The key principles for Fraport AG and the Group companies can be found in the "Occupational safety" Group policy (Occupational safety and health management manual) issued in August 2019. The Group policy further helps to increase

Important goal achieved: rising trend stopped!



Marc Uhmann

Team lead of Fraport Health Management

The number of sick days of employees has increased by more than 70% over the past decade. What is the situation at Fraport?

The number of absences due to sickness in Germany has been increasing for years. However, this does not automatically mean that the increase in sick leave is linked to working conditions that render the employee ill. Our society, our sense of permanent accessibility and our private life are also coming into focus and are increasingly being classified as stressful. At Fraport, the sickness rate fell in the third year in succession, albeit only to a small extent, depending on the business unit and Group company. We have therefore achieved a very important objective: stopping the rising trend. At the same time, however, there is a trend towards an increase in long-term diseases. This mainly concerns older colleagues, which makes sense, because in old age we do not get sick more often, but when we do, a disease can

last longer. The number one cause of absences at Fraport is the typical back issue. This is no surprise, either, with regard to baggage and aircraft handling and workshops.

What measures is Fraport taking to reduce the sickness rate?

Let's start with what we have little to no control over: On the one hand, these are waves of the flu and common cold. Another example is the summer months of 2018 and 2019, which were particularly challenging for operating employees with record passenger numbers in permanently high temperatures. Of course, we support them as much as we can. Measures include, for example, supplementary occupational health insurance, the wide range of health courses, relaxation loungers, nutrition and prevention services, and company fitness. In the future, there will be an app on the topic of fitness and medical check-ups on site.

the level of obligation. It draws on the requirements of ISO 45001 and replaces the previous occupational health and safety management system. This requirement is valid effective immediately for Fraport AG and German Group companies. Taking into account the national laws, the scheme is an option for desired action for the international Group companies. Among other things, training and monitoring to raise employee awareness of hazards as well as to involve executives is carried out at the Group airports.

Comprehensive measures to guarantee high occupational safety standards at the Frankfurt site are required, for example, when handling hazardous materials, in ground handling processes, in maintenance, in internal transport and traffic, and during infrastructure construction activities. In addition to workplace-specific basic and recurring training programs for all employees, special driver safety training is offered to employees whose work involves driving. There are occupational safety seminars for execu-

tives, for example, on transferring obligations of the business operator. With the "ZERO" project, another prevention project is currently on the agenda until 2020 for part of the ground handling services. Behavioral health and safety is to be strengthened in this department, which is responsible for the loading and unloading of aircraft as well as internal transport.

Targeted and temporary measures and projects are intended above all to raise employees' awareness of safe conduct in operational sections.

With the increasing internationalization of the Fraport Group, the rate per 1,000 employees used thus far almost exclusively in the German-speaking

region is being replaced by an international standard, the so-called LTIF (Lost Time Injury Frequency). The target is a Group LTIF value of less than or equal to 22.5 by 2025. For 2019, the LTIF was 25.0 (previous year: 26.5).

5

Community

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Value generation and engagement in the regions



Positive contribution to the economic development of the regions in which we operate airports. Charitable involvement in the neighborhood of the airport and dialog with our stakeholders.

Positive contribution to development of society

Value generation

Airports are important business locations and contribute directly and indirectly to economic and social value generation. For example, Frankfurt Airport is the largest local workplace in Germany with almost 81,000 direct employees (as at December 31, 2015). Additional employment effects are also created in enterprises that are appointed by Fraport for the construction and modernization of airport infrastructures.

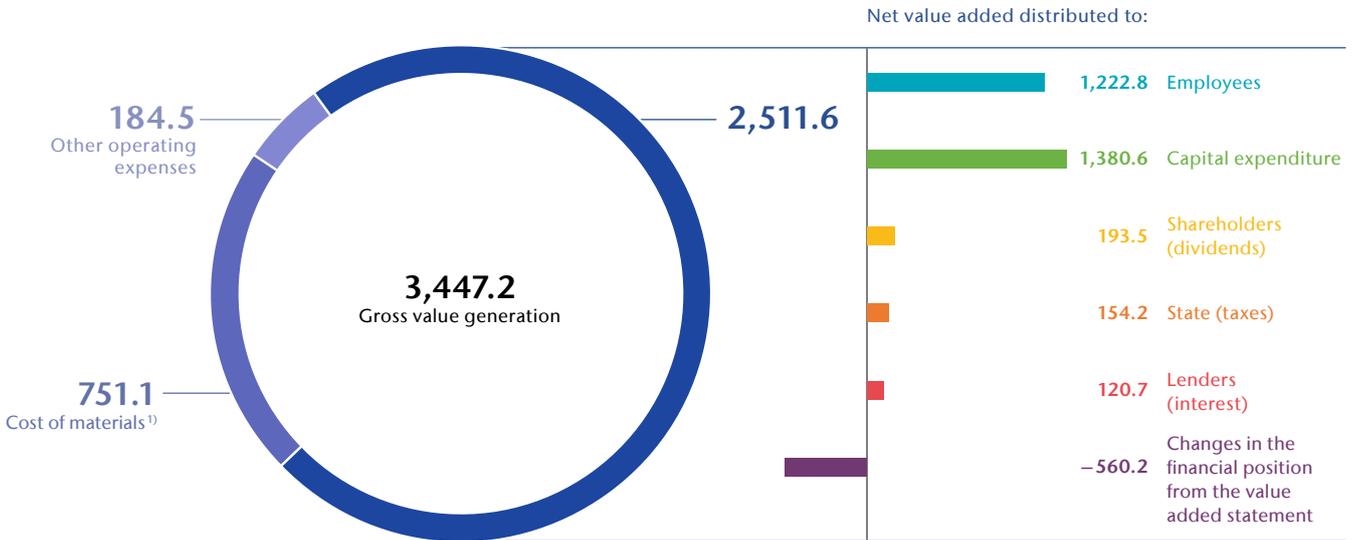
Even at the sites of the international Group companies, regions close to the airport also benefit from the economic performance and the donations made,

as well as the sponsorship activities undertaken by each Group company independently. The goal is to make a positive contribution to the economic and social development of the regions and increase the corporate performance (gross value generation) by at least 2% per year. The Group's direct value creation includes expenses, among other things, for personnel, capital expenditure, taxes, interest, and dividend distribution to shareholders. Over the past fiscal year, corporate performance amounted to approximately €3.4 billion (+3.2%).

For Fraport, social responsibility is a corporate principle. In the Group companies outside Germany, the focus is on donations and sponsorship measures, especially in the areas of child development, environmental protection, and sports. Among other things, Fraport Greece supports "ELIZA – Society for the Prevention of Cruelty to Children", which is committed to protecting of children against violence and neglect.

Our corporate performance

€ million



¹⁾ Excluding capacitive capital expenditure based on the application of IFRIC 12.

Engagement in the region

Fraport AG has long supported numerous clubs and institutions. Fraport AG’s funding concept for its community, cultural and social engagement is “Active for the region”. It primarily serves to boost clubs and support volunteer work in the region around Frankfurt Airport.

The so-called “neighborhood framework” describes the geographical boundary for these support activities. The area is based on district and state borders taking into account the most important approach and takeoff routes. If these change, the neighborhood framework will also be modified – as was most recently the case when Runway Northwest was inaugurated.

Donation priorities include the promotion of social and charitable institutions, particularly those that encompass measures relating to education, social equality, health, and the integration of marginalized groups into society. Employees can also apply for donations as patrons of their clubs.

Sports sponsorship in the Rhine-Main region includes both recreational and professional sports. Well-known names that have concluded long-term contracts with Fraport AG include the FRAPORT SKYLINERS and Eintracht Frankfurt. In the area of basketball, Fraport sponsors not only the German national division team but also gives donations to support the “Basketball goes to school” project. The Eintracht Frankfurt Fußball AG and Eintracht e. V. with 18 different departments also receive support.

In the fields of culture and education, Fraport is involved in the Rheingau Music Festival, among other things. There are also long-term partnerships with the Frankfurt cultural institutions Städel Museum, Schirn Kunsthalle, and Liebieghaus sculpture collection. Overall, in 2019 Fraport supported more than 1,500 projects run by various clubs and institutions by making donations and providing sponsorships totaling around €5.41 million.

€5.41 million
donations and sponsorships

Fraport has financially supported youths’ and young adults’ integration into working life for 20 years with the ProRegion Foundation. In addition to projects for the vocational and social integration of young refugees, other projects on professional orientation and competence assessment in general education schools continuously receive funding. Since the Foundation merely acts as a funding institution, it relies on close cooperation with proven institutions of youth vocational training. These include Gesellschaft für Jugendbeschäftigung e. V., an association dedicated to youth employment in Frankfurt, Evangelischer Verein für Jugendsozialarbeit, an association for youth social work, Verein für Kultur und

Bildung e. V., an association for culture and education, and Berufsbildungswerk Südhessen in Karben, an institute whose goal is to prepare youth for careers and vocational training.

As one of the largest employers in Hesse, Fraport AG is also focused on helping young people integrate into the workplace with two career preparation

programs. The “Startklar” (Ready for Take-off) and “BIFF” (Berufliche Integration von Flüchtlingen in Frankfurt Rhein-Main or Professional Integration of Refugees in Frankfurt Rhine-Main) programs are aimed at young people without apprentice position or young refugees. Around 60% of the participants have successfully completed the annual programs and started vocational training.

Fraport has supported nature and environmental conservation projects, research, and environmental education since 1997 with the Environmental Fund. Its best-known project is the RhineMain Regional Park, which extends between Rüdesheim, the Wetterau, the Kinzig Valley, and the Hessian Ried.



Determine species from the air

Nordic labweed, dyer’s greenweed, spear-leaved skullcap, and violets – valley meadows have a wide variety of species with many rare plants. Across Germany, there are only around 1,500 hectares left, 70 of which are in Riedstadt. Characteristic of the ecology of these meadows are extremely different water levels: Floods, on the one hand, and long dry periods, on the other. However, due to increasing drought-like conditions, species that prefer moist conditions may decline.

Drones will now be used to investigate the development of the valley meadows. Aerial photographs provide an overview of which plants grow where, how this changes over the years, and how climate change affects vegetation. Four flights are planned in the next three years before the data can be evaluated. The Environmental Fund of Fraport AG is supporting this project conducted by the Justus-Liebig-University Giessen with 27,000 euros.

Noise abatement



Improvement of the noise situation in neighboring residential areas and staying permanently below the noise ceiling.

Growing with low noise levels

Airports located in the vicinity of metropolitan areas are a burden for many local residents. At the Group airports, noise abatement measures are implemented according to the national requirements on noise protection and, where appropriate, based on more specific local regulations. At the Group airports in Europe, legally stipulated maximum noise limits must be observed. As a voluntary noise protection measure, the Group company Fraport Slovenija has introduced a ban on departures between 12:00 a.m. and 6 a.m. for departures in the direction of the towns of Šenčur and Kranj. In order to protect the residents of Burgas, the Group company Twin Star is assisting, among other things, in the construction of noise barriers.

Fraport wants to grow further at its main site, Frankfurt Airport, while generating as little noise as possible in its operations.

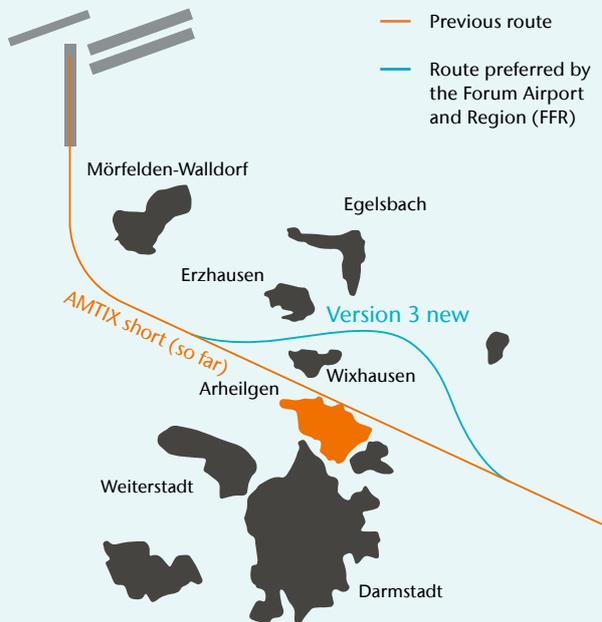
For Fraport AG, this means that, in addition to the legal requirements, it is constantly working towards measures that reduce aircraft noise exposure. The development of aircraft noise pollution in the area around the airport is continuously monitored. Measurement analyses and the results of comprehensive simulations are regularly reported to the supervisory authority and the Aircraft Noise Commission (Fluglärmmmission, FLK), and are also publicly disclosed on the company's website. Municipalities with Fraport aircraft noise measurement stations receive additional detailed analyses upon request.

Fraport AG collaborates with the region affected by aircraft noise, representatives of the state government, and other members of the aviation industry in two committees. The FLK is a legally appointed body that advises the Hessian Ministry of Economics, Energy, Transport and

Regional Development (HMWEVW), the German Air Traffic Control (Deutsche Flugsicherung, DFS) and the Federal Supervisory Office for Air Traffic Control. The FLK advises the aforementioned bodies on measures to protect against aircraft noise and air pollution resulting from aircraft exhaust gases.

The key task of the Forum Airport and Region (Forum Flughafen und Region, FFR) is to foster dialog between the region and the aviation industry and to facilitate discussion of the effects of air traffic, with a particular focus on Frankfurt Airport and the Rhine-Main region. The FFR includes the "Active Noise Abatement" expert group, which advises on measures that may help to reduce aircraft noise and the impact on the area around the airport. The most recent result from the joint project is the updated "Frankfurt Air Noise Index (FFI 2.0)", an instrument for

“AMTIX short” route ¹⁾



¹⁾ This representation is not true to scale and may differ slightly from the actual route, as it is only used to illustrate the route.

“AMTIX short” route change

“AMTIX short” is the name of a departure route at Frankfurt Airport. Planes taking off from Runway West and then flying southeast follow this route. The intention is to change this route to avoid overflights of densely populated areas north of Darmstadt. This would relieve a large number of residents affected by aircraft noise.

However, this change also leads to a new impact on residents of areas further north. As part of a consultation process involving the municipalities of Erzhausen, Darmstadt, and Weiterstadt, various versions of the rerouting have been intensively discussed since June 2018.

As a result of this procedure initiated for the first time by the Forum Airport and Region (FFR) and the Aircraft Noise Commission (FLK), the FFR recommended the implementation and trial operation of “Version 3” in August 2019. This recommendation was confirmed by the FLK on September 25, 2019. The DFS subsequently initiated the approval procedure for the transfer of the flight route at the Federal Supervisory Office for Air Traffic Control. The route is expected to be introduced in trial mode in the fourth quarter of 2020.

presenting the aircraft noise in the region and for comparing the results of aircraft noise as affected by active noise abatement measures. The index was used for the first time in the review of alternative routes of the “AMTIX short” route. The best rated alternative route overall was then recommended to the FLK and to the DFS for trial operation.

Significantly fewer landings after 11 p.m.

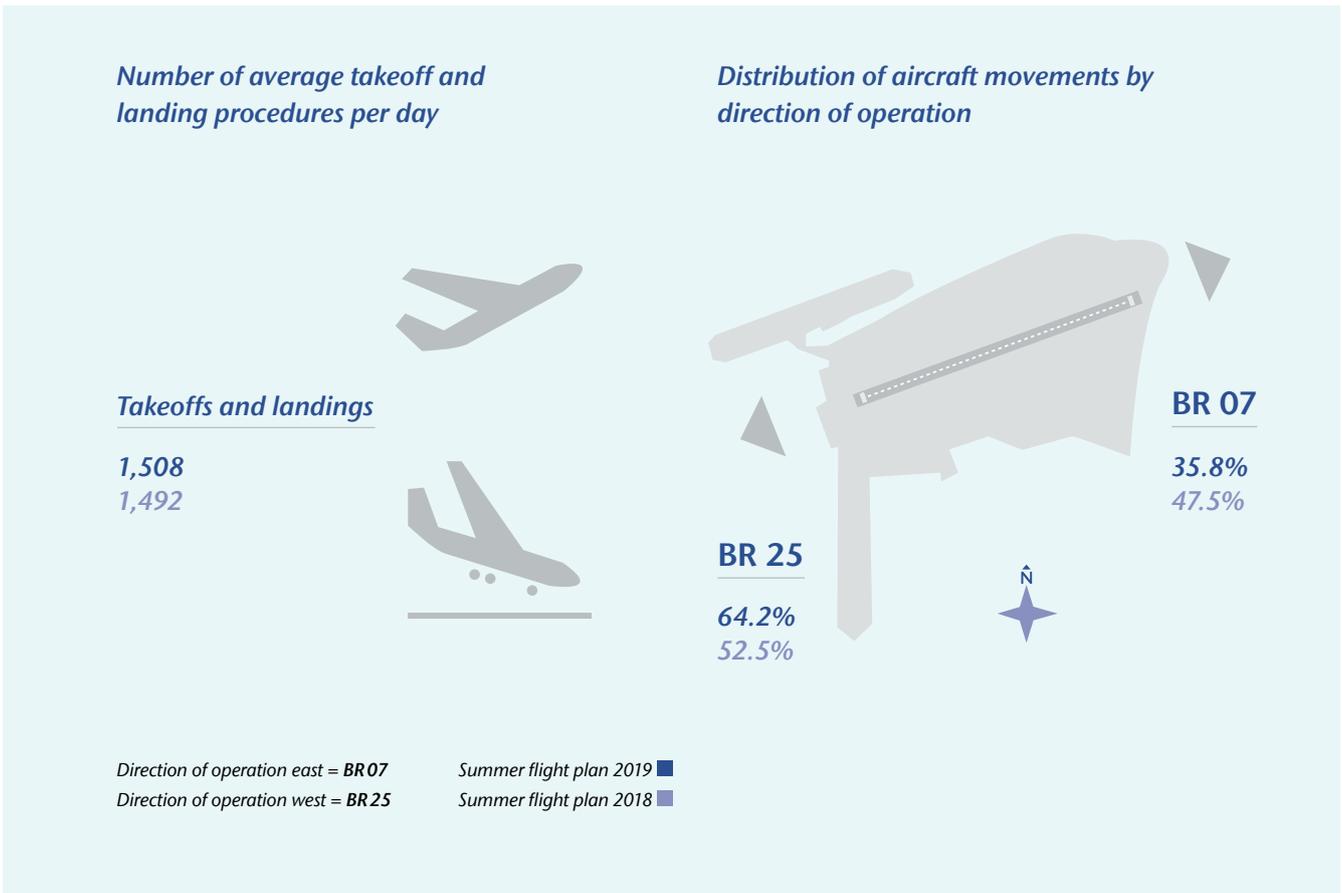
As regards measures to reduce noise exposure, a distinction must be made between active and passive noise abatement. In active noise abatement, noise is reduced directly at the source or by implementing noise-reducing operating concepts and takeoff or landing procedures. These measures include establishing a “Ground Based Augmentation System” (GBAS) navigation system, which

enables a steeper angle of approach of 3.2 degrees for all runways. With the so-called noise abatement model in both off-peak periods at night, individual takeoff and landing runways are alternately not used, enabling the local nighttime six-hour quiet period to be increased by one hour.

Additional buffers in flight schedules and no takeoffs after 10:40 p.m. improve nighttime rest.

During the summer of 2019, there was a significant decrease in landings after 11:00 p.m. This was in part due to additional buffers in the flight plans at

Frankfurt Airport. Similarly, no more takeoffs are scheduled after 10:40 p.m. to ensure a timely takeoff before 11 p.m. Late takeoffs after 11 p.m. are checked by the HMWEVW air traffic control in each individual case and, if applicable, approved if the delay was outside the airline’s responsibility (for example due to weather conditions). Furthermore, the current structure of the noise-related charges as part of the airport charges is an incentive to use low-noise aircraft. A noise surcharge of 50% is currently payable for aircraft movements during night hours. In the middle of the night starting from 11 p.m., the surcharge is 200% to make delayed aircraft movements unattractive. In November 2019, the HMWEVW approved the amendment to the Airport Charges Regulations requested by Fraport AG. Beginning in 2020, noise-related charges were increased in general, with charges being raised more in the



higher noise categories than in the lower noise categories. Separate charges within the scope of airport charges are applied to finance the passive noise abatement program.

The voluntary alliance for a noise emissions ceiling created in 2017 should help to ensure that the noise exposure at Frankfurt Airport during the day does not increase as much as would be permitted under the zoning decision, despite growth in aircraft movements. The traffic volume and traffic structure of the zoning approval for the expansion result in noise contours with continuous sound levels of 55 dB(A) and 60 dB(A). These contours have been reduced by 1.8 dB(A) across the board. The total areas within the reduced contours define the noise emission ceiling. If the ceiling is exceeded, Fraport AG and the airlines are obliged to review further noise abatement measures. If the limit is repeatedly exceeded, any of the parties involved can take action outside of the alliance. The monitoring report, jointly prepared by

the partners in 2019, shows that the noise emission ceiling was also complied with in the fiscal year 2018. This same result is expected for 2019. The goal is to keep the area affected by aircraft noise below the noise ceiling during the day. In 2019, this area was 17,332 ha, well below the limit of 22,193 ha.

Passive noise abatement measures are intended to reduce the noise level inside buildings by way of structural modifications. Fraport AG has extensive statutory obligations to take measures in around 86,000 households close to Frankfurt Airport. Eligibility is defined by a noise protection area determined by the Hessian State Government in accordance with the strictest regulations of the Aircraft Noise Act. Fraport AG satisfies these requirements in full.



Legal obligations for measures for passive noise abatement in around

86,000
households

In announcing the “Together for the Region – Alliance for Noise Abatement 2012” program in February 2012, the state government promised affected residents additional, more extensive support than previously provided in the vicinity of the airport by drawing on a regional fund. The Equalization of Burdens Act (Regionallastenausgleichsgesetz), with which the State of Hesse makes an additional €22.6 million available to local authorities particularly burdened by aircraft noise until 2021, has been in effect since January 1, 2018.

More than 3,000 roofs already secured

Damage has repeatedly occurred to roofs in the direct vicinity of Frankfurt Airport in the past and wake turbulences from landing aircraft could not be ruled out as a cause. As a result, the HMWEVW has adopted supplementary planning decisions. These regulate the requirements for protecting roof coverings on buildings against wind gusts caused by wake turbulences and clarify the relevant prerequisites.

The HMWEVW defined an area with around 6,000 buildings as an eligible area in the decisions. Including fiscal year 2019, 3,477 applications for roof protection (wake turbulence prevention) have been submitted and work on 3,073 properties has been completed so far.

In order to support local residents in the determination of their rights and to assist their applications, Fraport provides an extensive range of information and services on the company website.

Informed at all times

Fraport Noise Monitoring, “FRA.NoM”, tracks the level values continuously measured at stationary measuring stations and indicates the aircraft noise in the last three months. It also reports the approaches and takeoffs at Frankfurt Airport. The information system for aircraft noise issues, “FRA.Map”, is also available online and allows interested parties to find information for their location or place of residence on an interactive map. The system also displays the areas that are targeted by noise abatement measures or entitled to compensation payments.



6

Environment

Where is the chapter on climate protection?



We have paid particular attention to climate protection in this year's report. Read all about this on pages 6–21.

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Protection of environment and nature



Careful use of natural resources and continual improvement of environmental performance such as reduced use of drinking water, prevention and recovery of waste, protection of soil and water, as well as preservation and promotion of biodiversity.

Continuously improving environmental performance

The operation of an airport and air traffic have various effects on the environment. Fraport considers itself responsible for taking due consideration of the resulting environmental requirements.

Addressing environmental concerns is particularly important in the case of expansion measures in order to minimize environmental impacts while keeping with growth targets. The financing of the expansion activities at the Brazilian airports Fortaleza and Porto Alegre as well as at Lima Airport and in Frankfurt are subject to environmental requirements. For the financing of Terminal 3, the European Investment Bank (EIB) requires a

project progress report every year that also includes the description of all significant environmental aspects.

Fraport's environmental policy includes a commitment to report on environmental activities and performance each year (see also www.fraport.com/responsibility).

The environmental policy obliges all Group companies to make use of natural resources and the environment in a sustainable, conserving and preventive manner, and to continually improve their environmental performance. To this end, environmental management systems were introduced and maintained

at Fraport AG and at all fully consolidated Group companies that are classified as "fundamentally environmentally relevant" due to their business activities. These systems are, almost without exception, certified in accordance with the relevant standard ISO 14001 or the European EMAS Regulation. Companies that join the Group and do not yet have such a system are obliged to introduce an environmental management system in the course of the acquisition. At the end of the past fiscal year, 84.1% of fully consolidated, environmentally relevant Group companies, weighted according to revenue, had such a system.

Protecting precious habitats

Promoting biological aviation safety is the responsibility of Wildlife Hazard Management. Wildlife Hazard Management at the international Group airports is implemented according to international regulations as well as, where appropriate, based on more rigorous national and local targets. Corresponding monitoring systems are implemented. Wildlife Hazard Management at Group airports is concerned, among other things, with the monitoring of birds in order to ensure safe operations. In addition to deterrence through acoustic signals, this also includes the releasing of animals in the surrounding areas. The management and maintenance of the green areas is a prerequisite for reducing the number of potential

animals that are relevant to aviation safety on the airport sites and is also ensured by the Wildlife Hazard Management.

Wildlife Hazard Management ensures the safe and smooth coexistence of nature, air traffic, and airport operations.

Comprising an area of around 22 square kilometers, Frankfurt Airport is one of the most compact major airports in the world. Around half of this land is unsurfaced. The largest open continuous area is located close to the runways. In nature

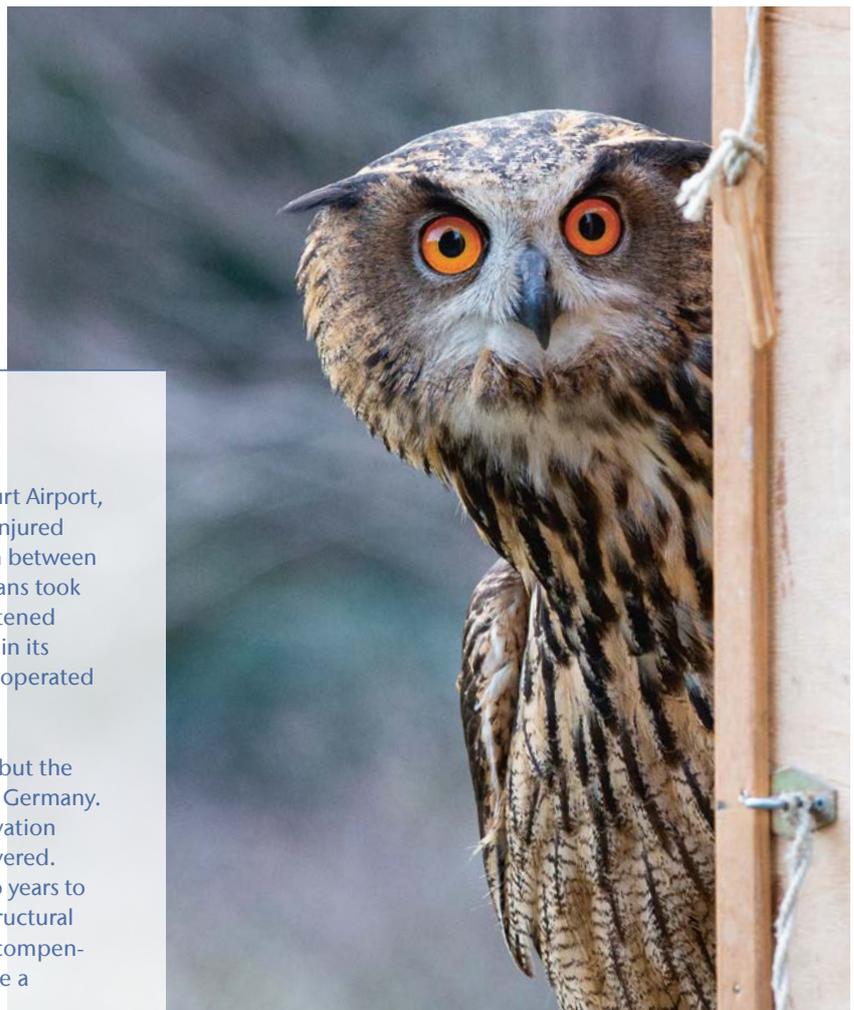
conservation terms, this extensively maintained permanent grassland is a high-quality habitat that is home to many rare and endangered animal and plant species. Frankfurt Airport has since become a nationally significant retreat and protection area for some species, such as the skylark.

In the 2019 fiscal year, the technology for detecting and forecasting flocks of birds was switched from infrared to radar, the so-called "Bird Intrusion Radar Detection System (BIRDS)". The system is based on a horizontally and vertically rotating radar that monitors three air space sections above the Main river. One of them is the air space above the junction of the Main river with the approach corridor from the west. The system is able to detect flocks

Injured eagle owl nursed back to health

Not just big aluminum birds land at Frankfurt Airport, but feathered aviators as well, such as an injured female eagle owl. Thanks to a cooperation between Fraport and the Opel-Zoo, local veterinarians took care of the bird. The eagle owl was christened Ulna because the bird had broken a bone in its eponymous forearm wing. The wing was operated on and Ulna was coddled up.

This was a lot of effort for a single animal, but the eagle owl was threatened by extinction in Germany. Today, thanks in part to intensive conservation measures, the population has slowly recovered. Ulna is already the second eagle owl in two years to visit the airport in winter. The light and structural forests, which are protected not least as compensation for the expansion of the airport, are a suitable area for eagle owls.



of birds in the alarm areas and, if necessary, transmit corresponding alerts to the German Air Traffic Control (DFS) in connection with the forecast of when the birds are expected to reach the crossing point. The imaging method used by the system detects the altitude and speed of a flock of birds, recording the number of birds and their size.

Wherever possible, Fraport AG extends the green areas at the Frankfurt site. For example, the new buildings in CargoCity South are increasingly being planned with ecological green roofs. Fraport AG will upgrade some 2,300 hectares of land in the immediate and wider vicinity of the airport from a nature conservation perspective as a legal requirement under the zoning decision for the airport expansion. High-quality habitats such as deciduous forests, orchards, marshes, and nutrient-poor grasslands are being developed. Measures to counterbalance the Expansion South project, in particular Terminal 3, are already included in this extensive package of measures.

Wherever possible: Service water instead of drinking water

Operating an airport requires a lot of water and simultaneously generates a large amount of waste water. When dealing with this legally protected resource, Fraport takes all aspects of modern water management into account. This includes control of consumption and quality control.

Groundwater quality is monitored by

550

measuring stations.

At Frankfurt Airport, water is used sparingly; for this, water-saving technologies are used in sanitary systems and circulatory systems in vehicle washing facilities. Wherever possible, drinking water is also replaced by service water.

There are several service water treatment plants located on the site of CargoCity South and in Terminals 1 and 2. The Pier A-Plus has been equipped with a rainwater treatment plant. The service water is sourced from rainwater and groundwater (well water). When rainfall is low, purified water from the Main river is used. The service water is sourced through separate supply networks and supplied for sprinkler systems, toilet flushing, and for watering landscaped areas. There is a complete service water supply system in CargoCity South. In the north of the airport, Terminals 1 and 2 are supplied with service water.

At Fraport AG, the rainwater falling in winter is contaminated with biologically degradable de-icing agents for the aircraft and operations areas when snow falls or frost occurs. Rainwater with a chemical oxygen demand (COD) of 200 mg of oxygen per liter is retained and treated in waste water treatment plants.

Recycle waste

The principle of Fraport's waste management is to recycle or reuse unavoidable waste wherever possible. Frankfurt Airport separates non-hazardous waste such as paper, cardboard, glass, metal, plastics, wood, packaging waste (DSD green-dot waste), and mixed industrial waste. The collected waste is fed either into advanced sorting systems, where any contaminants are separated out and reusable materials are recycled, or transported to regional waste-to-energy plants. Electricity and district heating are extracted from the energy generated during incineration.

The hazardous waste created at Fraport is also collected separately and channeled away for recycling as far as possible. Where recycling facilities are not available, this waste is disposed of in approved incinerators or in physical and chemical treatment plants.

United against plastic waste

The posters in the Fraport cafeterias at Frankfurt Airport stand out: "Say NO to disposable!" and "YES to reusable!". The campaign, which was launched by the Group company Airport Cater Service GmbH (ACS), has been running since the beginning of August. And for good reason: last year, more than 5.6 million coffee cups, lunchboxes, plastic forks, etc., were issued in the cafeterias.

As of August 2019, the cafeterias have been offering lockable, reusable containers for sale in which the food can be taken away and warmed up again. The Group company ACS is looking at further ways to help reduce plastic waste.



2,316,000

items of disposable cutlery



1,296,000

drinking cups



65,500

soup bowls

Air quality



Recording air pollutant emissions stemming from airport operations.

Measures against air pollution

At the Group airports, air quality measurements and measures to improve it are implemented according to the national requirements and based on advanced specific local regulations. Air quality is also monitored at the Greek regional airports.

Fraport AG has been focusing on the issue of air quality at the Frankfurt site for many years, including the assessment of the airport's share in the local concentration of nitric oxide. The ongoing discussion on diesel pollutants continues to keep the subject in focus. There is no legal obligation for airports to monitor air quality, yet Fraport has set the objective of gaining a deeper understanding of the emission of air pollutants (emissions) by the airport and their effect on the environment and people (immissions). At the Frankfurt site, air pollutants have therefore been continuously monitored at several air measuring points since 2002. The measuring stations, initially operated by Fraport

itself, were transferred to the non-profit Umwelthaus GmbH (UNH) in Kelsterbach, an institution of the State of Hesse, in 2017. This institution then entrusted the Hessian State Office for Nature Conserva-

tion, Environment and Geology (HLNUG) with running the airport measuring systems as well as evaluating and providing the measurement data.



Study on ultrafine particulates

Fraport AG cooperates with the German Aviation Association and the Airports Council International. In addition, there are collaborations with the HLNUG and the UNH to study ultra-fine particulates (UFP). Unlike conventional, limit-controlled pollutants, airports have proven to be a significant source of UFP. No reliable statements can yet be made on possible health effects. In order to gain further knowledge, the FFR has included the subject area in its work program at the request of the state government. A “UFP” working group has been set up at UNH, in which Fraport AG is also involved. An expert hearing was held by this working group in August 2019 in order to assess the current state of knowledge on the subject. It is now planned to further deepen the level of knowledge in the context of a large-scale study, in which, among other things, the current measurements of the HLNUG are to be incorporated.

At the local level, there is an overlap of air pollutant concentrations related to the airport and those not attributed to the airport. The airport’s impact on the air quality in the surrounding areas is largely limited to zones within a close proximity and to the nitrogen dioxide (NO₂) emissions component. Measurements and modeling suggest, however, that external influences, such as road traffic, also play a role in the air quality on airport grounds. In addition, the level of pollutant concentrations strongly depends on the weather.

To gain information on the proportion of a certain polluter to the overall exposure in a region, computational models have been developed that include all the relevant sources of pollution and their emissions for a given zone. The LASPORT program takes into account various airport-related emission sources in the lower atmosphere, prepares spread computations, and illustrates the exposures. It was developed on behalf of the Association of German Airports (ADV) in 2002 and is now being expanded and regularly implemented in collaboration with specialists from Fraport AG.

While aircraft emissions can be genuinely represented on the basis of the very differentiated traffic data available, the processing and quality assurance of

Emissions from an engine



operational data relating to the other airport sources should be improved in order to provide a complete and systematic inventory of air pollutant emissions.

The ability to annually record air pollutant emissions of all relevant emission sources from airport operations should be in place by 2022.

This will enable future potential for mitigation to be identified, and controlled, and its success to be mapped. It also serves as a data basis for determining the proportion of the airport’s operations on immissions in the surrounding area. The selection of the pollutants to be observed depends on their relevance. They are especially relevant if they are regulated by a threshold value and are emitted in a noticeable amount at the Frankfurt site.

Charges on aircraft emissions

As an airport operator, Fraport can only indirectly influence emissions from aircraft. In order to motivate airlines to use low-emission aircraft, airport charges are levied on nitrogen oxides and hydrocarbon at the Frankfurt site. The emissions-

based fee is charged per kilogram of nitrogen oxide equivalent emitted during takeoff and landing (“landing and take-off cycle”, LTO) by an aircraft. The charges are levied per landing and per takeoff. The necessary information on aircraft and engine types is determined by way of a recognized fleet database.

Engines mainly emit carbon dioxide (about 7%) and water vapor (approximately 3%) in addition to mixed air (about 90%). The additional resulting pollutants of carbon monoxide, nitrogen oxides, sulfur dioxide, hydrocarbons, and soot account for less than one percent overall. The emission spectrum of engines corresponds to that of road traffic. The quantities of these pollutants emitted by the aircraft at the Frankfurt site are calculated annually and published in the environmental statement.

In addition to flight operations, air pollutants at airports also arise from the apron and vehicle traffic as well as the operation of heaters run on oil or gas. As a way of reducing pollutants, Fraport has gradually upgraded its fleet of vehicles at Frankfurt Airport to include low-emission and electric motors.

7 Key figures

Key performance indicators for responsible corporate governance (marked KPIs correspond to the most important performance indicators in the 2019 combined management report)

Economic enhancement	Scope	Unit	2019	2018
Global passenger satisfaction	Frankfurt	%	88	86
Baggage connectivity	Frankfurt	%	98.4	98.4
Customer Service Index Airlines	Frankfurt	%	74.1	73.9
Revenue adjusted for IFRIC 12	Group	€ million	3,259.5	3,118.8
EBITDA	Group	€ million	1,180.3	1,129.0
EBIT	Group	€ million	705.0	730.5
Group result	Group	€ million	454.3	505.7
Shareholders' equity ratio	Group	%	33.7	34.9
Net financial debt to EBITDA ratio	Group		3.5	3.1
Free cash flow	Group	€ million	-373.5	6.8
ROFRA	Group	%	8.8	11.1
FRA passengers	Frankfurt	million	70.6	69.5
Benefit of implemented ideas	Group (Germany)	€	101,263	126,000

Employees	Scope	Unit	2019	2018
Average number of employees	Group		22,514	21,961
Total employees ¹⁾ as at December 31	Group		23,668	23,299
thereof women	Group	%	25.9	25.7
Employees ¹⁾ in joint ventures as at December 31	Group		2,844	2,629
Employee satisfaction	Group	School grading system	2.78 ²⁾	2.76
Number of new apprenticeships filled	FRA site		125	120
Women in management positions (1st and 2nd level below the Executive Board)	Group (Germany)	%	28.5	26.0
Sickness rate	Group (Germany)	%	8.0	8.2
Lost Time Injury Frequency (LTIF)	Group		25.0	26.5
Average age	Group	Years	43.9	43.6
Foreign employees in Germany	Group (Germany)	%	25.4	25.0
Employee turnover ³⁾	Group	%	8.9	7.9
Employees with collective bargaining agreements	Group	%	96.7	96.5
Employees with fixed-term employment contracts	Group	%	19.3	15.4
Part-time workers	Group	%	15.6	15.3
Average hours of training per employee	Group	Hours	59.5	56.1
Percentage of persons with severe disabilities	Group	in % of relevant jobs (all employees excluding apprentices and temporary staff)	7.9	7.7

¹⁾ Reported as per the guidelines of the Global Reporting Initiative (employee figures incl. temporary staff, apprentices, and employees on leave).

²⁾ Includes Fraport AG, eleven Group companies at the Frankfurt site as well as Fraport Greece and the Group companies Twin Star, Fraport Slovenija, Fortaleza and Porto Alegre.

³⁾ According to the Schlüter method: departures in fiscal year/(permanent employees + recruitments).

Key performance indicators for responsible corporate governance

(marked KPIs correspond to the most important performance indicators in the 2019 combined management report)

Community	Scope	Unit	2019	2018
Corporate performance (gross value generation)	Group	€ million	3,447.2	3,339.3
Cost of materials		€ million	751.1	729.9
Other operating expenses		€ million	184.5	202.3
Direct value creation (net value added)		€ million	2,511.6	2,407.4
Employees		€ million	1,222.8	1,182.3
Capital expenditure		€ million	1,380.6	834.3
Shareholders		€ million	193.5	146.5
State (taxes)		€ million	154.2	130.5
Lenders (interest)		€ million	120.7	127.8
Changes in the financial position from the value added statement		€ million	-560.2	-14.0
Donations and sponsorships	Fraport AG	€ million	5.4	6.0
LOG noise area: Area affected by a Leq of 55 dB(A) day	Fraport site	ha	17,332	17,582

Environment	Scope	Unit	2019	2018
Absolute CO ₂ emissions ¹⁾	Group	metric tons CO ₂	227,552	244,029
Absolute CO ₂ emissions	Fraport AG	metric tons CO ₂	170,310	188,631
Specific CO ₂ emission per transport unit ²⁾	Fraport AG	kg CO ₂ per traffic unit	1.86	2.07
Total energy consumption (scopes 1 and 2)	Group	TJ	3,238.3	3,278.1
Proportion of fully consolidated Group airports with an environmental management system	Group	%	84.1	86.7
Total water withdrawal	Group	Million m ³	2.631	2.193
Total water withdrawal per traffic unit ²⁾	Group	Liters per traffic unit	18.7	17.7
Sewage water	Group	Million m ³	2.975	2.476
Sewage water per traffic unit ²⁾	Group	Liters per traffic unit	22.5	20.0
Waste	Group	1,000 metric tons	28.21	28.27
NO ₂ ³⁾	FRA site	µg/m ³	39.7	42.7
Fine particulate, PM10 ³⁾	FRA site	µg/m ³	15.9	17.6
Wildlife strike rate	FRA site	Number per 10,000 aircraft movements	4.46	5.42

You can find many other key figures in the GRI Report at www.fraport.com/responsibility.

¹⁾ Includes Fraport AG and Fraport Greece as well as the Group companies GCS, FraGround, Fraport Slovenija, Lima, Fortaleza, Porto Alegre, and Twin Star. As a result of subsequent verifications, there may be changes to the figures.

²⁾ One traffic unit is equivalent to one passenger or 100kg of air freight.

³⁾ Annual average of the values measured at the Airport East station (formerly SOMM1), located on the airport site. These values represent the total of all emissions of different groups, that is, in addition to the airport's contributions to emissions also those from third parties (including road traffic). The airport's share depends on the location and, according to model calculations and depending on the components, ranges between around 10% and 30%.

About this report

The “Connecting sustainably – Sustainability Report 2019” informs our stakeholders and the interested public in brief form about the economic development of Fraport Group and its objectives, activities, and progress relating to responsible corporate governance¹⁾. We publish further information on our website at www.fraport.com/responsibility in accordance with the standard of the Global Reporting Initiative (GRI core version) in a separate report, including the industry-specific additional indicators for airport operators.

The selection of the report content is based on the regular exchange of views with our stakeholders and a comprehensive materiality analysis. In this regard, we have defined the key topics which are significant for Fraport and positioned them in a materiality matrix according to their importance for the stakeholders and the Group. As part of a program, Fraport has set objectives and performance figures for most key topics as well as defined measures for achieving the objectives.

Fraport respects and supports the ten principles of the UN Global Compact, develops and implements measures to implement them, and contributes to

their recognition, including beyond the company itself. This publication, alongside the GRI report, is also used as a progress report relating to the implementation of the ten principles in corporate governance. The reports are also the basis and source of our statement of compliance with the German Sustainability Code.

The information in our Sustainability Report 2019 covers all Group activities, products, and services and all companies that are consolidated according to the regulations on financial reporting issued by the International Accounting Standards Board on the relevant balance sheet date as well as any Group companies that, based on their business activities, are classified as “fundamentally environmentally relevant”. Since it is by far the largest site of the Group, Frankfurt is the focus of our reporting. You can find detailed information about our data collection in the GRI Report.

Our reports are published annually in both German and English, and cover the reporting period from January 1 to December 31 of the year concerned. The editorial deadline for this report was April 2020. The previous report was published on May 8, 2019.

¹⁾ Where the statements made in this document relate to the future rather than the past, these statements are based on a number of assumptions about future events and are subject to a number of uncertainties and other factors, many of which are beyond the control of Fraport AG Frankfurt Airport Services Worldwide and which could have the effect that the actual results will differ materially from these statements. These factors include, but are not limited to, the competitive environment in deregulated markets, regulatory changes, the success of business operations, and a substantial deterioration in the underlying economic conditions in the markets in which Fraport AG Frankfurt Airport Services Worldwide and its Group companies operate. Readers are cautioned not to rely to an inappropriately large extent on statements made about the future.

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