



Our values

Sustainability Report 2018





Our vision:

Fraport – 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 increasingly important international sites and investments. Whether it comes to digitalization, globalization, or climate change: we develop forward-looking concepts to meet increasingly complex requirements. As a service-oriented provider, we focus on our customers without exception. And we make a promise:

***Gute Reise!
We make it
happen***

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Foreword

Dear Reader,

2018 was an exceptional year for air transport in Europe in every respect. We welcomed more than 69.5 million passengers to Frankfurt Airport, an increase of over five million travelers or 7.8 percent compared to the previous year. This significant growth underscores the appeal of our home location. Yet it also involved some challenges: in particular, long waiting times at the security checkpoints in Frankfurt and other major airports in Germany caused stress among passengers from all over the world. The number of late and canceled flights has also risen sharply across Europe due to the high utilization of air space. All stakeholders agree that we need common solutions to improve reliability and punctuality in air traffic again. Airports, airlines, air traffic control, official bodies, and politicians are working on this.

For us, the satisfaction of our customers is the top priority. This is why we initiated a range of measures last year. Additional staff were hired in the security division and we will continue to strengthen our resources this year. The German Federal Police are testing more efficient checkpoints in order to increase efficiency. The initial results from the tests are positive: Significantly

more passengers can be checked per hour than with conventional checkpoint lanes. With the extension of Terminal 1 in Area A, we will also create up to seven new checkpoint lanes, which will already commence operation in summer 2019.

In what has been the year with our highest rate of traffic thus far, our employees have had to perform above and beyond the norm; especially workers in the operational areas were impacted by this. The number of passengers exceeded the 200,000 mark at Frankfurt Airport on 165 days. We are well positioned for 2019. We welcomed more than 3,000 new colleagues in Frankfurt alone last year. And all forecasts indicate that the growth in passenger numbers is set to continue this year, albeit not as strongly as in 2018.

The enormous passenger demand once again underlines the importance of capital expenditure on airports as a key component of public infrastructure. Progress is being made with the construction of Terminal 3 and its three piers, G, H, and J, in the south of the airport. Pier G is expected to be available for the 2021 winter flight schedule, while the other Terminal 3 piers will follow from the end of 2023.



Michael Müller
Executive Director
Labor Relations

Anke Giesen
Executive Director
Operations

Dr. Stefan Schulte
Chairman of the
Executive Board

Dr. Matthias Zieschang
Executive Director Controlling
and Finance

Sustainability and value are parameters that also apply to our work beyond the Frankfurt site. Almost all of our airports achieved record levels of passenger numbers last year. Due to the consistently positive development, the International Activities and Services segment is the largest single segment in terms of operating earnings (EBITDA) for the first time in the history of the Fraport Group. This shows that our strategy of continuously developing the international portfolio and generating stable long-term returns is proving to be successful.

In line with the positive Group-wide development of passenger numbers, the 2018 fiscal year was also a financial success for Fraport. We have achieved all our targets and, at a Group level, your company generated EBITDA of 1,129 million Euros and EBIT of around 731 million Euros. The Group result amounted to nearly 506 million Euros.

At this point we would like to express our sincere thanks to our employees across the entire Group. It is due to their daily commitment that we have achieved such an outstanding result despite the challenges we face. The six Fraport values from our mission statement reflect precisely that. They shape our

corporate culture and contribute to achieving our goals. This is why we have focused on them in the current sustainability report. Starting on page 8, you will find examples of how we implement these values every day.

We hope you, dear readers, will find this report interesting and informative, and we look forward to hearing your responses.

Dr. Stefan Schulte

Anke Giesen

Michael Müller

Dr. Matthias Zieschang

Our values



Competence

We rely on our extensive skills and abilities.

We combine experience and know-how.

We stand for high quality.



Reliability

We do business reliably.

We are dependable.

We work cooperatively.



Commitment

We are efficient.

We show commitment.

We stand together in times of crisis.



Openness

We work and communicate with transparency.

We listen to criticism.

We are open to new ideas.



Courage

We make decisions.

We take responsibility.

We are steadfast.



Trust

We rely on our values.

We treat each other with respect.

We recognize the skills and values of others.

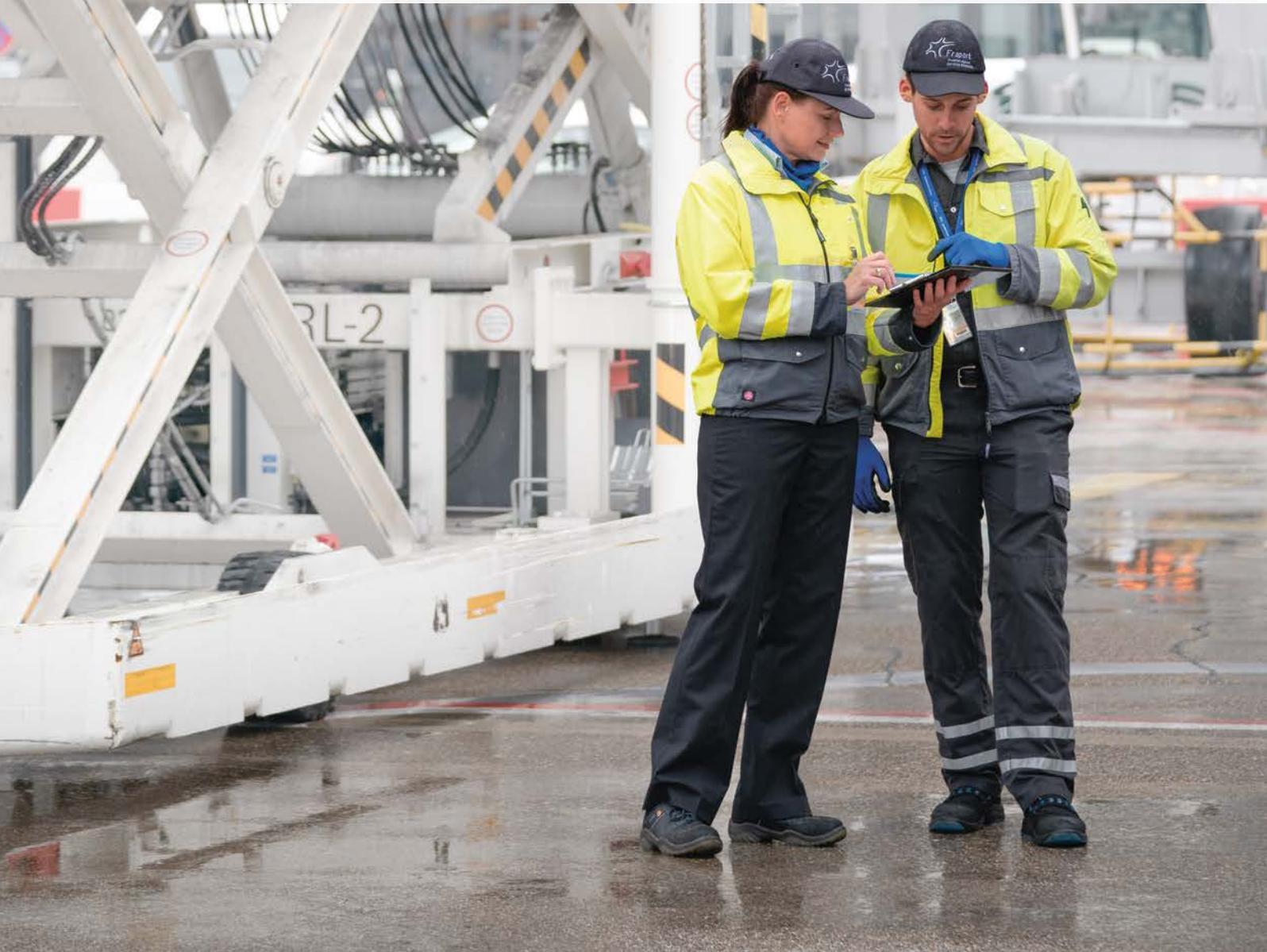




Competence ...



... means safely transporting highly sensitive pharmaceutical drugs from A to B.





Frankfurt is Europe's largest cargo airport and, at the same time, the largest trading hub for particularly sensitive goods: pharmaceutical drugs. At Frankfurt Airport, Fraport provides special temperature-controlled handling spaces, among other things, in addition to its competence.

Anually Fraport employees handled about 100,000 tons of vaccines, medicines, and other pharmaceutical products. This sensitive cargo requires particularly reliable and professional handling. Based on their experience and expertise, our employees also ensure that the products always reach the aircraft at their ideal temperature, even during transport on the apron, by using special thermally insulated transport containers. To ensure this, the containers cover a range of temperatures from -20 to +30 degrees Celsius. The goods are then loaded into the pre-tempered cargo compartment of the aircraft.

Time-sensitive and temperature-sensitive goods such as medicines are in good hands with us – we also make sure that they have a "gute Reise". This is confirmed by the International Air Transport Association (IATA), which awarded our freight department with the "CEIV pharmaceutical certificate" in 2018. This makes Frankfurt one of the largest airports in the world with a fully certified pharmaceutical process.

A particularly safe and reliable transport process is part of the daily work required of us, not just when it comes to pharmaceutical drugs. Our competence can be seen in tailor-made logistics and a well-trained workforce with a modern

Fraport employees handled
100,000
metric tons of pharmaceutical products annually

infrastructure. Not only in Frankfurt but also at many other airports around the world. Whether it comes to express cargo, refrigerated items, airmail, live animals, dangerous goods, or sensitive pharmaceutical drugs, everything is in good hands.

Cargo is not the only area in which Fraport demonstrates its competence. As a reliable partner, we are known for our outstanding services in all sectors of airport operations. A safe and pleasant travel process is part of our daily goal. Passengers from all over the world feel at home at our airports and look forward to coming back. Last but not least, the strong increase in passenger numbers

shows the growing travel demand across society in 2018. At Group sites, in part double-digit growth in passenger traffic was recorded. We are responding to this trend by expanding our airports. With extensive construction at the majority of our sites around the world, we are making Fraport viable for the long term. The completed projects at Frankfurt Airport, such as the Pier A-plus and the Runway Northwest, are testimony to our expertise in infrastructure developments. With Terminal 3 in Frankfurt, we are also managing the largest construction site in Europe. Carriers, airlines, passengers, and shop owners: all customers benefit from our expertise, and their satisfaction is the most important benchmark for this.

Fraport completed the Runway Northwest at Frankfurt Airport on schedule, which will relieve the parallel runway system in the center of the airport.



Air conditioned containers allow for the safe transfer of sensitive medicines to the aircraft.



Reliability ...

*... means every-
thing arrives
where it belongs.*





Our employees in Ground Services ensure the smooth loading and unloading of aircraft behind the scenes. They guarantee that the baggage arrives where it belongs, on peak days they process up to 110,000 pieces of luggage per day. Their most important support tool in this process is the baggage handling system.

One of the main arteries at Frankfurt Airport, the efficient system has a total length of more than 80 kilometers with a reliability rate of 98 percent, which is the best in the world. Fraport mechanics are responsible for ensuring that the system runs like a “fine-tuned” machine at all times. Maintenance, repair, replacement of parts, extension activities – all of this occurs while the system is in operation. Reliability at Fraport has many faces: This can be seen in baggage handling but also in general in punctuality, effective security standards, and regulated processes. Our

customers, both airlines and passengers, must be able to rely on every aspect of our services. At Fraport, there is a lot we are doing to ensure this.

For us it is clear that reliability is ensured by effectively combining several important factors. Human skills and commitment are the first basic requirement. We appreciate the work performed by our employees and know that their expertise, experience, and commitment are crucial to our business success. An additional aspect is the technical equipment. We are well set up in all areas, particularly in baggage handling.



Up to 110,000 pieces of luggage per day are fed into the baggage transfer system by Fraport employees.

Consistent processes are another prerequisite for reliability. For this reason, we maintain close and continuous contact with our partners at various company sites: airlines, service providers, and authorities. Our approach is to continuously take a critical look at existing procedures, to be open to new ideas, and to search for new ways to achieve best possible results.

This is particularly true when the challenges are constantly increasing, as is the case at some of our Group sites. We therefore continuously invest in existing facilities and work to gradually expand them. With Terminal 3, the largest privately financed infrastructure development project in Europe will be carried out

With a reliability rate of 98.4%, the baggage transfer system at FRA is one of a kind in the world.



The regular exchange of information with the airlines ensures reliable processes on the apron.

in the southern part of Frankfurt Airport in the coming years. Up to 21 million passengers will arrive at or depart from this terminal beginning in 2023. We are also extending the infrastructure in Lima and at some of the Greek airports. As you can see, passengers will continue to be able to rely on us in the future.



Commitment...

*... means everyone
working together
no matter what the
situation calls for.*





Whenever all gates are occupied, our Fraport employees are working at full speed in the terminals and on the apron.

The year of 2018 was a record year for Fraport, with corresponding challenges especially in the spring and summer. With 69.5 million passengers, the busiest twelve-month period in the history of the Frankfurt Airport has demanded a lot, above all from the employees in the operational areas. The number of passengers exceeded the 200,000 mark on 165 days. Fraport has responded to the unexpectedly strong growth by stepping up recruitment, but, as we know, it takes time before new employees are hired and trained for the relevant areas. Which is why we say: All hands on deck! From May to August,

A large aviation hub like Frankfurt Airport always requires strong commitment from its operator. Fraport employees embody this commitment, day and night, summer and winter. The goal is maintaining smooth flight operations or to put it simply: it's all about commitment.

Fraport employees at the Frankfurt site worked nearly 20,000 additional shifts. There were also over 150 workers in administration who helped out, in particular by working at the security checks making sure the trays were returned to the front of the line. Because this is also a part of Fraport: we all stick together in difficult times.

Fraport employees not only show special motivation during the summer peak. In the Care Team, volunteers from all sectors help to work through emergency or special situations. These may be, for example, strikes or days with flight cancellations due to weather. The Care Team interacts with passengers, greeters, and relatives on site or takes care of the emergency information center to handle telephone inquiries. In courses and workshops, members learn how to deal with emotional stress situations. They are regularly prepared on the reality of scenarios by role playing them with actors.



The pink vest indicates a special situation in the terminal. The Care Team goes to work.



A commitment beyond ordinary limits is also needed on days with a lot of snow. The primary objective is removing snow from the apron as well as the takeoff and landing runways. Aircraft can only safely take off and land if the surfaces have been cleared and treated. To ensure this, Fraport launches its "great winter service". Employees from different operational areas drive large winter service vehicles at the airport to remove snow. Volunteer staff and employees from administration have also assisted in this area for several years. Working as shift workers on the apron, they come into contact with the rougher side of airport operations. They support the core team on a day-to-day basis, while their colleagues in the office complete the usual administration tasks.

Regardless of where special effort is required, in crisis situations it becomes especially clear that Fraport employees are pulling together to help out "their" airport.

No aircraft may take off as long as there is snow on the runways.

From May to August, Fraport employees worked

20,000

additional shifts at the Frankfurt site.



Openness ...





... means giving everyone a chance.



Frankfurt Airport is more than just an infrastructure facility; it is more than just an aviation hub. It is primarily a meeting place: open to everyone and open to opportunities.

For some young people, their grades in school do not always reflect the level of their technical skills and commitment. This often makes it difficult for them to enter the workforce. Every year, twelve of them have the opportunity to demonstrate their skills and commitment in our professional preparation program "Ready for Takeoff". Whoever shows strong development can qualify for an apprenticeship, for example, as an electromechanical engineer, where they learn to perform maintenance on elevators and repair escalators.

Openness also means equal opportunities at Fraport. Of course, every employee must have the qualification required to perform a specific job professionally. However, there are other matters that should not be omitted as far as we are concerned. Therefore, we are open to career paths that deviate from the norm when selecting apprentices and employees.

Outside the company, there are many areas that call for a certain level of openness from Fraport. At Frankfurt Airport, a diverse crowd of all walks of life crosses paths every day to form a unique snapshot.



Over
80
 different nationalities
 are represented
 at Fraport alone.

Good cooperation also calls for being open to new ideas.



Respect and open communication are particularly valuable at security checkpoints.

Some are traveling, while others work here, and still others are visiting the airport to enjoy the international flair in the terminals, where cultures, religions, and nationalities meet.

Of course, a part of this lively mix are those who earn their money here. They work for the Fraport Group, an airline, or at one of the approximately 500 other companies at the airport. Over 80 different nationalities are represented at Fraport, spanning a wide range of professions and daily tasks. And despite or precisely because of this, all of these people are part of a large family. Everyone in the Airport Community contributes to ensure that Frankfurt Airport runs smoothly.

Openness is a key part of this. They all pull together in pursuit of the same goal. It is completely irrelevant what type of training each individual has completed, what specific task they perform, where they come from, what they believe, what interests them in their spare time, or how they live. At Frankfurt Airport, people meet eye to eye with mutual respect. And this is precisely why openness at the Fraport Group is invaluable, at the home site as well as at our Group companies all over the world.



Courage...



*... means
overcoming
obstacles.*



Decisions must be made every day at Frankfurt Airport and our other airports around the world. Sometimes, we have to look at the bigger picture; for example, when we took part in the tender for airport concessions in Greece five years ago.

O

n November 25, 2014, there was a spontaneous cause for celebration on the fifth floor of our headquarters at Frankfurt Airport:

Fraport won the tender for concessions for the operation of 14 Greek regional airports. The consortium led by us prevailed in a bidding process with a convincing offer, winning the tender against strong international competition. The awarding of the tender caused a great amount of joy, since the airports offer

considerable growth potential despite their poor condition in many areas.

At first, there was a lot of criticism in Greece about the granting of concessions. But we stayed the course and it is now undisputed that the airports have benefited from the new management. Fraport created a new Group company, Fraport Greece, with headquarters in Athens to manage the operations of the 14 sites. Around 600 employees have been hired thus far, and this number will continue to grow in the future.

Employees on site and at the corporate headquarters in Frankfurt mutually benefit from the regular exchange of ideas and information. One colleague has transferred from Athens to Frankfurt, contributing her experience in managing international Group companies.

The benefits from the capital expenditure in and the improved management of the Greek airports could be seen in 2018: around 29.9 million passengers (+8.9%) chose an airport operated by Fraport as their destination. Overall, the capital expenditure over the first four years is expected to be around €400 million for all sites. Most of this will be spent on a comprehensive expansion and extension project. The project will include the construction of five new terminals, while five current buildings will be expanded and four will be modernized. Another area of priority is expanding the offer of shopping and services. The measures were completed in January 2019 at the airports in Chania, Zakynthos, and Kavala. After the ground-breaking ceremony in September 2018, the new Terminal in Thessaloniki is now under construction. It is scheduled to open at the beginning of 2021.

Fraport’s responsibility for operating the 14 airports does not stop with the many expansion projects. Fraport Greece has also implemented a number of new operational processes with the goal of improving the quality of service. Occupational safety and health management systems for employees were incorporated

into an integrated management system according to ISO standards. The ecological footprint of the 14 airports also remains an important issue. CO₂ emissions are calculated by Fraport Greece according to international guidelines and are included in the Group’s reporting. All this shows that the company is fulfilling its entrepreneurial and social responsibility just two years after the take-over of operations.



Samos, Kos, and many more – Fraport Greece is responsible for a total of 14 airports.

29.9 million

passengers chose one of the Greek airports operated by us as their destination.



In September 2018, a symbolic ground-breaking ceremony officially marked the expansion of Thessaloniki Airport.



Trust ...

*... means being
aware of our
own strengths.*





A masterpiece of organization as well as cooperation based on trust.

Frankfurt Airport is a hub used by passengers of all ages and from around the world, frequent flyers and occasional travelers, those with and without a disability. They all have one thing in common: they trust that everything runs smoothly at Fraport.

In a lot of other cases, we must first gain their trust: passengers who rarely travel or perhaps are flying or travelling alone for the first time, or passengers who do not know our culture and language, and older and disabled travelers. They all need a little bit more attention and practical support and a friendly person who takes care of them. Frankfurt Airport offers customized products and services that make travel more pleasant for these passengers.

Our Airport Guides know the airport inside out. They take care of passengers

who would prefer not to travel alone. Their work begins with a friendly greeting of departing guests at the terminal entrance or at the arrival hall. They take care of the passenger's luggage, accompany them through the airport and provide assistance with all formalities that may need to be taken care of. These include check-in and baggage drop-off as well as security and passport control. Along the way, they chat with the passengers entrusted to them in German, English, and most often in two other languages, providing them with a positive feeling the entire time until dropping them off at their departure gate.



As an airport operator, Fraport's top priority is the safety and well-being of our passengers.

A kind word and some information can be very helpful in the bustling terminal.

At Frankfurt Airport, we not only have to gain the trust of passengers in need of assistance. For many of our guests, flying is a matter of course day in, day out. They are familiar with the procedures, and these do not present them with any great challenges. These passengers appreciate our expertise, experience, and commitment. At the same time, they rely, just as we do, on the fact that everything runs smoothly both out in the open and behind the scenes at Germany's largest air traffic hub.

As an airport operator, Fraport's top priority is the safety and well-being of our passengers. We respond to their individual needs in order to ensure their stay at the airport is a positive experience, enabling them to have a "gute Reise". We are aware that our guests continually place an immense degree of trust in us, and we seek to show that we are worthy of their trust every day.



Passengers with reduced mobility are in good hands with the employees of FraCareS.

Highlights 2018



Apr

CEIV Pharma certificate of expertise in the ramp handling of pharmaceutical goods

The airline association IATA has awarded Fraport AG the CEIV Pharma certificate. This makes Frankfurt the largest airport in the world with a fully certified pharmaceutical process. The CEIV (Center of Excellence for Independent Validators in Pharmaceutical Logistics) international classification confirms the reliable handling of time-sensitive and temperature-sensitive goods.

Lease agreement concluded with Swissport in CargoCity South

Fraport AG signed a long-term lease with Swissport on a property in CargoCity South at Frankfurt Airport. Swissport International Ltd. is the global leader in Ground Handling and with operations of 133 air cargo warehouses across the globe is one of the world's largest cargo-handling companies. At Frankfurt Airport, an air cargo hall of over 16,000 m² (approx. 172,000 ft²) featuring roughly 2,260 m² (approx. 24,300 ft²) of office and social space will be built.

Jan

Fraport Brasil takes over operations of the Brazilian airports in Fortaleza and Porto Alegre

Fraport Brasil takes over operations of the two Brazilian airports, "Pinto Martins" in Fortaleza and "Salgado Filho" in Porto Alegre. The two concession companies are subsidiaries that are wholly owned by Fraport AG.

Mar

Large-scale recruitment campaign in the Rhine-Main region

The increasing number of passengers as well as additional offers by new airlines and for new destinations led to over 1,800 workers being hired at Frankfurt Airport. Taking into consideration the tight labor market, Fraport started a diversified recruiting campaign to meet the need for manpower.



May

Jun

Group-wide climate protection goals set

As part of its climate protection efforts, Fraport AG has set Group-wide reduction targets for the first time, and these also apply beyond the Frankfurt site. It also plans to halve CO₂ emissions at the fully consolidated Group companies down to 125,000 tons of CO₂ by 2030. In 2017, the corresponding emissions amounted to 209,668 tons of CO₂.

Dividend of €1.50 per share

At the 17th Annual General Meeting of Fraport AG, the shareholders approved the proposed dividend of €1.50 per share. The approval rate was 99.97%. The dividend per share thus remained at the level of the previous year. The shareholders approved the actions of the Executive Board (99.64% approval rate) and the Supervisory Board (97.14% approval rate) for the 2017 fiscal year.

Use of drones tested at Frankfurt Airport

Working with TPI Vermessungsgesellschaft mbH, the drone manufacturer Multirotor and in cooperation with German air traffic control, Fraport AG conducted successful drone test flights in June. The objective of the project, called FraDrones, is to test different scenarios for the operational use of drones. The initial test focused on surveying construction projects and monitoring their progress.



Ceremony to commemorate the 70th anniversary of the Berlin Airlift at Frankfurt Airport

2018 marks the 70th anniversary of the start of the Berlin Airlift. The ceremony at the Airlift Memorial on the grounds of Frankfurt Airport was an expression of the great appreciation for the outstanding humanitarian efforts of the Allies during the Berlin blockade. The pilots of the "candy bombers" who lost their lives in this historic mission were honored in a wreath-laying ceremony. The anniversary ceremony was attended by the Prime Minister of Hesse Volker Bouffier, the Mayor of the City of Frankfurt Uwe Becker, the Ambassador of the United States in Germany Richard Grenell, the Ambassador of France Anne-Marie Descôtes, and the Deputy Ambassador of the United Kingdom Robbie Bulloch.



Aug

Planning permission for Pier G

The planning commission of the City of Frankfurt am Main issued planning permission to Fraport AG for Pier G. By moving up the schedule for the construction of the new pier, the airport operator is responding to passenger growth. Pier G will be completed with an initial capacity of 4 to 5 million passengers by the end of 2021.

Fraport USA awarded tender for center management at Nashville Airport

The Metropolitan Nashville Airport Authority awarded Fraport USA the contract for the management and further development of the concession areas at Nashville International Airport (Tennessee). In the future, Fraport USA will also expand and enhance the shopping and restaurant offers for the over 14 million passengers per year at Nashville Airport.

Shares in Hanover Airport sold

Fraport AG sells its shares in Flughafen Hannover-Langenhagen GmbH (FHLG) to iCON Flughafen GmbH. The price for 30% of the shares in FHLG is €109.2 million.

Electromobility expanded at Frankfurt Airport

Fraport AG is expanding the fleet of electric vehicles at Frankfurt Airport. Currently, 14% of all vehicles already have an electric drive, and this number is growing continuously. In 2018, twelve electric baggage and cargo tugs run on batteries alone, two electric passenger stairs and 15 electric pallet lifters were put into operation. Five electric conveyor belt cars as well as four ground power units run on batteries were added.

Sept

Start of training programs at Frankfurt Airport

123 new recruits between the ages of 16 and 34 began their career paths. The 89 male and 34 female trainees started a vocational training or dual course of study at Fraport AG. The new Fraport employees are from 15 different countries and have ten different nationalities.

Ground-breaking ceremony for the new terminal in Thessaloniki

A symbolic ground-breaking ceremony officially marked the expansion of Thessaloniki Airport. At the ceremony, Fraport Greece presented its concept for modern look and feel of the airport in Greece's second-largest city. The most important element is the new terminal building, which is to be constructed over the next two years on an area of over 34,000 m² (roughly 8.4 acres). The Fraport Group company will invest around €100 million in the Thessaloniki Airport.



Dec

Lufthansa and Fraport continue their cooperation in aircraft handling

Deutsche Lufthansa AG commissioned Ground Services of Fraport AG with the handling of all Lufthansa aircraft at the Frankfurt site for an additional seven years. The contract entered into effect on January 1, 2019 and will end on March 31, 2026. Ground Services of Fraport AG takes over the loading and unloading of Lufthansa passenger aircraft, baggage and cargo transport, the bus transfer of passengers as well as pushback, supply, and disposal services.

Oct

Fraport and Lufthansa test remote-controlled aircraft tow tractors

The electrically powered vehicle manufactured by Mototok International is put into operation for several months by Fraport Ground Services at Frankfurt Airport. As a test partner, Lufthansa provides aircraft for the pushback in which the e-tractor pushes the plane from the park position onto the runway. The so-called "Mototok Spacer 8600" can be used for the entire A320 and Boeing 737 fleets. An employee of Fraport Ground Services operates the tow tractor by remote control.

Nov

Fraport remains a premium partner of Eintracht Frankfurt

Eintracht Frankfurt Fußball AG and the airport operator Fraport continue their cooperative relationship by renewing the expiring contract. Fraport AG will serve an additional three years as a premium partner beginning on July 1, 2019.

Our Group

Fraport AG (formerly: Flughafen Frankfurt/Main AG) has a long tradition as an aviation service provider. Founded in 1924 under the name "Südwestdeutsche Luftverkehrs AG", the company operated the old Frankfurt airport on the Rebstock grounds. In 1936, the core of today's airport located at the Frankfurter Kreuz took up operations.



From Frankfurt to the world

Fraport Group (hereinafter also referred to as: Fraport) is among the leading global airport groups with its international portfolio. Fraport provides all operational and administrative services for airport and terminal operation as well as other associated services. The 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 the Group’s 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 10.600¹⁾ employees, Fraport AG, which has been stock exchange-listed since 2001, is also the biggest single company of the Group,

which has more than 23.300¹⁾ employees. It directly or indirectly holds the shares in the other Group companies and its head office is in Frankfurt am Main.

The Fraport Group is divided into four segments: Aviation, Retail & Real Estate, Ground Handling, and International Activities & Services. The main site is Frankfurt Airport, one of the biggest passenger and cargo airports in the world. Fraport AG Airport Services Worldwide (hereinafter: Fraport AG) is the owner of the Frankfurt Airport. Fraport’s strength lies in integrated airport management, which guarantees comprehensive know-how in all airport services.

The segments encompass the strategic business units and service units of Fraport AG and also include the Group

companies respectively integrated in each of these business processes. In addition, ten central units of Fraport AG in Frankfurt provide services, among other things, across the entire Group.

Germany – almost exclusively Frankfurt Airport – was once again the most important site of the Fraport Group in the past fiscal year with a share of 61.5% in the Group result (2017: 66.0%). The share of the USA site rose compared with the previous year to 0.2% (2017: negative result). The earnings contribution from the Brazil site (2.9%) was added in 2018. Based on the strong development of passenger volume in the 2018 fiscal year, the Turkey site recorded a contribution of 9.0% (2017: 4.3%). The contribution to earnings from the Greece site decreased due to the first full-year recognition of interest expenses (2017: 3.7%).

Segment structure

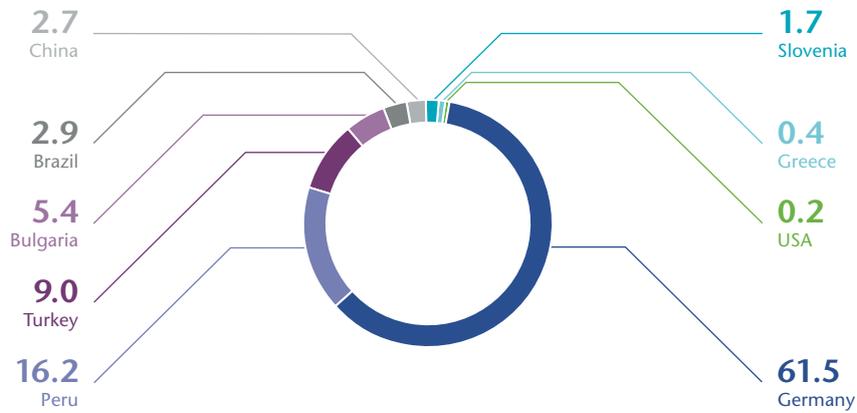
Fraport Group				
Segments ²⁾	Aviation	Retail & Real Estate	Ground Handling	International Activities & Services
Directly assigned strategic business units and service units of Fraport AG	Airside and Terminal Management, Corporate Safety and Security	Retail and Properties	Ground Services	Global Investments and Management Integrated Facility Management Information and Telecommunication Airport Expansion South Corporate Infrastructure Management
Central units	Accounting Central Purchasing, Construction Contracts Controlling Corporate Communications Corporate Development, Environment and Sustainability Finance and Investor Relations HR Top Executives Human Resources Internal Auditing Legal Affairs and Compliance			

¹⁾ As at the balance sheet date on December 31, 2018.

²⁾ Including assigned Group companies.

Share in the Group result by site before consolidation ¹⁾

in %



¹⁾ Group result adjusted for the disposal of the shares in Flughafen-Langenhagen GmbH valued at €75.9 million.

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 for the Group. At the end of 2018, it comprised four members, Dr. Stefan Schulte (Chairman), Anke Giesen (Executive Director Operations), Michael Müller (Executive Director Labor Relations), 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.

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 ordinary Annual

General Meeting takes place in the first six months of each fiscal year and 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.

Shareholder structure as at December 31, 2018 ¹⁾

in %



¹⁾ The relative ownership interests were adjusted to the current total number of shares as at December 31, 2018 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”.

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.

With the slogan "Gute Reise! We make it happen", the mission statement of the entire company defines the necessary focus on our customers. We offer our customers a platform for their businesses

at all our sites which stands out from the competition through its quality as well as attractive pricing. As a result of this offering in Frankfurt and throughout the world, possibilities have been created to meet the mobility needs of society and to strengthen the economic power of the regions concerned.

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 of the mission statement 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 and show how we will be able to achieve our goals.



*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

Strategic challenges and program structure

Strategic challenges	Strategic programs	Group objectives
To successfully manage airport operations – during rapid traffic growth and capacity constraints	Manage growth	Growth in Frankfurt and internationally
To increase competitiveness and productivity at FRA – also through process automation and digitization	Future competitiveness of FRA	Economically successful through optimal cooperation Learning organization & digitalization
To be the employer of tomorrow – by offering future-oriented personnel policy, leadership and cultural change	Workplace of the future	Learning organization & digitalization Fairness and recognition for partners and neighbors
To be the preferred partner for our customers – by offering the best support for their business activities	Market-oriented B2B offering	Service-oriented airport operator Learning organization & digitalization
To provide the best travel experience for passengers – by creating desired offers that make the stay at the airport more pleasant	Passenger experience at FRA	Service-oriented airport operator Learning organization & digitalization
Developing infrastructure in line with demand – securing long-term business success	Developing infrastructure sustainably and in line with demand	Growth in Frankfurt and internationally Service-oriented airport operator
To make an appropriate contribution to climate protection – continuously reducing CO ₂ emissions	Optimizing CO ₂ emissions and energy efficiency	Economically successful through optimal cooperation Fairness and recognition for partners and neighbors

Strategy

In the 2018 fiscal year, Fraport continued with the implementation of its Group strategy developed based on the mission statement implemented in 2015/2016. In order to ensure the strategic objectives of this mission statement are achieved and react to changing market conditions with even more focus, seven strategic challenges were formulated within the scope of the 2018 strategy process. The strategic programs presented below have been intensified to identify the defined challenges and corresponding Group targets.

Fraport continues to guide its strategy by the long-term forecasted development of the global aviation market and its market trends. Here, renowned aviation associations and aircraft manufacturers expect long-term stable growth of the aviation market. This is derived, in particular, from 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. Increasing traffic is also forecasted from migration and tourism. The intense competition between

airlines has the effect of promoting growth. Disproportionate growth is still expected from and in the economic emerging markets.

In an intense competitive environment, the quality of the service as well as providing reliable and fast processes are increasingly gaining importance. For Fraport, a factor critical to success is therefore to offer excellent products to the various customer groups. The claim “Gute Reise! We make it happen” in the mission statement places the necessary focus of the entire Group on our customers.



Source	Period	Reference	CAGR
Airbus	until 2037	Revenue passenger kilometers	+4.4%
Boeing	until 2037	Revenue passenger kilometers	+4.7%
Embraer	until 2037	Revenue passenger kilometers	+4.5%
ACI	until 2040	Number of passengers	+4.0%

Key business fields in the value generation chain



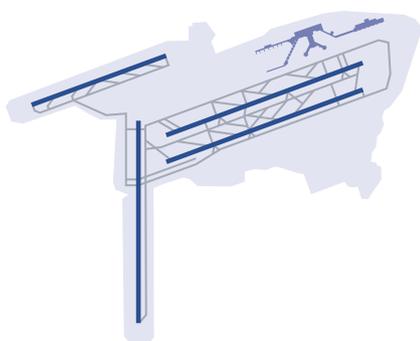
After analysis of the value chain in our business model, the topics can be allocated to two clusters in the materiality matrix. Fraport differentiates between value-adding topics and topics that we are working on to limit the impact of our business activities. For more information on the measures Fraport is implementing

to strengthen the positive effect of the areas of activity and how our company responds to negative effects, see the short report in our sustainability program (starting on page 50) and the extensive version in the texts on these topics in this report.

Group airports

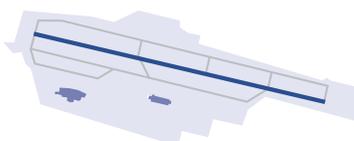
(with an interest of more than 10%)

Frankfurt am Main



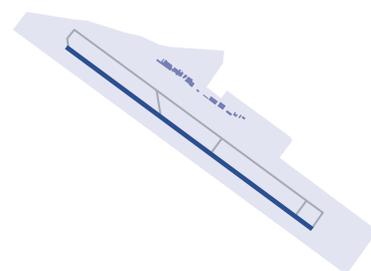
Name	Frankfurt Airport
Company	Fraport AG
Type	Group headquarters
Shares	100%
Employees	10,595
Passengers	69.5 million
Cargo (air freight + air mail)	2.2 million metric tons
Movements	512,000

Fortaleza



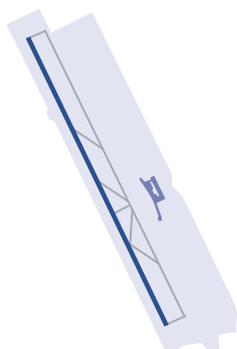
Name	Aeroporto Internacional de Fortaleza
Company	Fraport Brasil S.A. Aeroporto Fortaleza ¹⁾
Type	Concession until 2047
Shares	100%
Employees	147
Passengers	6.6 million
Cargo (air freight + air mail)	46,000 metric tons
Movements	58,300

Ljubljana



Name	Ljubljana Jože Pucnik Airport
Company	Fraport Slovenija, d.o.o.
Type	Group company
Shares	100%
Employees	483
Passengers	1.8 million
Cargo (air freight + air mail)	12,400 metric tons
Movements	35,500

Lima



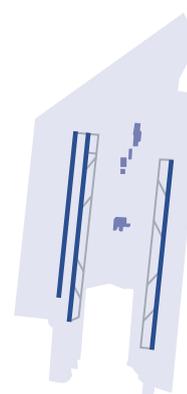
Name	Aeropuerto Internacional Jorge Chávez
Company	Lima Airport Partners S.R.L.
Type	Concession until at least 2041
Share	70.01%
Employees	562 ³⁾
Passengers	22.1 million
Cargo (air freight + air mail)	285,600 metric tons
Movements	192,700

Burgas/Varna



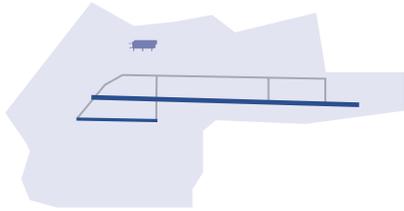
Name	Burgas Airport/Varna Airport
Company	Fraport Twin Star Airport Management A.D.
Type	Concession until 2041
Shares	60%
Employees	689
Passengers	5.6 million
Cargo (air freight + air mail)	8,600 metric tons
Movements	41,100

Antalya



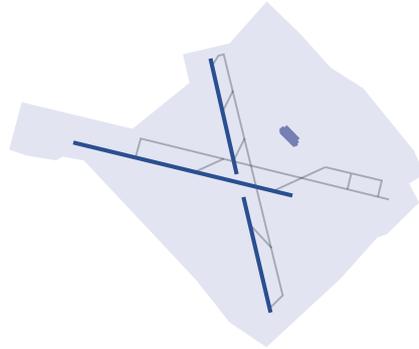
Name	Antalya Airport
Company	Fraport TAV Antalya Airports
Type	Concession until 2024
Shares	51%
Employees	431 ³⁾
Passengers	32.3 million
Cargo (air freight + air mail)	n/a
Movements	188,600

Porto Alegre



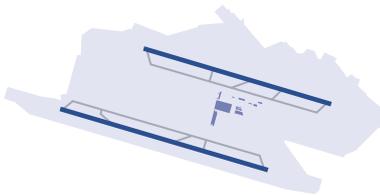
Name	Aeroporto Internacional de Porto Alegre
Company	Fraport Brasil S.A. Aeroporto Porto Alegre ¹⁾
Type	Concession until 2042
Shares	100%
Employees	237
Passengers	8.3 million
Cargo (air freight + air mail)	40,000 metric tons
Movements	81,000

Greek regional airports (example: Thessaloniki)



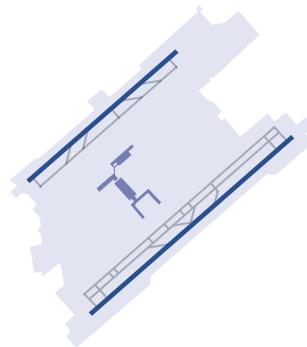
Company	Fraport Greece ²⁾
Type	Concession until 2056
Shares	73.4%
Employees	626
Passengers	29.9 million
Cargo (air freight + air mail)	8,200 metric tons
Movements	244,200

St. Petersburg



Name	Pulkovo Airport
Company	Northern Capital Gateway LLC
Type	Concession until 2040
Shares	25%
Employees	4,339 ³⁾
Passengers	18.1 million
Cargo (air freight + air mail)	n/a
Movements	165,400

Xi'an



Name	Xi'an Xianyang International Airport
Company	Xi'an Xianyang International Airport Co. Group company
Type	Group company
Shares	24.5%
Employees	4,275 ³⁾
Passengers	44.7 million
Cargo (air freight + air mail)	312,600 metric tons
Movements	329,800

¹⁾ Take-over of operations on January 2, 2018.

²⁾ Take-over of operations on April 11, 2017.

³⁾ Including joint ventures.



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 themes relating to responsible corporate governance 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 chief financial officer.

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 is the worldwide shipment of their products as well as business or private travel needs. Other stakeholders are concerned with issues surrounding the Group's financial value creation and its competitiveness, as well as maintaining and creating secure, attractive jobs. Global challenges such as climate change are also seen as a relevant issue by some stakeholders. Noise from airplanes is an extremely important issue for many people in the proximity of an airport.

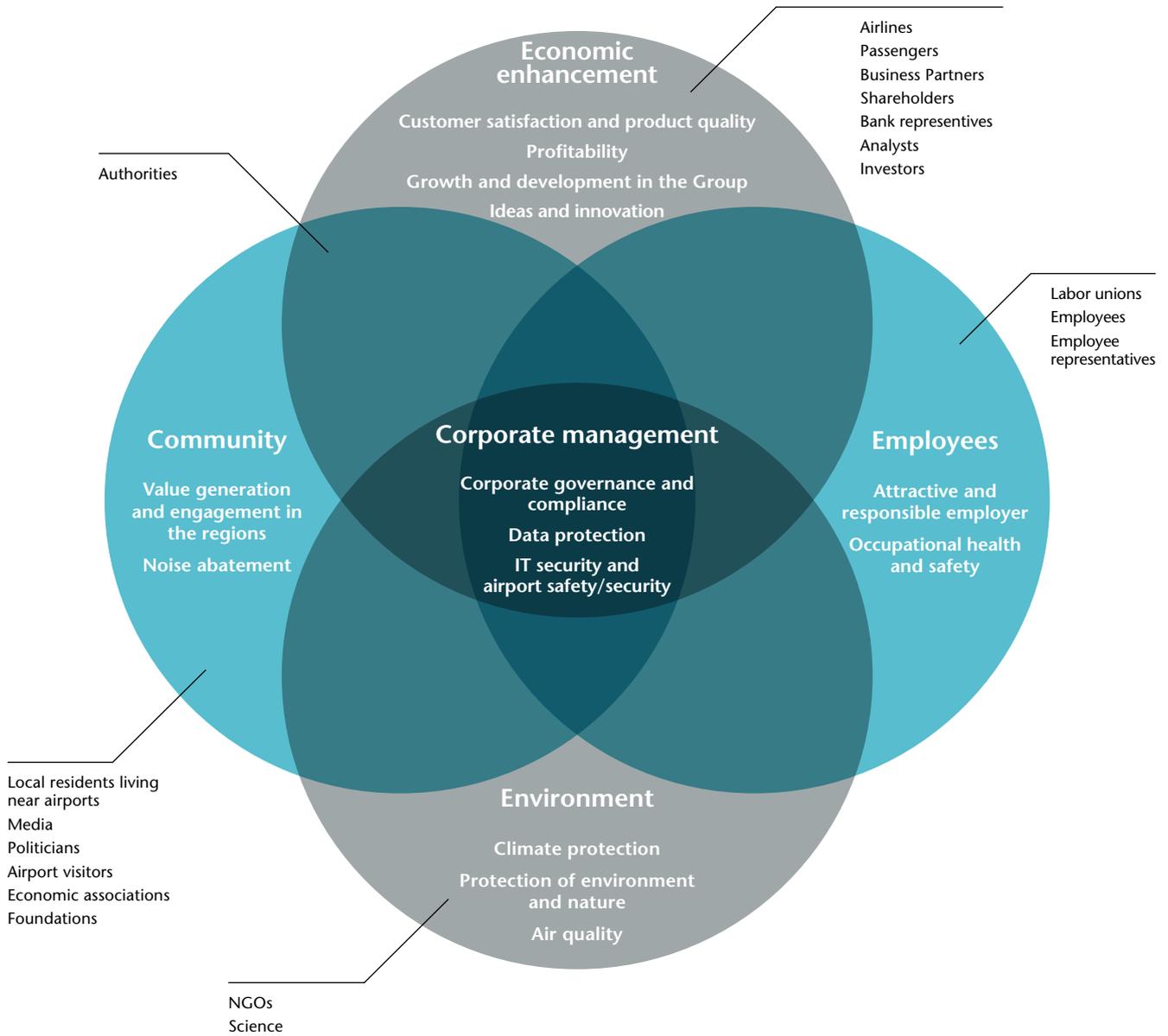
The concerns submitted to us are extremely diverse. We firmly believe that exchanging information with all stakeholders contributes to mutual understanding and developing widely accepted solutions.

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. In this regard, 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 trustworthy collaboration.

We 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.

Key stakeholder groups



Examples of stakeholder communication in 2018

External:

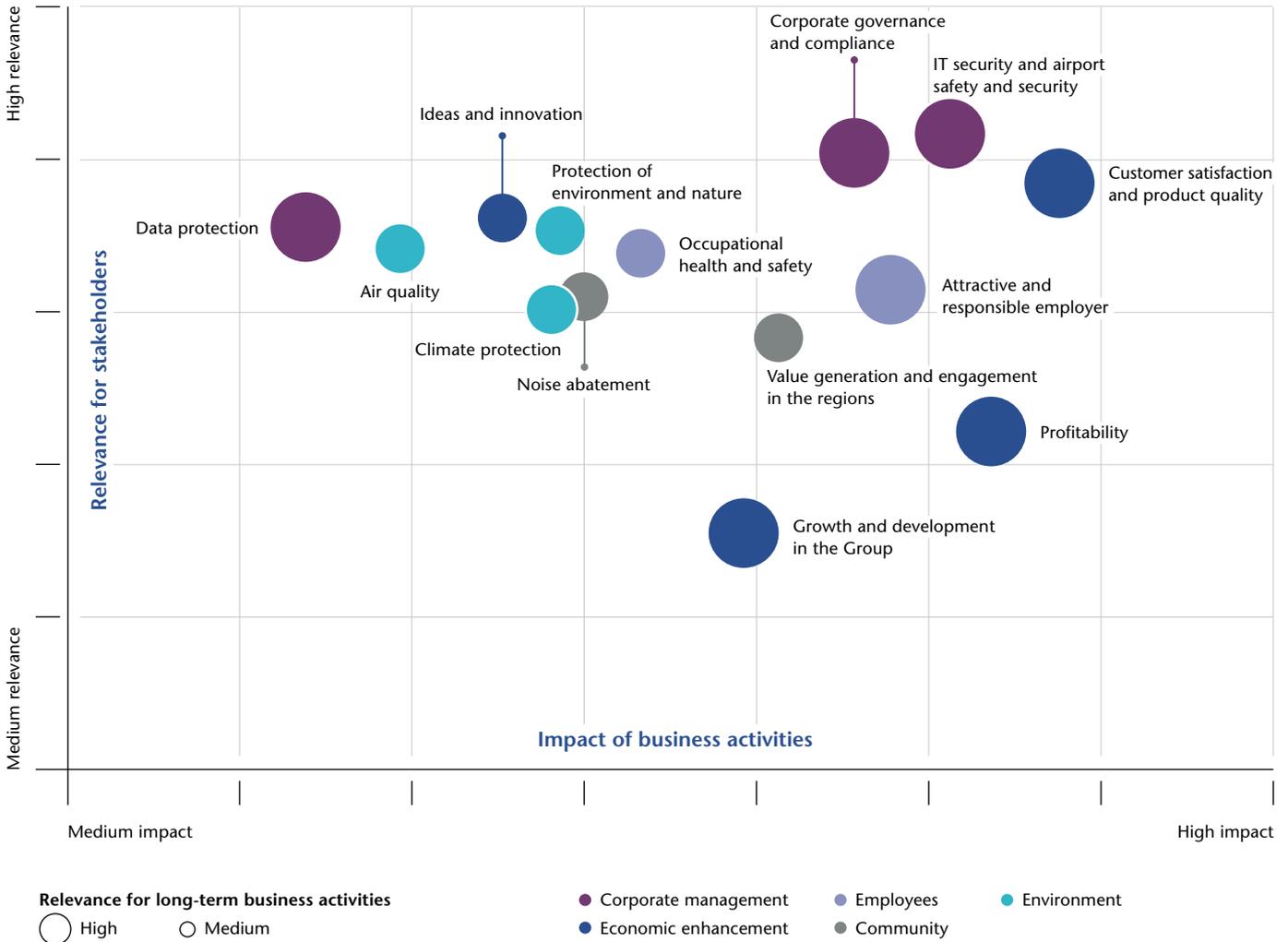
- 2017 Annual Report
- "2017 Compact"
- 2018 Abridged Environmental Statement
- Noise abatement reports
- Website www.fraport.com
- Press releases and service news
- Social media activities
- Customer Advisory Board for passengers
- "Air Cargo Community Frankfurt" association

- "Retail World" customer magazine
- "STARTfrei" Frankfurt Airport magazine
- "FRAPorter" journalist information service
- Participation in Airport and Regional Forum (Forum Flughafen und Region)
- 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



Updates to the 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 this to create a materiality matrix based on the Global Reporting Initiative. The matrix shows the future challenges for the company. In 2018, Fraport AG conducted an elaborate 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, politicians, authorities, economic associations, and scientific institutions) confirmed the relevance of the selected topics in an online survey. Newly added were the topics of “Corporate governance and compliance”, “Data protection”, “IT and airport security”, and “Air quality”.

Both groups were also asked to prioritize the topics. In a subsequent step, the new matrix was confirmed by the Executive Board.

The graphic shows the impact of direct and indirect business activities on the corresponding aspect, its relevance for stakeholders, as well as the relevance for Fraport’s business activities. The matrix is reviewed annually to ensure it is up-to-date and, if necessary, adjusted.

Definitions of the 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 and Airport Security: Ensuring the safety 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.

Economic efficiency: Ensuring the profitability of the Fraport Group through a 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 limit.

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

Environment and nature conservation: 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.

Sustainability program

Our sustainability program regarding strategically important topics for responsible corporate governance is structured analogously to the areas of activity included in the materiality matrix. We have set ourselves concrete targets and defined the actions required to achieve them.

The topics of "Corporate governance and compliance", "Data protection", "IT and airport security", and "Air quality" were added to the program, which 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, at the current time, only apply to Group companies in Germany and the Frankfurt site or the parent company. They are identified in the program accordingly. It is intended to gradually expand the scope of these targets to the entire Group, wherever this is appropriate. 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

indicator (KPI). The KPIs make it possible to present the extent to which targets are achieved in a transparent manner. The topics of "Corporate governance and compliance", "Data protection" and "Airport security" are an exception here, as they are essential for our business and are always a top priority.

You can find the entire program on pages 50 to 57.

We report key opportunities and risks in our current annual report on www.fraport.com in the "Investor Relations" section.



Common goals for global challenges

With Agenda 2030 for Sustainable Development, the international community is expressing its 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.

Agenda 2030 was adopted by all member states at a United Nations summit in September 2015. The heart of the agenda consists of 17 Sustainable Development Goals (SDGs). For the first time, the SDGs give equal weighting to all three dimensions of sustainability – social, environmental, economic.

In January 2017, the Federal Cabinet adopted the “German Sustainability Strategy – Revised 2016”. This is mainly modeled on the UN Agenda 2030 and its sustainable development goals.

As a signatory to the UN Global Compact, Fraport AG is particularly committed to the objectives of Agenda 2030 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 2018, we assessed and adapted the selection. SDG No. 11 “Sustainable cities and communities” was added. In addition, we have identified four SDGs 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.

Areas of activity

- 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.

Areas of activity

- 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 opportunity, fairness, and respect.

Area of activity

- 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.

Area of activity

- Environment and nature conservation



The use of renewable energies is an essential component for achieving the climate protection targets of the Fraport Group. We continually examine the options for use of renewable energies and 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.

Area of activity

- 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.

Areas of activity

- Economic efficiency
- 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.

Areas of activity

- 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.

Area of activity

- 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.

Areas of activity

- Occupational health and safety
- Climate protection
- Environment and nature conservation



Operating an airport and air traffic have an effect on the environment. Fraport is committed to the due and proper consideration of the environmental requirements associated with this. This includes, in particular, increasing energy efficiency, as well as monitoring and

minimization of the emission of climate-relevant gases caused by airport operations.

Area of activity

- 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.

Area of activity

- Environment and nature conservation



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.

Our Program

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

Term	Scope	Measures (As at: end of 2018)	Status and Target Attainment End of 2018
	Group	<ul style="list-style-type: none"> – Commitment to implement the corporate policy on the Compliance Management System at all fully consolidated Group companies – Measures to prevent corruption (training, business partner assessments and documentation of compliance-related processes) – Reporting of compliance violations via a certified whistleblower system (BKMS® system) and clarification of the facts by the Compliance department 	does not apply
	Group	<p>Group:</p> <ul style="list-style-type: none"> – Compliance with the European General Data Protection Regulation and national data protection laws <p>Fraport AG:</p> <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 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 	second-highest confidence level 
	Group	<p>Group:</p> <ul style="list-style-type: none"> – The Group is responsible for guaranteeing airport security at the Group airports <p>Fraport AG:</p> <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 care team – Safety management system according to EU Regulation 2018/1139 – Security awareness campaign for all employees at the airport – Regular meetings with airlines, security firms and authorities 	does not apply

Sustainability 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 Passengers	≥ 80% ¹⁾
		Customer Service Index Airline	At the level of the previous year (2017: 75.4%)
		Baggage connectivity	> 98.5%
Economic efficiency 	We want to maintain our financial strength at a high level, despite future capital expenditure, and increase the company's value in the long term.	Group result	2018: between around €400 million and around €430 million 2018 adjusted: upper range level due to sales proceeds from Hanover shares Exceeded range 2019: between around €420 million and around €460 million
		ROFRA	2018: at roughly the same level as in the previous year 2019: significant decrease
		Net financial debt	2018: increase to about €4 billion 2019: increase to about €4 billion
		Free cash flow	2018: significantly below the previous year's level and negative 2019: noticeably below the previous year's level and significantly negative
Growth and development in the Group  	We want to increase passenger numbers organically and optimize our portfolio.	Frankfurt passengers	2018: range of approx. 67 million to approx. 68.5 million passengers 2018 adjusted: passenger numbers of slightly above 69 million passengers 2019: growth of approx. 2% to approx. 3%
		Group passengers	2018: passenger growth in all Group airports 2019: passenger growth in all Group airports
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 (in €)	at least €300,000/year

¹⁾ From 2021 with Pier G: 82.5%, from 2025 with T3: 85%.

²⁾ Includes Fraport AG and the German Group companies.

Term	Scope	Measures (As at: end of 2018)	Status and Target Attainment End of 2018
2021	FRA site	<ul style="list-style-type: none"> – Continuing the service program to improve the quality of the time spent at the airport – Implementation of special training formats for employees within the scope of the “service excellence” program to further improve the hospitality and service focus – Exchange with our most important partners in the service quality committee 	86%
2019	FRA site	<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 	73.9%
2019	FRA site	<ul style="list-style-type: none"> – Continuous development of optimization measures, which are agreed upon in close collaboration with customers during regular performance meetings 	98.4%
2019	Group	<ul style="list-style-type: none"> – Maintaining the competitive integrated business model at the Frankfurt site – Securing the competitive cost structures, also by introducing digitalization and automation of processes – Decrease of energy consumption by 20% by 2022 compared to fiscal year 2013 without major capital expenditure 	€505.7 million
2019	Group		11.1% (+1.1 PP)
2019	Group		€3,545.4 million
2019	Group		€6.8 million (–98.3%)
2019	Frankfurt	<ul style="list-style-type: none"> – Continued development of the Frankfurt site as a hub – Continued development of low-cost traffic at the Frankfurt site – Construction and inauguration of Terminal 3 – Implementation of modernization and expansion measures at the airports in Peru, Brazil, Greece and Slovenia 	Growth of 7.8% (69.5 million passengers)
2019	Group		Passenger growth at all Group airports
2020	Group ²⁾	<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 	126,000

Sustainability topic	Target	Key performance indicator	Target level
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Employees

<p>Attractive and responsible employer</p> 	<p>We want to create good working conditions and increase employee satisfaction.</p>	<p>Employee satisfaction</p>	<p>Better than or equal to 3.0</p>
<p>Occupational health and safety</p> 	<p>We want to constantly reduce workplace accidents.</p>	<p>Work accidents per 1,000 employees</p>	<p>≤ 25</p>
	<p>We want to increase the number of women in management positions.</p>	<p>Women in management positions (first and second level below the Executive Board)</p>	<p>30%</p>
	<p>We want to offer good development opportunities to recruit and retain motivated employees.</p>	<p>Traineeships</p>	<p>≥ 110</p>
	<p>We want to stabilize the sickness rate in the medium term and reduce it in the long term.</p>	<p>Sickness rate</p>	<p>≤ 7.2%</p>

¹⁾ Includes Fraport AG and 11 Group companies at the Frankfurt site as well as the Group companies Lima, Twin Star, and Fraport Slovenija.

²⁾ Includes Fraport AG and the German Group companies.

³⁾ Vocational integration of refugees in Frankfurt Rhine-Main

Term	Scope	Measures (As at: end of 2018)	Status and Target Attainment End of 2018
2019	Group ¹⁾	<ul style="list-style-type: none"> - 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 Personnel Services central unit; the implementation is controlled. <p>Group:</p> <ul style="list-style-type: none"> - "Best leader" leadership program with workshops, team building, coaching, and other measures to strengthen leadership skills (Fraport Slovenija) - Update of the system for annual performance assessment, promotion of team building through joint volunteer work (Twin Star) <p>Fraport AG:</p> <ul style="list-style-type: none"> - Optimization of joint operations, including through better integration of FraGround employees in service and group discussions for ground services 	2.76 
2021	Group ²⁾	<ul style="list-style-type: none"> - Strategic succession planning across all management levels - Specific coaching and mentoring programs 	26% 
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 trainees (for those who demonstrate professional and personal aptitude) in technical occupations, site firefighting department and emergency medics - Continuation of the vocational preparation program "Ready for Take-off" - Restructuring of the offer of political education in cooperation with the Akademie Frankenwarte and the Anne Frank Educational Center 	127 positions offered, 120 positions filled; plus 8 offered and 7 filled positions in the "BIFF" program ³⁾ and 12 offered and 10 filled positions in the "Ready for Takeoff" program 
2020	Group	<p>Group:</p> <ul style="list-style-type: none"> - Implementation of the occupational safety and health management manual in all Group companies <p>Fraport AG:</p> <ul style="list-style-type: none"> - Systematic implementation of measures identified in the risk assessments - 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 	26.1 
2025	Group	<p>Group:</p> <ul style="list-style-type: none"> - Increasing flexibility in work hours, e.g. flextime in administrative areas, opportunities to trade shifts in the operational shift work (Lima Airport Partners) - Health insurance for full-time staff (Twin Star) - Sporting events, seminars, health check-ups, personal trainers (Fraport Slovenija) <p>Fraport AG:</p> <ul style="list-style-type: none"> - Supplementary company health insurance - Subsidies for gym memberships with regular workouts - Appreciation campaign for operational areas with high workloads: Food and beverage campaign as well as massage vouchers 	7.4% 

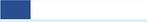
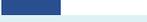
Sustainability topic	Target	Key performance indicator	Target level
Community			
Value generation and engagement in the regions 	We want to make a positive contribution to the economic and social development of the regions.	Gross value generation (company performance)	+2% compared to the previous year ¹⁾
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 a Leq of 55 dB(A) day	≤ 22,193 ha
Environment			
Climate protection 	<p>We want to reduce the CO₂ emissions of the Fraport Group.</p> <p>We want to reduce the CO₂ emissions of Fraport AG at the FRA site.</p>	<p>Absolute emissions (sum of scopes 1 and 2 GHG Protocol) of the Fraport parent company and the fully consolidated Group airports in metric tons of CO₂</p> <p>Absolute emissions (sum of scopes 1 and 2 GHG Protocol) in metric tons of CO₂</p> <p>Specific CO₂ emissions (sum of scopes 1 and 2 GHG Protocol) in kilograms of CO₂/traffic unit</p>	<p>125,000 metric tons CO₂²⁾</p> <p>80,000 metric tons CO₂</p> <p>0.9 kg CO₂/traffic unit</p>
Environment and nature conservation 	We want to provide our services in the Group while always taking environmental concerns into account and to constantly improve our environmental performance.	Proportion of fully consolidated, environmentally relevant Group companies with certified environmental management systems (EMAS or ISO 14001), weighted according to revenue.	100%
Air quality 	We seek to record the air pollutant emissions of all relevant emission sources from airport operations.	Inventory of air pollutant emissions according to main sources	<p>NOx: 100%</p> <p>PM10AA: 100%</p>

¹⁾ Subject to maximum net financial debt of 4x–6x EBITDA

²⁾ Includes Fraport AG and Fraport Greece as well as the Group companies GCS, FraGround, Fraport Slovenija, Lima, Fortaleza, Porto Alegre, and Twin Star. If necessary, the target will be adjusted to any changes in Fraport's airport portfolio.

³⁾ Including air traffic up to 300 m.

⁴⁾ In reference to a full special evaluation in 2016.

Term	Scope	Measures (As at: end of 2018)	Status and Target Attainment End of 2018
2019	Group	<ul style="list-style-type: none"> Operational and financial improvements at Group sites Capital expenditure on existing airports to meet the future mobility requirements of the particular regions and markets 	+19.9% (around €3.7 billion) 
Up to full capacity	FRA site	<p>Active noise abatement measures, such as</p> <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 the angle of approach glide to 3.2 degrees for the south and central line Incentivization of GBAS as a component of the application for airport charges 	17,582 ha 
2030	Group	<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 	244,029 t CO ₂ 
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 an energy-efficient new terminal (T3) 	188,631 t CO ₂ 
2030	Fraport AG	<ul style="list-style-type: none"> Implementation of energy measures in the baggage transfer system by 2020 Expansion of electric vehicle fleet (focus on ground services) by 2020 	2.07 kg/CO ₂ 
2020	Group	<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 	86.7% 
2022	FRA site ³⁾	<ul style="list-style-type: none"> Quality assurance of the inventory and operating data Optimization of methodology for the use of operating data for the emissions model Specialist support of the LASPORT program (emission and propagation model to determine emissions caused by the airport and aircraft) 	NO _x : 87% ⁴⁾  PM10AA: 30% ⁴⁾ 



Governance

Fraport gives the highest priority to ensuring legally compliant behavior in the company. This is particularly reflected in the high standards for effective compliance management. However, for us, compliance does not end with the fulfillment of legal provisions: Rather, we seek to always act according to ethical principles. An important basis is our corporate culture focused on our values.

Corporate Governance and Compliance

Responsible corporate governance and compliance with national and international laws and regulations and internal policies. Anti-Corruption and Bribery Matters.

Values-based corporate culture

The Fraport Group has undertaken to comply with the most important 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). In accordance with the values in the Fraport Code of Conduct, Fraport intends to operate with integrity and in an economically and ecologically sustainable manner. This responsibility is defined in the Code of Conduct for all employees. The same expectations can be found in the Fraport Supplier Code of Conduct. Fraport expects its suppliers and service providers to comply with the same standards regarding the treatment of employees and integrity in business activities.

The certified electronic whistleblower system (BKMS® System), which is available within the Fraport Group, is an important tool for preventing and uncovering violations. Fraport AG has also engaged an external lawyer to act as ombudswoman for all employees at the German Group companies as well as customers, suppliers, and other business partners. Her job is to receive, legally review and forward information about unlawful conduct that damages the company. An internal representative is also available to employees in Germany.

Respect for Human Rights

Fraport rejects any form of forced or child labor. Among other things, the minimum

age permitting full-time employment in compliance with the relevant national regulations is observed within the Fraport Group. The Code of Conduct and the Compliance Guidelines in place at each respective Fraport Group company are available to all employees on the internal information portals. The Supplier Code of Conduct ensures the respect for human rights in assignments and also includes subcontractors.

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 Environmental and Social Action Plan (ESAP), which requires the implementation of a human

“For many years, Fraport has been committed to complying with internationally recognized codes of conduct with regard to responsible corporate governance. These include the ten principles of the UN Global Compact, to which we have been expressly committed since 2007. The UN 2030 Agenda and the objectives contained therein for sustainable development are part of our voluntary commitments.”



Dr. Stefan Schulte
Chairman of the Executive Board

resource policy as well as a management and a monitoring system, is, for example, a prerequisite for the financing of Fraport Greece. The scope of the plan extends not only to Fraport's employees, but also to suppliers and subcontractors. The ESAP also regulates the conditions for employees along the supply chain in order to prevent, for example, suppliers from employing refugees under inappropriate working conditions.

In its “Environmental Impact Study for the Expansion Program of the AIJCH” updated for fiscal year 2018, the Group company Lima laid out the requirements for the contractual implementation of the airport expansion in line with social and

ecological guidelines. In addition, the Group company has committed 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.

In addition to an electronic whistleblower system introduced in 2018, Group companies Fortaleza and Porto Alegre have set up monthly meetings which, among other things, focus on the protection of workers. For the implementation of the expansion program, the Group company Porto Alegre is committed under the concession contract to relocate over 900 families. The relocation is being conducted in a structured manner, which

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 Porto Alegre Group company must compensate the affected families.

The aforementioned organizational concepts for identifying and reporting irregularities ensure that the Executive Board gains direct knowledge of any known cases of human rights violations or any other relevant information in that regard. During the reporting period, no complaints related to human rights were submitted to Fraport through the formal organizational complaint mechanisms.

Anti-Corruption and Bribery Matters

Ensuring legal and compliant behavior in the Fraport Group is part of the corporate culture. The Code of Conduct applicable to all employees worldwide also takes into account the United Nations' anti-corruption conventions. The Executive Board is expressly committed to these principles as well as the zero tolerance principle, in particular in respect to corruption and violations of antitrust and competition law. The Code of Conduct is a key part of the Compliance Management Systems (CMS) of the Group companies and of Fraport AG's CMS. The comprehensive analysis of compliance risks, which is focused on the areas of anti-corruption, bribery, and antitrust and competition law, forms another important part of the CMS.

The objective of the CMSs in the Fraport Group is to ensure corporate management based on values and integrity which goes beyond the mere fulfillment of standards. The values-based corporate culture is the basis of the stable further development of the CMSs. The CMSs are designed to be preventive and should enable Fraport employees to become aware of compliance risks and violations at an early stage and respond to them appropriately. For Fraport AG, the Executive Board has expressly committed to this value-based compliance. With the Group-wide Code of Conduct as well as various communication measures, the Executive Board supports the Managing Directors of the Group companies as well as Fraport AG employees and their managers to meet their responsibility to continuously implement the compliance targets.

Semi-annual compliance reports inform the Executive Board about the activities of the department dealing with compliance of Fraport AG and the status of measures to combat corruption. Both the Code of Conduct and the Compliance Guidelines are available to all employees on the internal information portals.

In the interests of strengthening integrity and corruption prevention, Fraport AG laid out guidelines for accepting gifts and invitations in a new policy in fiscal year 2018.

The internal audit department provides independent and objective audit and consulting services in all major business units of Fraport AG, its subsidiaries and joint ventures and Group companies and performs compliance audits. The focal points of the audits are developed on the basis of a standardized, risk-oriented, planned approach.

Compliance aspects, such as reviews of business partners on the topics of corruption, price fixing, and fraud, are taken into account for each capital expenditure project and for consulting services.

The Group companies implement the Fraport Standards for the CMS based on the policy on the Group CMS. The CMSs of the Group companies also ensure that the corporate culture of Fraport AG is transferred to the entire Group. Similar to Fraport AG, the compliance risk analysis is the focus of the local CMSs.

Measures to prevent corruption are derived by the Group companies on the basis of this risk analysis. These include, for example, training measures and the addition of compliance-related processes.

Within the scope of large financing projects, additional measures against corruption and bribery are implemented in the Group companies, in part also as stipulated by external lenders. Within the context of the invitation to bid for the expansion of the airport, the Group company Lima has obliged all bidders to sign an anti-corruption agreement. In accordance with Brazilian law, Group companies Fortaleza and Porto Alegre trained their employees on the topic of anti-corruption and held separate training for executives in fiscal year 2018.

The aforementioned organizational concepts for identifying and reporting irregularities ensure that the Executive Board gains direct knowledge of any known cases of corruption and bribery or any other relevant information they receive. In fiscal year 2018, no agreements with any business partner were terminated due to allegations of corruption.





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.

In accordance with fulfilling legal regulations based on local customs and as part of its General Terms and Conditions (AGB), Fraport compels business partners and suppliers to comply with its Supplier Code of Conduct. The Fraport 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. 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.

Fraport AG undertakes to generally focus on sustainability criteria when purchasing products and services.

In addition, the company was one of the first in Hesse to sign a target agreement initiated by the Hessian Ministry of the Environment, Climate Protection, Agriculture and Consumer Protection in 2016. Consequently, social and ecological criteria are considered in purchasing decisions in addition to economic criteria.

Fraport AG 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. More than 60% (approximately €528 million)

of Fraport AG's order volume of approximately €874 million was awarded to companies in the Rhine-Main area in 2018. Around 98% of the order volume 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 respect for human rights as well as anti-corruption and bribery matters, the first level of Fraport AG's supply chain is not deemed critical. Although orders with business partners and suppliers based outside the aforementioned countries seem insignificant in relation to the total order volume, of which they make up less than one percent, especially the business relationships with suppliers from risk countries, known as the "Primary Impact Countries" (in accordance with the FTSE4Good Index), require particular care. For this reason, an examination of the first level of the supply chain by contractors' country of origin is an essential part of regular monthly reporting for the "Central Purchasing, Construction Contracts" central unit.

If contracts for product groups that include suppliers or service providers from risk countries are to be put out to tender and awarded, the potential 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.

Fraport AG has fulfilled the legal requirements concerning assignments of external workers based on independent service and work contracts, as opposed to temporary work, by implementing external staff compliance within the framework of a policy on the assignment and deployment of external workers. 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 also forms part of any agreement.

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.

The five largest suppliers to Fraport AG according to order volume are the companies FraSec, FraGround, Total Mineralöl, FraCareS, and Lüftungsanlagen- und Gebäudetechnik LAG. Fraport AG wholly owns the Group companies FraSec, FraGround, and FraCareS. These mainly provide security services and ground

fuel and is subject to the aforementioned terms, as is the case for Lüftungsanlagen- und Gebäudetechnik LAG.

The international Group companies must also comply with all components of the Group CMS policy. This applies in particular to large construction projects such as the new terminal at Lima Airport. In Lima, compliance with the Fraport Supplier Code of Conduct is an integral part of the contract with the general contractor and its subcontractors. Fraport Greece also obliges its



services. As fully consolidated Group companies, they must adopt the Code of Conduct for employees and are also obliged to comply with the Group Compliance Management System (CMS) policy. These guidelines include instructions to make the Supplier Code of Conduct part of the General Terms and Conditions and to use it insofar as this is possible for the Group companies pursuant to national law. If such inclusion in the General Terms and Conditions is not possible, or is only possible if the Supplier Code of Conduct is modified, the local management shall inform the department dealing with compliance at Fraport AG. The company Total Mineralöl supplies the Frankfurt site with

business partners and suppliers to comply with the Fraport Supplier Code of Conduct, which is an integral part of the contract with the general contractor for the expansion and the modernization of the Greek regional airports. The Brazilian Group companies Fortaleza and Porto Alegre also include the Fraport Supplier Code of Conduct as part of the contract with the general contractor.

Data protection

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

Data protection ensured

Protecting personal data is a priority for any company. As a responsible partner, Fraport always requires the highest standard in this area, regardless of whether it is the data of passengers, customers, employees, or contractors.

Data protection laws have always been a high priority in Germany, and data protection has been clearly regulated since 1980 by the Federal Data Protection Act (BDSG). While the BDSG only applies to Germany, the EU General Data Protection Regulation (GDPR), which came into effect in May 2018, has harmonized data protection in all EU Member States. However, there may be deviations from this regulation when transferred to national law.

Within the Fraport Group, the GDPR affects the Group companies within the EU. The Executive Board works towards ensuring the Group companies in other parts of Europe comply with the regulation as in Germany. The individual Group companies are independently responsible for the implementation and the EU Group companies have fulfilled this responsibility. Compliance is monitored by Fraport AG. For the Group companies outside the EU, the laws on data protection are implemented in accordance with national regulations. 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.

The Data Protection Officer at Fraport AG monitors compliance with these regulations within the company. He reports directly to the Executive Board and is independent in exercising his tasks in the area of data protection. Violations of the GDPR or other related complaints can be sent directly to him, anonymously if necessary.

In 2018, 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. Complaints and access requests by data subjects are processed promptly and completely. To consolidate the processes and rules at Fraport AG, it implements existing processes in a data protection management system and is planning the implementation of a data protection policy. Existing training concepts have been revised and imple-

mented with e-learning methods. For employees who handle sensitive data to a particular extent, classroom training sessions were also held, and the content of these sessions is available as video training.

As part of the Association of German Commercial Airports (ADV), Fraport AG is part of a task force, which in addition to Munich Airport includes many other airports, on the subject of GDPR. Participating in this task force allows Fraport to continuously evaluate its own measures against a benchmark.

To ensure compliance with the new regulation, Fraport AG has realized a project to implement the requirements of the GDPR since 2017. The existing framework conditions have been checked and new processes established where necessary. They are also part of the quality management system according to ISO 9001. The records of processing activities in accordance with the requirements of the GDPR have been created and are constantly being updated. In addition, a guideline for deleting personal data was developed. The steering committee of the project receives regular reports on the progress. The Executive Board is informed regularly by a member of the steering committee.

Information available on our website

In the course of examining the conditions, among other things, the Fraport website was assessed regarding personal data to ensure compliance with GDPR. The data protection statements for all so-called data subject categories such as employees, visitors, applicants, passengers, or customers are available at privacy-statement.fraport.com.

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.

Fraport AG has established a working group at the Frankfurt site, which is responsible for all issues relating to the use of video technology and consists of employees responsible for data protection, product management video, requirements management of the relevant sections, and corporate safety, along with the involvement of the Works Council. It is developing a concept that lays out clear rules for users of all video data regarding the respective purpose and data protection requirements. The concept contains the roles and authorizations for the use of video technology throughout the entire airport grounds. Regulations on the use of Fraport video technology by authorities is also included.



Separate process for video technology

Furthermore, a standardized approval process has been established which is primarily based on the appointment of video officers (VO) by the areas deploying this technology. The VO of

the strategic business unit Airside and Terminal Management, Corporate Safety and Security has been appointed by the Executive Board to head the working group of all video officers. He is also a point of contact for the authorities. These measures ensure that the requirements for video surveillance are compatible with the privacy rights of passengers, visitors, and employees.



To ensure safety at airports, personal access rights must be managed and controlled. In Frankfurt, this is carried out by way of an identification management system as well as new access control systems for gates and all other access points to operational and security areas. Fraport AG has implemented both technical and organizational measures to protect data against misuse. The requirements of the GDPR are also fully complied with in this respect. Access to this system is limited to a small group of people for specifically defined tasks, so that misuse is excluded as far as possible, but can also be identified and tracked.

IT and Airport Security

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

Highest priority: Security

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 for Fraport.

All 192 member states (including all countries in which Fraport is active) of the International Civil Aviation Organization (ICAO) have contractually committed to comply with the organization's safety standards and recommended practices for airports. The same applies for the 44 member states of the European Organization of European Civil Aviation Conference (ECAC). National legislation regulates the responsibilities within this framework. In contrast to most EU, ECAC, and ICAO member states, German law allocates, for example, passenger and baggage checks to government authorities, whereas in other countries this is usually the responsibility of the airports. The application of stricter measures based on a local risk evaluation in individual EU Member States is also possible.

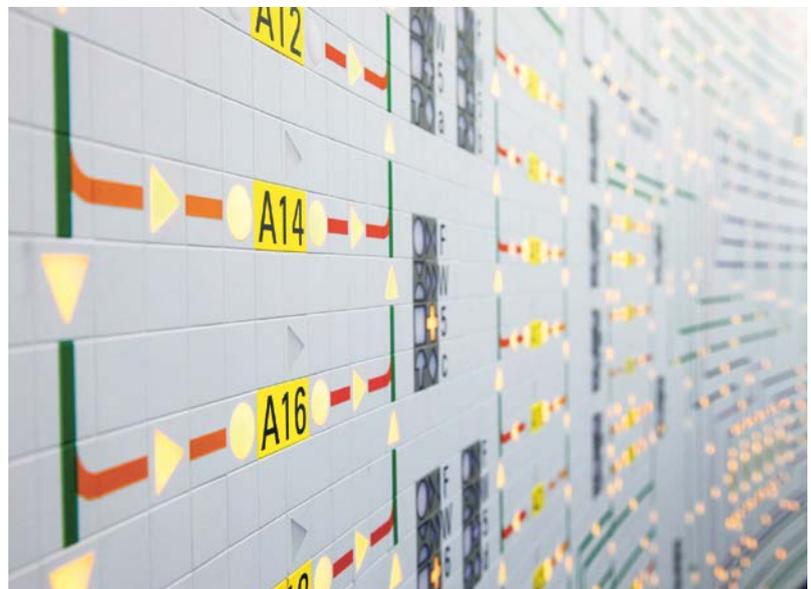
Within the Fraport Group, each company is subject to the safety regulations in place in its respective country. Management must present proof of the fulfillment of the requirements to the supervisory authority in the respective country. Nonetheless, the security

officers of the Group companies exchange information on certain projects or topics.

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, with the goal of ensuring the safety of business-critical IT systems. The requirements for IT security are specified in the IT security policy and security guidelines that must be followed throughout the Group. Compliance with these requirements is checked regularly by Internal Auditing, IT security management, or external advisors.





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 at the Frankfurt site and managed from there. Exceptions in this regard are only possible with the consent of the Executive Board. The other Group companies use their own IT infrastructure, that they protect according to the Group's IT security policy.

A serious system failure or material loss of data could lead to serious business disruptions and security risks. In addition to this, attacks by viruses and hackers could lead to system failure and ultimately to the loss of business-critical or confidential data. To counter these risks, all of the IT systems of critical importance to the company are configured redundantly and are housed at separate sites. The risks in the area of IT security are included in the risk management system.

A separate section is responsible for IT security at Fraport AG. Its tasks are, among other things, the ongoing identification and implementation of measures to meet high safety standards.

Within the scope of a working group in the German Aviation Association, Fraport AG along with other airport

operators, Deutsche Lufthansa and the German Air Traffic Control, continues to develop the safety standards of the industry. These are based on the new requirements laid out by the IT Security in Critical Infrastructures Act (KRITIS). Through the selection of security measures, the assignment of measures according to predefined confidence levels, and mutual assessment, the goal is to establish a high standard of security within the aviation industry. The work should be completed in 2019, and the industry standard will be released by the German Federal Office for Information Security. At Fraport AG, the statutory requirements will be implemented together with the standard by mid-2019.

The use of a standardized tool for all IT security processes, including documentation, is currently being planned. In addition, the section coordinates awareness-raising activities for staff and external workers to ensure a high security awareness. The IT Security Officer at Fraport AG reports weekly to the Chief Information Officer, and a report is submitted to the IT Management Board every two months. The level of IT security is also part of the annual management report for ISO 9001 quality management certification.

A company code system can provide information about the status of IT security measures, divided into security and compliance aspects, at any time.

The resulting overall score is regularly reported to the Executive Board.

The risk management and safety management systems as well as selected measures are subjected to regular organizational and technical audits and checks by the internal audit department. In 2018, Fraport AG once again implemented a variety of projects to adequately respond to the growing risks arising from information technology. Among other things, Fraport AG has revamped its awareness-raising campaign originally launched in 2012. 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

This area encompasses both security and safety: Safety refers to the operational safety of the overall airport as well as the safety within the airport grounds. Security is understood in terms of defending against terrorist threats and protecting civil aviation. The relevant measures include passenger, baggage, and cargo inspections and reviewing the access control points for airport employees and suppliers.

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. Emergency and crisis management is also part of safety management.

Fraport AG is obligated to operate an SMS at Frankfurt Airport. It was established based on EU Regulation 2018/1139, EU Regulation 139/2014 and the relevant guidance documents. With the SMS, security incidents are recorded and evaluated, and potential vulnerabilities are identified. It is meant for all organizations and individuals with access to the airside

areas at Frankfurt Airport. All factors that may affect the safety of airport operations are taken into account in the SMS, whether they are of a technical, organizational, or human nature. To this end, internal and external employees can send safety notices or messages. They are treated as confidential upon request, and they can also be placed anonymously.

The SMS in place for all people and organizations participating in the operation of the airport documents the responsibilities, methods, and operating procedures that are relevant to the ongoing development of operational safety. For example, the SMS contains specifications for identifying hazards as well as instructions for process and risk evaluations. Proactive recommendations are therefore possible with this system. The SMS was last updated on December 11, 2017. The EASA Safety Manager follows the guidelines of the European Aviation Safety Agency (EASA) and enjoys a direct reporting right to the Executive Board.

As a central reporting and alarm point for security matters, Fraport AG operates a security control center 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. 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 care team is deployed, which interacts with passengers, greeters, and relatives on site, or mans the “emergency information center” to handle telephone inquiries. The care team consists of volunteer employees of Fraport AG and the Group companies in Frankfurt who are trained for the respective tasks.

The contingency plan for Frankfurt Airport “FRA Emergency” documents which preparations have been made for various emergency scenarios and defines procedures to minimize the impact. These include, in particular, the rescue of humans and animals, the preservation of natural resources and material assets, as well as maintaining the airport’s operations. The FRA Emergency plan includes procedures to coordinate all internal and external bodies that deal with emergencies.

ICAO and EASA prescribe regular exercises at the international airports to train for the handling of emergencies and other security-related scenarios. These training

exercises are prerequisites for obtaining an operating license. Each respective operating company is responsible for carrying out the procedures.

In November 2018, Fraport AG together with Lufthansa, the Regional Health Department in Frankfurt, the Frankfurt Fire Department, the Special Isolation Ward of Frankfurt University Hospital, and emergency services and authorities at Frankfurt Airport rehearsed procedures in a medical emergency. In this case, the exercise was not only required by ICAO and EASA but also by international health regulations. Such exercises have no impact on flight operations.

The scenario of the exercise was based on the event that two passengers exhibit symptoms of a contagious infection while on a flight to Frankfurt. After a fictional landing scenario, the doctors of the Regional Health Department and Fraport AG practiced the processes on board. The further medical treatment of all passengers as well as the transfer of infectious passengers with special Fire Department vehicles to the Special Isolation Ward at Frankfurt University Hospital were also part of the exercise. The results will be used for further education and training.

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 transport. The security

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

In Germany, passenger and baggage checks are part of the central functions of security according to Section 5 German Aviation Security Act (LuftSiG). They lie within the jurisdiction of the German Ministry of the Interior and are carried out by the German Federal Police and third parties it commissions. At Frankfurt Airport, Fraport 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.

According to Section 8 LuftSiG, all buildings and the site must be designed in such a way that the operation of the airport can be protected against attacks on the security of air transport and the proper implementation of all security measures is ensured. This applies, in particular, to the access controls to the airside areas as well as controlling persons, carried objects, and vehicles before entering the security area. It also includes fencing, identification cards, training of personnel, as well as the secure transport of controlled luggage which protects it from unauthorized access. These security measures are the immediate responsibility of the airport operator. They are presented in an air safety program approved by the Hessian Ministry of Economics, Energy, Transport and Regional Development as the supervisory authority.

The education and training of all security personnel takes place in accordance with Group-wide regulatory and internal requirements. At the Frankfurt site, the training requirements apply to the security personnel of both Fraport AG and FraSec. FraSec carries out access checks for vehicles and people, and they check people and goods at access points to sensitive parts of the security area on behalf of Fraport AG.

Fraport AG does not limit its activities at Frankfurt Airport to the implementation of legal requirements, and develops measures in agreement with the competent authorities responsible for maintaining the high safety standards.

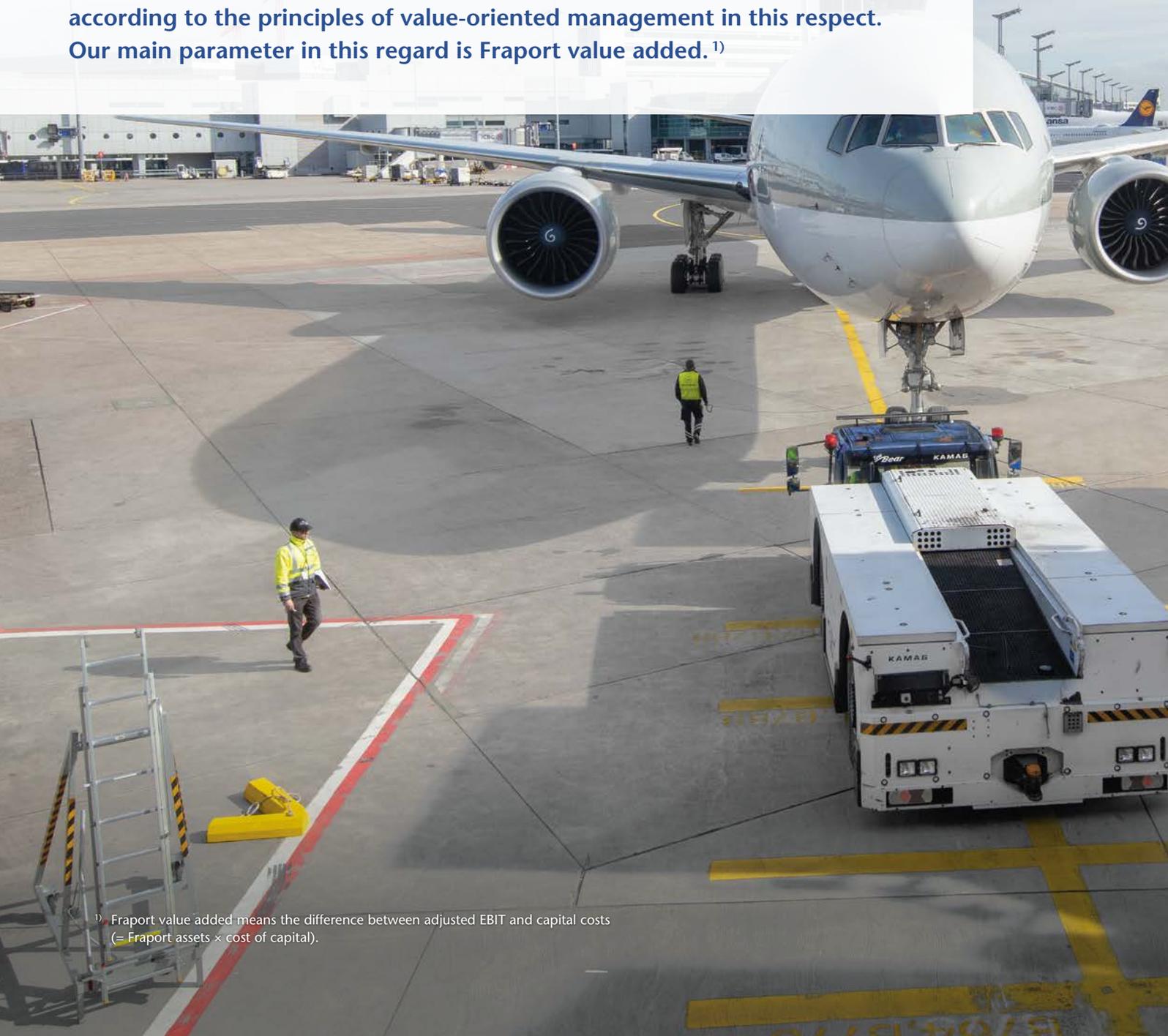
For example, the fence surrounding Runway West was upgraded with electronic sensors in 2018 that automatically report every touch. In addition, Fraport AG tested a vehicle for autonomous fence controls in cooperation with the Fraunhofer Institute. As an additional measure, a security-awareness campaign using various media was launched to raise awareness regarding security among employees at the airport and encourage them to report any incidents to the security control center. While the focus in 2018 was on security measures at terminals, in 2019 safety will be given a greater priority.

As the operator of Frankfurt Airport, Fraport AG assumes responsibility for the task of exchanging all information relevant to security and for ensuring the continuous communication and close cooperation of the organizations responsible for security. In terms of work processes, regular weekly or monthly meetings are held with airlines, security service providers, and authorities for this purpose. Several times a year, Fraport AG invites managers of these companies as well as authorities to an informal meeting to exchange information.



Economic enhancement

We see our economic enhancement as the continuous improvement of our corporate value, securing and improving profitability, while maintaining a financial balance. The objective of economic enhancement is to achieve profitable growth and the long-term generation of positive value added in all non-regulated business fields. We control the development of the Group according to the principles of value-oriented management in this respect. Our main parameter in this regard is Fraport value added.¹⁾



¹⁾ Fraport value added means the difference between adjusted EBIT and capital costs (= Fraport assets × cost of capital).

Customer satisfaction and product quality

Strong orientation towards customers and service. Increasing the Group's competitiveness and securing Frankfurt's role as a hub.



Our goal: The best service for all customers

The customer comes first for Fraport. This is also reflected by the mission statement "Gute Reise! We make it happen." The aim of the strategy is to establish itself as Europe's best airport operator and also to set global standards. This ensures the development of the company's value and competitiveness in the long term. The target is to win over the main customers, i.e., passengers, airlines, the freight community, and retail concessionaires, with attractive offers and the best service. At the Frankfurt site, Fraport works closely, among others, with the Federal Police to ensure that security and passport control processes are efficient and that a high volume of passengers is handled in a timely manner.

Passenger satisfaction is also important for the international Group companies. The fully consolidated Group airports that are operated through concession agreements are contractually obliged to carry out surveys on passenger satisfaction. This is measured at the different sites using various key figures. Where appropriate, this system of collecting data is to be harmonized in the medium term.

Passenger satisfaction at Lima Airport was 94% in 2018 (2017: 82%). Travelers reacted positively to various improvements to the quality of services. For example, customs clearances, the look and feel of the public areas of the terminal, and retail offers were improved. At

the airports in Varna and Burgas, the satisfaction level was nearly 74%. Here the system of collecting data used by Fraport AG was applied for the first time in fiscal year 2018. In the new system, the previous year's level of 97% resulted in a satisfaction rate of 82%, a decrease of 8 percentage points. While satisfaction at Varna Airport increased, it deteriorated in Burgas due to the high utilization rate of the terminal in the summer.

Despite significant passenger growth, the number of complaints in Ljubljana rose only slightly to 81 (previous year: 64). In March 2018, Fraport Greece launched an expanded market research program at all 14 airports. Based on these survey results

in summer 2018, all airports received overall grades, despite on-going construction, of better than 3.00 (on a scale of 1 to 5, where 1 is very poor and 5 is excellent). The three top ranked airports were Rhodes (4.06), Aktion (3.94), and Kefalonia (3.86). At the two Brazilian airports Fortaleza and Porto Alegre, passenger satisfaction will be measured within the scope of the concessions guidelines in the future. The initial results are expected for the second quarter of 2019.

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 at the Group airports. For example, a new terminal and a second runway will be built at Lima Airport.

Frankfurt Airport, the site with the most passengers, is a particular focus in the Group portfolio. The following will therefore discuss the service quality management implemented at that site.

Passenger satisfaction is considered the most important criterion for service quality. Global satisfaction describes passengers' satisfaction with the services offered and the overall service at Frankfurt Airport. Fraport is committed to the target of maintaining and increasing customer satisfaction continuously. Despite the expected temporary overload of terminal infrastructure due to traffic growth in the next few years, Fraport AG aims for a target of at least 80% global satisfaction at Frankfurt Airport. With the inauguration of Pier G of

Terminal 3, passenger satisfaction should be at least 82.5% from 2021. From 2025, Fraport AG's target is at least 85% based on the complete capacity increase from Terminal 3. In Frankfurt, passenger satisfaction is mainly recorded using surveys. The global satisfaction of passengers at the Frankfurt site was 86% in 2018, one percentage point above the level of the previous year (previous year: 85%).

With 69.5 million passengers in 2018, Frankfurt Airport recorded strong growth of 7.8% compared to the previous year.

This resulted in increased waiting times at security checkpoints during peaks in traffic (particularly during school vacations and public holidays). This was reflected, among other things, in an increase in the number of complaints about the security inspection process. Passenger satisfaction with waiting times at security checkpoints was 80% in 2018 (previous year: 81%), while satisfaction with personnel at security checkpoints was 82% in 2018 (previous year: 82%). Despite the excellent results for most key figures in passenger satisfaction in fiscal year 2018, the focus is on improving performance particularly at security checkpoints. Fraport is cooperating closely with the authorities of the German Federal Ministry of the Interior, Building and Community (BMI), the German Federal Police,

and security companies in an effort to avoid long waiting times for passengers at the security checkpoints in the future.

The service program "Great to have you here!" launched in 2010 has increased global passenger satisfaction at Frankfurt Airport significantly. 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, will continue in fiscal year 2019. At the same time, in 2018, approximately 1,100 employees completed training within the scope of the "Service Excellence" program, in order to further improve hospitality and service orientation at Frankfurt Airport. In 2018, passenger satisfaction regarding the hospitality of airport staff was 91%, which represented a significant increase (previous year: 85%).

Fraport has also been directly 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. The goal is to ensure that common passengers, customers, and guests retain a positive impression of Frankfurt Airport in addition to improving global satisfaction of the passengers, the willingness to recommend Frankfurt Airport, satisfaction with the hospitality, and improving the sense of security.

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. The baggage connectivity figure provides information about the percentage of baggage at Frankfurt Airport that is loaded on time in relation to the total departing baggage. A high level of connectivity proves the good quality of baggage processes,



Top ten in the Skytrax ranking

Another parameter for measuring customer satisfaction and service quality at Frankfurt Airport includes the annual ranking of the top 100 airports by the consultancy Skytrax. Frankfurt Airport was ranked tenth in 2018 worldwide, based on online passenger surveys (2017: tenth place).



which is one of the main responsibilities of Ground Services. This is particularly important because Frankfurt as a hub has a high proportion of transfer baggage with a transfer share of more than 55%.

The objective is to achieve a long-term baggage connectivity of more than 98.5%. In the past fiscal year, baggage connectivity amounted to 98.4% and was therefore 0.1 percentage point below the previous year's and the target figure. In particular, delayed flights and poor weather conditions had a negative impact on the loading of baggage on time. In order to maintain connectivity

at its current high level in the future coupled with increasing number of baggage items, Fraport is constantly working on optimization measures that are closely coordinated and implemented with airlines within the scope of regular performance discussions. In order to maintain baggage handling at a high level given the strong traffic growth in fiscal year 2018, recruitment of personnel was significantly expanded. On the other hand, IT processes were optimized to ensure the stability of the IT infrastructure of the baggage conveyor system, even when processing high volumes.

An essential component in implementing the digitalization strategy and enhancing the customer experience in retail is the introduction and development of payment methods via cell phones or tablet computers. For many travelers from China, shopping for international brands is an important part of their stay in Europe. The shops at Frankfurt Airport are a popular destination, and they remain the focus of our strategic development. For this reason, Frankfurt Airport, in addition to its website in Chinese, has been offering the Alipay and WeChat Pay payment functions at its retail tenants since 2018. Passengers



are therefore able to pay as usual, without having to exchange currency. The mobile payment functions are expected to be expanded in the future to accommodate additional target groups.

We offer our airline customers at the Frankfurt site comprehensive support and advice on strategic and operational topics such as the commencement of flight operations, frequency increases, and slot allocation. With regard to developing routes, we support airlines from the analysis of potential routes through to joint marketing activities, also in cooperation with partners from the tourism industry. In 2018, considerable passenger growth (7.8%) was achieved in particular due to the strong development of Lufthansa, Condor, Ryanair, TuiFly, Air Canada, and United. We include our airline customers 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 advance information on construction or operational changes, the CSC provides a central point of contact for the airline stations through regular customer visits.

Digitalization in processing

Ground Services also improves the ground handling processes through selected digitalization projects. This should, for example, encourage passengers to make more use of the self-service check-in so as to avoid any waiting times at the baggage counter. The passenger checks in independently online and prints his or her baggage tag at home or at the airport. The baggage is then checked in independently at one of Fraport's patented check-in counters. A new scanning glove ensures optimized workflows in baggage handling and on the luggage conveyors. The glove has an attached scanner that enables employees to quickly process the trailer while, at the same time, allowing them to use their hands to handle the luggage.

Fraport AG measures the success of the measures for the airline customers by using the Customer Service Index Airlines KPI. The aim each year is to achieve the level of the previous year. At 73.9%, the figure for 2018 was slightly below the previous year's figure of 75.4%. Bottlenecks in the aviation sector and the resulting problems in operations are reflected in this result. 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 security.

In the cargo sector, Fraport continuously develops new products and solutions that position Frankfurt Airport as an innovation leader in the air freight industry. For example, the two freight processing companies Frankfurt Cargo Services GmbH and LUG aircargo handling GmbH have developed solutions in close cooperation with Fraport AG and the Freight Forwarding and Logistics Association of Hesse/Rhineland-Palatinate designed to optimize the collection and delivery processes of freight shipments. The aim was to increase the level of standardization of the processes in order to improve predictability and create greater transparency. Both companies introduced a uniform ramp control system for all shipping and collecting carriers and freight forwarders beginning in 2018. Another positive effect was the increase in the number of registered businesses in the cargo community system FAIR@Link from 130 to over 500, and 78% of the cargo was being preregistered after just one month.

The shipping platform for hazardous goods "INFr8" was developed by



Fraport AG together with the IT service provider Dakosy and the initial users Lufthansa Cargo and Panalpina. The portal transfers all consignment data electronically through just one interface from the consignor to the other parties involved in the processing chain. The processing of hazardous goods is thus completely digitalized. Errors in documentation and the associated delays and costs are therefore avoided. The special feature of "INFr8" is that all operators in the air freight processing chain are connected, from the sender to the recipient. The first shipment with an electronic dangerous goods declaration

was successfully sent in September 2018. The pilot project is initially scheduled for six months.

Tracking dogs inspect trucks

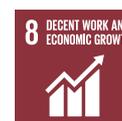
In addition, Fraport AG, the Group company Frasec, and its subsidiary K9 Tedd are working on providing new aviation security procedures at Frankfurt Airport. In the so-called REST process (Remote Explosive Scent Tracing), explosives detection dogs are used to inspect air samples from trucks. The aim is to check air freight quickly, cost-effectively, and reliably in future. In the Netherlands, the

process has already been recognized and approved. To introduce this in Germany, the method is currently being tested in cooperation with the German Federal Aviation Authority, and initial approval has been requested for the Frankfurt site.

In addition to numerous events with our local partners, Fraport AG has been increasingly organizing conferences with carriers and consignors both in Germany and abroad since 2017 in order to address this target group and better understand their needs. The goal is to expand the international flow of goods processed via the freight hub in Frankfurt.

Economic efficiency

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



Record levels of revenue and profit

Fraport AG has continued on its growth path in the 2018 fiscal year, recording new record levels of revenue and profit. Group revenue increased by 18.5% in the 2018 fiscal year to just under €3.5 billion. Adjusted for the revenue in connection with the capacitive capital expenditure based on the application of IFRIC 12, revenue increased by 7.8% to over €3.1 billion. At the Frankfurt site, this development was caused, among other things, by higher revenue from airport charges, a rise in earnings from ground services and infrastructure charges due to an increase in traffic volume. Beyond the Frankfurt site, the Group companies Fortaleza and Porto Alegre in Brazil, for which the takeover of operations took place on January 2, 2018, and Fraport Greece contributed significantly to revenue growth.

The net retail revenue per passenger, a key figure on the development of the

retail business area in the terminals as well as online sales, decreased by 7.4% to €3.12 compared to the previous year. Influences on retail revenue included, in particular, the above-average growth in passenger numbers on European routes, where passengers tend to spend less, as well as capacity bottlenecks at the terminals. In addition, the devaluation of various currencies compared to the euro led to a loss of purchasing power.

Besides the positive development in operations, the disposal of shares in Flughafen Hannover-Langenhagen GmbH (+€25 million) increased Group EBITDA and Group EBIT, coming in at €1,129 million (+12.5%) and around €731 million (+13.6%), respectively. The disposal of shares as well as the strong development of the Group company Antalya, which is accounted for using the equity method, improved the negative financial result from – €137 million in

the previous year to approximately – €60 million, which led to a Group result of €506 million (+40.6%).

Positive free cash flow

Operating cash flow fell slightly by 2% to €802 million. The main reason for this were changes in net current assets at the balance sheet date. Adjusted for these changes, cash flow from operating activities rose significantly by 18.8% to over €845 million (adjusted value 2017: €711 million). As expected, the free cash flow declined significantly due to higher capital expenditure at the Frankfurt site and in international business (–98.3%) and at €7 million was just slightly positive.

In total, net financial debt increased only slightly in the past year to around €3.55 billion (+€33 million). Among other things, this development is also due to higher cash and cash equivalents

resulting from the disposal of shares in Flughafen Hannover-Langenhagen GmbH coupled with an increased need for funds in connection with the financing of airport expansions in Greece and Brazil. Relative to the shareholders' equity (excluding the minority interests and the amount planned for dividends), this means that leverage (gearing ratio) is around 89%. Net financial debt was 3.1-times EBITDA.

ROFRA of 11.1% signals economic enhancement

To permanently increase the Group's value, the Executive Board specifically draws parallels between the development of the results of operations and the asset and financial position. In this context, Fraport calculates the ratio of the operating result achieved before interest and taxes (EBIT) to the capital

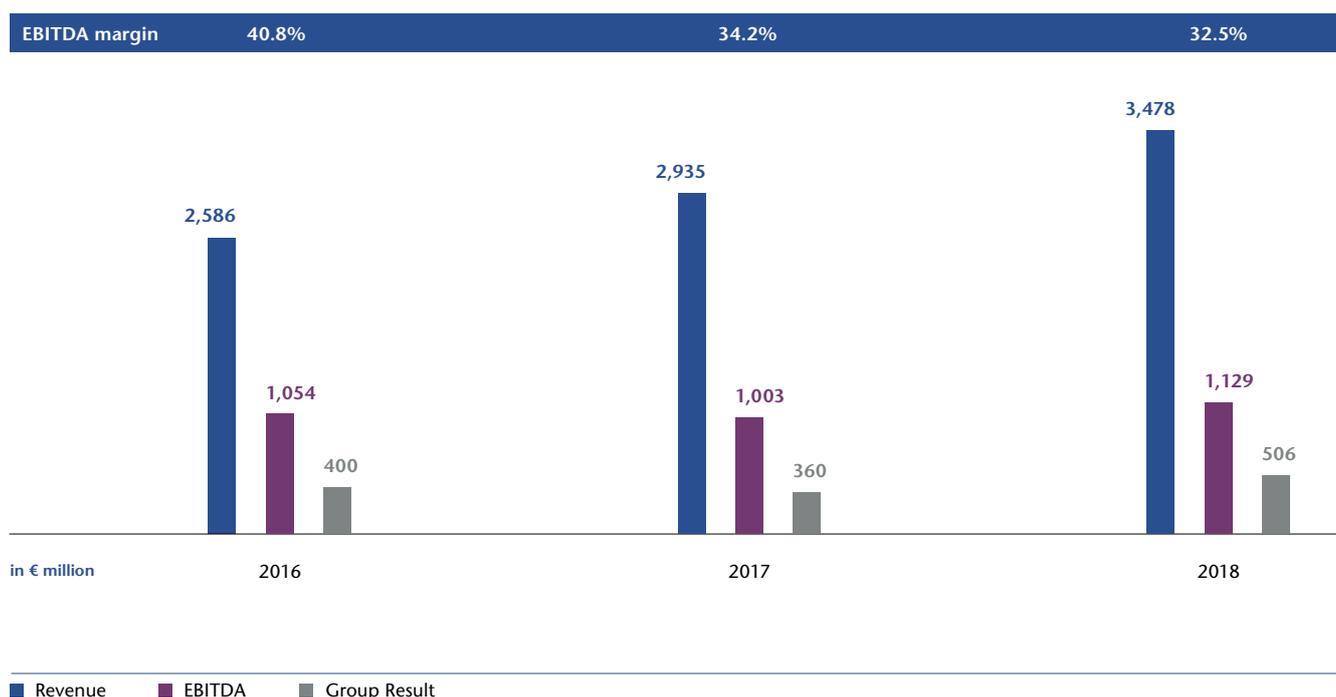
that is used to generate the EBIT (value-oriented management principle). In the past fiscal year, assets of €7.69 billion ("Fraport assets") were offset by an EBIT including earnings before taxes of the Group companies accounted for using the equity method of close to €857 million. Based on a pre-tax cost of capital (WACC) for Fraport of 6.5% (previous year: 6.7%), this resulted in ongoing capital costs before taxes of around €500 to achieve this adjusted EBIT.

The value added before taxes of €357 million means that Fraport once again earned its capital costs in the past fiscal year and "created value" Group-wide. In addition to the strong growth in traffic in Frankfurt and at the Group airports, this improvement to value added is attributed to the disposal of shares in Flughafen

Hannover-Langenhagen GmbH, the takeover of operations of the Brazilian airports in Fortaleza and Porto Alegre, and the positive operating performance of the Group company Antalya, which is accounted for using the equity method. The economic enhancement is also visible in the "ROFRA", the return on Fraport assets. This was 11.1% in the past fiscal year and exceeded the WACC by 4.6 percentage points.

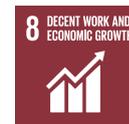
Detailed information about the development of earnings in the past fiscal year as well as the forecast for 2019 can be found in "The Group's Results of Operations" and "Business Outlook" sections of the 2018 Annual Report.

Selected key financial figures can be found starting on page 118 of this report.



Growth and development in the Group

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



Another record year in aviation

Building on the good year with strong growth rates in 2017, the past fiscal year was also marked by record numbers. Both in Frankfurt and at the Group sites, in part double-digit growth in passenger traffic was recorded. The Frankfurt site set a passenger record of approximately 69.5 million passengers. The previous year's total was exceeded by around 5 million travelers, or 7.8%. Significant strike-related cancellations were not recorded. The month of July marked the highest monthly result with approximately 6.9 million passengers. Over the course of the year, the number of daily passengers exceeded the 200,000 mark on 165 days, and on 13 days it even reached a value of over 230,000 travelers. This significant growth underscores how attractive Frankfurt Airport is.

Both the offer of new travel destinations as well as frequency increases were behind the increase in demand. Domestic traffic rose noticeably by 4.8%. This growth was driven primarily by travel to and from Berlin. The distinct growth of the traffic regions of southern and eastern Europe led to double-digit growth for Mediterranean airports, in particular Turkey as a holiday destination. Consequently, European traffic was once again the largest driver of growth at 12.1%.

Tourist destinations were also the main focus outside of Europe. International traffic grew by 2.8%. Here, the markets in northern and central Africa as well as Central America generated significant growth. Traffic to Thailand and Vietnam in the Far East increased.

7.8%

*more passengers in
Frankfurt*

In contrast, the Cargo volume in 2018 fell slightly below the previous year's volume by 0.8% with around 2.2 million metric tons. This result was in line with economic development.

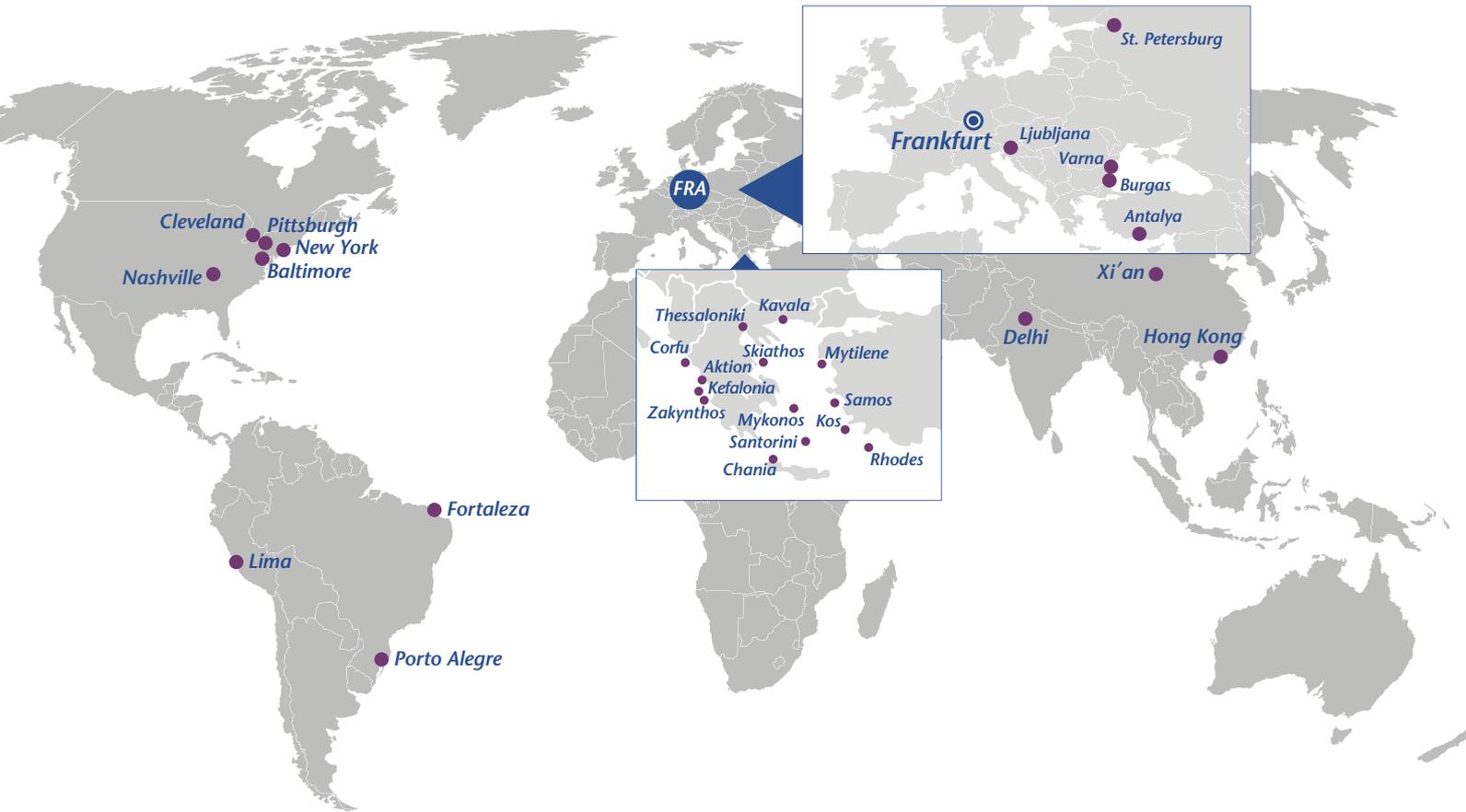
In particular, the expansion and modernization programs contribute to maintaining and improving the Frankfurt site's international competitive position. Terminal 3, which is scheduled to take up operations in 2023, ensures airport

capacities and the required level of infrastructure for the long term.

Fraport AG will meet the needs of the growing passenger demand by moving up construction of Pier G from the second construction phase for Terminal 3. After planning permission was granted for Pier G in August 2018, construction will start in the spring of 2019. The construction of Terminal 3 involves an investment volume of approximately €3.5 billion.

Strong growth at key Group sites

At Ljubljana Airport, passenger numbers in the 2018 fiscal year were up 7.7% compared to the previous year at around 1.8 million. The growth was based to a large extent on the addition of new routes by Adria Airways. In addition, passenger numbers showed positive development on the majority of routes on offer. Short and long-term capital expenditure is necessary to increase the quality of service at the airport and improve operational processes. The largest capital expenditure is the expansion of the terminal, which is scheduled to be fully operational for the summer flight plan 2021.



The Group companies Fraport Brasil S.A. Aeroporto Fortaleza and Fraport Brasil S.A. Aeroporto Porto Alegre have been operating the respective airports in Brazil since January 2, 2018. The two companies welcomed 14.9 million passengers (+7.0%) in 2018. In Fortaleza, international traffic benefited primarily from the creation of an Air France/KLM hub (+61.7%) together with the Brazilian airline Gol. Capital expenditure on airport infrastructure of around BRL 2.3 billion is expected in the first five years of the term of the concession. In Fortaleza, significant capital expenditure will go towards modernizing and expanding the terminal. Capital expenditure priorities at Porto Alegre Airport will be to extend the runway in addition to modernizing and expanding both terminals and the apron areas.

With just under 29.9 million passengers in the 2018 fiscal year (+8.9%), the 14 regional airports of Fraport Greece benefited to a great extent from the appeal of Greece as a tourist destination. At nearly 77%, the high share of international travelers demonstrates the importance of Greece as a holiday destination. The 40-year concession agreements budget for capital expenditure of approximately €400 million on airport infrastructure in the first four years. Most

of this will be spent on a comprehensive expansion and extension project. Five new terminals will be built, and six terminals will be expanded at the sites. A priority area is also expanding the offer of shopping and services. The first airports where the measures will be completed in 2019 are Chania, Zakynthos, and Kavala. After the ground-breaking ceremony in September 2018, the new Terminal in Thessaloniki is now under construction. It is scheduled to open in 2021. In total, around €100 million is being invested in Thessaloniki Airport.

Growth in Lima at 7.3%

In Peru, the Lima site continues to benefit from the relatively high economic growth rate of the country as well as ever-increasing tourist demand. The airport benefits from a good geographical location, making it particularly attractive for transfer traffic between South and North America. Jorge Chávez Airport is Peru's most important airport and was once again among the ten largest airports in South America with over 22.1 million passengers (+7.3%) in the last fiscal year. Due to passenger growth, the site's capacity is reaching its limit. In October 2018, the land needed for the expansion of the airport was granted by the

government. The construction of a new terminal, a new runway, including aprons and taxiways, as well as other peripheral infrastructure is planned. The volume of the capital expenditure is expected to be around US\$1.5 billion. The second runway is scheduled to be completed in 2021/2022, while the terminal will be finished no later than 2024.

The Bulgarian airports in Varna and Burgas served some 5.6 million passengers in 2018, thus around 12.2% more than in the same period of the previous year. Mainly travelers from Poland, Germany, and the United Kingdom, but also strong domestic traffic, contributed to the growth in traffic. The number of Russian passengers in Burgas declined, though they still represent the largest passenger group (-14.0%), while the Varna site recorded moderate growth in this regard.

At Antalya Airport, around 32.3 million passengers in the 2018 fiscal year signified an increase of 22.5%, which was an all-time high. While the number of passengers traveling within Turkey increased by 2.2% to over 7.5 million, the number of international passengers fell significantly by 30.3% to around 24.8 million.

Ideas and innovation

Developing new products and more efficient processes.



Service robots and first drone flights

As a service group, Fraport does not conduct research or development in the narrower sense. However, the objective remains to introduce new technologies and continuously optimize complex processes to meet a wide range of customer demands. In order to make optimum use of all potential, the company's idea management system brings together employee creativity, while innovation management is oriented towards projects with partners or customers as well as close cooperation with scientific institutions.

Overall, 475 ideas were submitted to the Group's idea management in the reporting year (previous year: 596), 24 of which were from Group companies at the Frankfurt site. 49 ideas were realized

in the year under review (previous year: 81), which particularly led to improvements to operations that do not have a direct financial effect. Digitalization and automation capabilities were also addressed. In addition, the presentation of ideas has been successfully integrated into the leadership culture, so much so that ideas from some of the areas are implemented directly without involving idea management. The benefits of the submitted ideas amounted to €126,000 in the reporting year. This demonstrates the important role played by the experience and internal knowledge of the staff.

In 2018, Frankfurt Airport was the first German airport to be granted approval

to fly drones in a predefined area on the Terminal 3 construction site. Methods were developed for the safe and effective use of drones in normal operations in cooperation with Deutsche Flugsicherung GmbH and the relevant state aviation authorities. Drones may be used, for example, for surveying and monitoring the progress of construction sites, with advance notice of five days. Other possible uses of drones as well as an extension of the approved application areas are being continuously tested.

Initial walking tests in the field of robotics and artificial intelligence were conducted in cooperation with Furhat Robotics and DB System. In the first half of 2018, passengers in Terminal 1 were



able to turn to “FRAnny” for simple information on flights as well as services, shops, and restaurants in the terminal during a four-week trial. The service robot speaks German and English, responds to its human counterpart, and can show different facial expressions via screen projection. The robot enjoyed a very high level of acceptance among guests and passengers. Based on the

positive results of the initial run, the FRAnny project is scheduled to continue in 2019. In a further field test, an optimized version will be used which also provides intermodality and offers support to arriving passengers in addition to information on departures. However, FRAnny cannot nor ever will replace people as manpower.

In addition, Fraport AG has expanded its digital services to include more new information channels: Passengers can quickly and easily find out about the airport via Twitter from the account **Airport_FRA**. On Facebook, the well-known transformation robot FRAnky answers questions from passengers and airport visitors. The messenger bot can be contacted directly via the link m.me/askFranky, by scanning the profile image via the direct link, or by looking up “Frankfurt Airport-FRAnky” on Facebook. It assists in requests pertaining to flight searches, sends updates on the flight status, and provides information on restaurants, shops, and service facilities.

With a view towards further developing activities with other companies from the aviation industry as well as based on “best practice” companies, Fraport’s own “innovation.hub” will be moved to a new area in Terminal 2. With a larger surface area and simplified access from the public area at the terminal, more focus will be placed on cooperation with companies and scientific institutions.

With the air taxi to the city center

Fraport AG and Volocopter GmbH are developing concepts for the use of air taxis at airports. The main focus of the strategic cooperation is the development of adequate airport infrastructure and passenger processes. One example of this is a so-called Volocopter port. In the future, they might be able to link node points in the cities with the airport.

Fraport brings many years of experience in airport management to the project, in particular, in the areas of ground infrastructure, ground handling, as well as terminal and passenger services. Within the scope of the “FraDrones” program, for example, Fraport has already tested different scenarios for the operational use of drones. The air taxi called “Volocopter” is based on drone technology, can accommodate two people, and is ideal for urban transport due to its silent and emission-free operation. The initial flights from the airport to destinations in the Rhine-Main area are expected to commence in 2024.



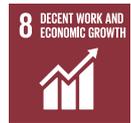


Employees

In light of the growing challenges such as international competition in the air transport industry, as well as passengers' and airlines' expectations, the objective is to foster our employees' personal, professional, social, and methodological skills. This allows us to ensure a high service quality as well as to secure attractive jobs in the long term.

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.



Responsibility for over 23,000¹⁾ employees

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 areas 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 topic-specific codes of the Group. 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. In 2013, Fraport published its own Code of Conduct to anchor these principles even more firmly within the company. This code commits employees to compliance with these fundamental principles.

Boost personal skill sets

Fraport Group has over 23,000¹⁾ employees. 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. This allows Fraport to ensure a high service quality.

The fundamental importance of the human resources strategy is taken into account by the three key non-financial performance indicators of employee satisfaction, women in management positions, and sickness rate. The Executive Director of Labor Relations is informed at quarterly meetings with the HR managers of the Group companies, among other things, of the development of these key figures at the Frankfurt site.

As an attractive and responsible employer, Fraport aims to provide good working conditions and high levels of employee satisfaction. This figure is calculated annually by surveying employees of Fraport AG and the Group companies. All staff-intensive Group companies in Frankfurt as well as Group companies Lima, Fraport Slovenija, and Twin Star took part in the survey in 2018. In future, the survey will be expanded to all other

¹⁾ In addition, around 2,600 employees in joint ventures.



key Group companies. In this respect, it is important to take cultural conditions into account and agree on a common standard for assessment.

At Fraport AG, the results are used to identify potential for improvement and to derive appropriate measures in each area. They are documented by the central unit Personnel Services; which controls the implementation and processes them for the sections or German Group companies. In individual cases, the measures and the intended improvements can be included in the target agreements with executives. The strategic relevance of employee satisfaction is also clear given it is taken into account in the Executive Board's remuneration.

The key figure is calculated from nine aspects of satisfaction and the detailed analyses show potential areas of

improvement. Fraport aims to maintain employee satisfaction at a stable level Group-wide and continually improve the rating in the long term to exceed 3.0 (index value in line with German school grading system). The average grade for satisfaction by the employees of the Fraport Group was 2.76 in fiscal year 2018, and therefore slightly above the adjusted previous year's figure of 2.85 (previous year reported: 2.87, the previous year's figure was adjusted for the Group company FCY). At Fraport AG, the figure should be better than in the previous year.

The average grade for satisfaction by the employees of Fraport AG in the past fiscal year was 2.86 and thus slightly improved year on year (previous year: 2.88). Fraport has stepped up its recruitment and training activities in these areas to meet challenges such as the tangible impact of demographic change

at the many airport sites and the increased burden on operational employees in particular due to the growth in traffic.

As far back as 2007 Fraport published its "Diversity charter" – 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



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 the collaboration and promote innovation and creativity. This enables Fraport to flexibly respond to the changing requirements in the international markets and benefit from them.

definitions of values as well as specific internal regulations and structures.

Fraport places a particular focus on promoting women in management positions at the two levels directly below the Executive Board as well as at the respective management levels at the German Group companies. For reporting purposes, executives who report directly to the Executive Board are categorized as level 1. Executives who report to this first level of leadership are categorized as level 2. Regarding the Group companies in Germany, the levels of management are categorized based on comparable positions at Fraport AG. This corresponds to the objectives in the "Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector". The company remains committed to its objective to increase the proportion of women in management positions in Germany across both

levels to 30% by 2021. Fraport respects national laws and does not want to impose any quotas based on German law at the foreign Group companies.

Focus on women in management positions

In fiscal year 2018, the proportion of women in management positions in Germany was 26.0% (previous year: 28.0%). The proportion of women in management positions in Fraport AG in 2018 was 25.0% (previous year: 27.1%). The slight decline in the rate at both Fraport AG and the German Group companies is due to organizational and personnel changes.

Fraport has worked on increasing the proportion of women in management positions for many years. Particular focus is placed on all staff development processes that have an influence on

increasing the proportion. This includes the strategic succession planning across all levels of management as well as talent management and the Potential Assessment Center.

The long-term measures that are already proving to be successful include the Cross Mentoring Program, internal mentoring and coaching within the context of the continuous development of female executives. This includes offers that permit holding an executive position on a part-time basis within the scope of an 80% or 90% workload. In the future, it will also be possible to work within the framework of an interim management, as a result of which it will be possible to expand one's management experience over a limited period of time. For job vacancies, suitable female candidates are also actively approached and systematic development and career paths are presented.

Occupational health and safety

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



Good prevention culture

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 conduct and their workplaces are ergonomically designed in the operational and administrative areas.

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 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 2018, the premiums for the collective operational supplementary health insurance were expanded to include greater dental prostheses reimburse-

ments. In total, around 2,000 contracts were concluded with employees and their relatives. All employees in Germany were given a "Fitbox" with suggestions for improving their own health. This also includes a calendar with suggestions for prevention. Each month, a new topic is presented and accompanied with corresponding information and activities. If possible, given the state of operations, and management has given approval, Fraport AG employees can visit the health lectures during working hours.

The effects of demographic change in the Group and the increase of the average age of employees contribute, among other things, to a continuous increase in the number of long-term illnesses. However, high levels of absenteeism, especially in the operational units and Group companies in Germany, cannot solely be attributed to health issues, workload and age-related effects. It appears that absenteeism in the operational areas decreases significantly on public holidays, which leads to the

conclusion that there are motivation-related absences, as these working days are compensated by special bonuses. In 2017, new evaluation options for sick leave and training for managers were developed and implemented. Since 2018, every employee can obtain his or her personal sickness rate as well as that of his or her section on the intranet.

Additional shifts at Frankfurt Airport

The only possibility to react to increased volume of traffic at Frankfurt airport was through additional shifts. Fraport AG provided an attractive financial incentive for acquiring additional services under the motto "Growth in 2018 – Working Together". Food and beverages were provided to employees in highly stressful work areas such as aircraft handling. Workers at the security checkpoints were also given massage vouchers.

Fraport evaluates the effectiveness of the measures by continuously analyzing the sickness rate, among other things.

The calculation excluding absences beyond sick pay (extended sick leave) primarily reflects the development of short- and medium-term illnesses.

Fraport focuses on limiting or reversing the sickness rate, which is increasing due to seasonal and age-related absences, among other things. The target is to have a maximum rate of 7.2% in both the Group and at Fraport AG by 2025.

In 2018, the sickness rate in the Group was 7.4% (previous year: 7.5%). This development is particularly due to the improved sickness rates at the well-staffed Fraport AG and Group company FraSec. At Fraport AG, the sickness rate improved from 7.6% to 7.4%.



In the Ground Services strategic business unit, which has a large number of staff, as well as Airport Safety, the sickness rate decreased noticeably.

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. Accident prevention not only serves personal safety but is also of great importance from an economic point of view, for example if work equipment, vehicles, or facilities are damaged or if employees are unable to work due to illness. Strengthening the personal responsibility of all employees and management in particular is a top priority. Comprehensive measures to guarantee high occupational safety standards are required, for example, when handling hazardous materials, in Ground Services' handling processes, in maintenance, in internal transport and traffic, and during infrastructure construction activities.

Driver safety training is offered to employees whose work involves driving. There are special occupational safety seminars for managers, for example on transferring obligations of the business operator. Targeted and temporary measures and projects are intended

above all to raise employees' awareness of safe conduct in operational areas. In 2018, the focus of the project "Mindful through '18" was placed on reducing accident-related lost working days and the cost of damage to vehicles and equipment. As an additional measure, the project "Mindful through '18" will be followed by project "Zero" as part of the agenda for some of the Ground Services for 2019. Behavioral health and safety will be strengthened in this section which is responsible for the loading and unloading of aircraft as well as internal transport.

In accordance with the Occupational Safety Act, Fraport has implemented an occupational safety unit under the Executive Director Labor Relations, which advises and supports departments in the further development of occupational safety. The key principles for the Group companies can be found in the occupational safety and health management manual. They are to be implemented independently by the Managing Directors and supplemented by company-specific rules in internal regulations. This requirement is valid effective immediately for Fraport AG and Group companies that are allocated to the area of Occupational Safety and Health Act. Taking into account the national laws, the scheme is an option for action for the international Group companies. The procedures for recognizing the occupational safety and health management manual are nearly

complete for the Group companies within the scope of the German Occupational Safety and Health Act. The Group companies Lima, Fraport Slovenija, Twin Star, and Fraport USA have already provided confirmations. In addition, a self-assessment conducted at the international Group companies in 2017 revealed that key aspects of occupational safety and health according to German legislation have been applied and implemented.

Accidents reduced at Fraport AG

Fraport measures the effectiveness of occupational safety measures by the number of accidents at work, among other things. The target is to continually reduce the total number of accidents at work per year and to achieve a "rate per 1,000 employees" (number of reportable accidents at work per 1,000 employees) of less than 25 within the Group by 2020. Based on the total Group workforce (permanent employees, apprentices, and temporary staff), the rate per 1,000 employees was 26.1 (previous year: 25.8). Fraport AG's target rate per 1,000 employees is a figure under 20. It was 19.3 in 2018 (previous year: 24.1, as a result of late submissions, there may be changes to the figures reported for the previous year). The most significant reduction in accidents was recorded in the Ground Services Strategic Business Unit.



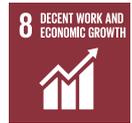
Community

Fraport is internationally one of the leading companies in the airport business and, with Frankfurt Airport, operates one of the world's most important aviation hubs. Over 81,000 people work at Frankfurt Airport and 20,500¹⁾ of these work solely for Fraport. As an active partner for the region, we support sports, social and cultural clubs, and institutions. Fraport has also always been committed to contributing to the reduction of aircraft noise pollution. We are continuously attempting to reduce noise pollution through active and passive noise abatement measures.

¹⁾ As at the balance sheet date 12/31/2018.

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.



Corporate principle of corporate social responsibility

Airports are important business locations and contribute directly and indirectly to economic and social value creation. For example, Frankfurt Airport is the largest local workplace in Germany with almost 81,000 direct employees (as at December 31, 2015). The survey provides an insight into the sectors in which employees work at the site. Accordingly, two thirds of employees surveyed work for an airline, in airport operations, or in freight forwarding and transport operations. Other sectors include authorities and institutions, catering, security services, personnel services, consulting, hotels and restaurants, freight handling, cleaning,

and retail. There is predominantly potential for growth in companies that offer security services and at authorities. The people who live in the metropolitan region around the airport also benefit from this. They not only benefit from the short journey to the airport; many of them also work at a company that benefits from being close to the airport.

The total catchment area of Frankfurt Airport includes approximately 38 million people within a radius of about 200 kilometers. The central location and the high demand mean that more international and intercontinental destinations can be reached from here than from

many other airports. The hub function plays a decisive role: More than half of passengers change planes in Frankfurt. That also makes the airport attractive as a cargo transfer location. About 40% of the over 2 million metric tons of freight per year is transported in the "belly" of passenger aircraft. Cargo consignors benefit from the connections offered at Frankfurt Airport, enabling them to get their goods to the destination faster. This is why Frankfurt Airport is also one of the world's most important sites for air freight and is number one in Europe. This benefits the export-oriented German economy, which needs the connection to other markets.

At home in the Rhine-Main region

Frankfurt Airport is the site in the Group with the largest traffic volume by far and is also the location of the company headquarters. For Fraport, social responsibility has been a corporate principle for many years. Fraport AG has therefore long supported numerous clubs and institutions in the Rhine-Main region in particular.

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. All activities

are combined into an independent department. In organizational terms, the competent central unit is assigned to the Chairman of the Executive Board.

The so-called "neighborhood framework" describes the geographical boundary for 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. The expansion allowed additional cities and municipalities to participate in the company's support activities.

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 in 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

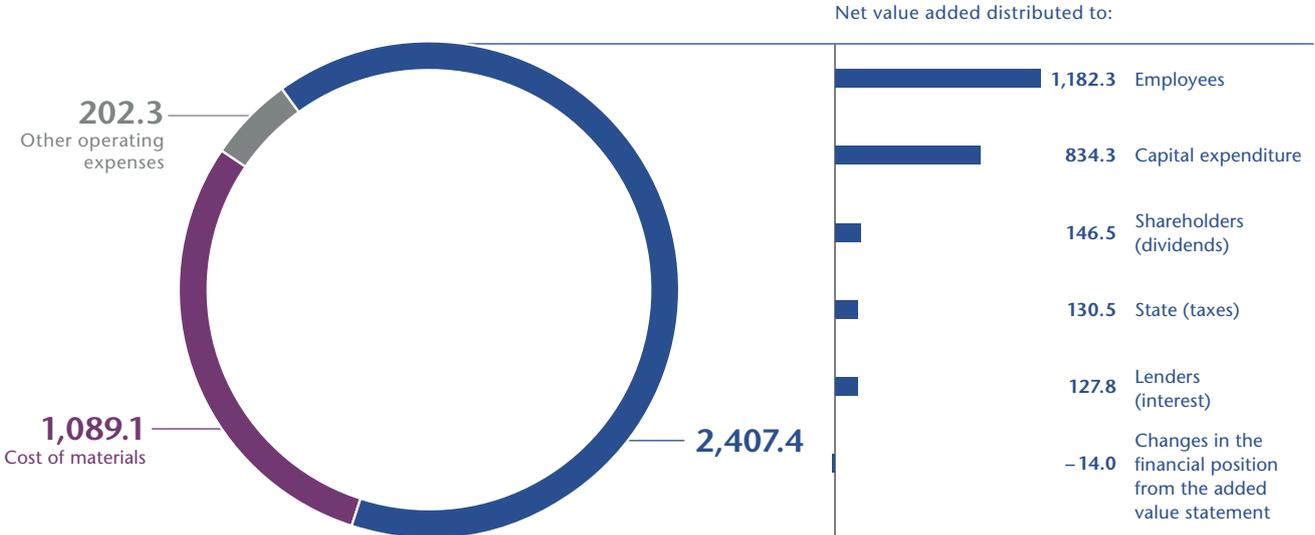


Protecting the common swift

The Deutsche Gesellschaft für Mauersegler e.V. (The German Society for the Common Swift) in Frankfurt takes in injured and orphaned swifts at its clinic in Griesheim. The birds are looked after at the 180 sq m (approximately 1,940 sq ft) reception and care station, allowing the society to gain scientific insights about their way of life. In order to facilitate their reintegration into nature, volunteers strive to provide a feeding method that is appropriate for the species and in tune with nature. With its Environmental Fund, Fraport has spent around 20,000€ for care and feed within the last five years.

Our corporate performance (gross value generation)

in € million



the project “Basketball goes to school”. At the soccer club Eintracht Frankfurt, Fraport AG supports both the non-profit association and Eintracht AG with the affiliated soccer school.

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 2018 Fraport supported more than 1,500 projects run by various non-profit associations and institutions by making donations and providing sponsorships totaling €6.0 million.

ProRegion supports young professionals at career entry

Fraport has financially supported youths’ and young adults’ integration into working life since 1999 with the ProRegion Foundation. The original objectives of the foundation were the provision of funding for the creation of additional training places or the securing of available training capacities in the region. New priority areas for funding have emerged in the past few years. 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 are receiving more and more funding.

In addition to promoting vocational training, the Foundation’s committees have taken this social development as an opportunity to extend the purpose of the Foundation to the field of “social integration”. Since the Foundation only acts as a funding institution, it relies on close cooperation with proven institutions of youth vocational training. These include the Gesellschaft für Jugendbeschäftigung e. V., an association dedicated to youth employment in Frankfurt, the Evangelische Verein für Jugendsozialarbeit, an association for youth social work, the Verein für Kultur und Bildung e. V., an association for culture and education, and the 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 is also focused on helping young people integrate into the workplace with two career preparation programs. The “Startklar” (Ready to Roll) 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 formal training or young migrants.

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 Rüdeshheim, Wetterau, the Kinzig Valley, and the Hessian Ried.

Fraport is also involved in the Wirtschaftsinitiative FrankfurtRheinMain (Frankfurt-RhineMain Business Initiative), in which 150 companies participate. One outcome of this cooperation is the House of Logistics and Mobility (HOLM) competence center at Frankfurt Airport.

At the individual sites of the international Group companies, regions close to the airport also benefit from the economic performance and the donations made and sponsorship activities undertaken by each Group company independently. The companies and their value generation, as well as employee consumption, contribute directly and indirectly to the positive economic development of the respective regions.

Noise abatement

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



Noise abatement above and beyond legal requirements

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. The airports comply with the relevant national laws and have correspondingly implemented their own monitoring systems where required. Frankfurt Airport is the site in the Group with the largest traffic volume by far. This coincides with noise pollution felt by residents near the airport. The local management approach is therefore described below.

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 Aircraft Noise Commission (FLK) is a legally appointed body that advises the Hessian Ministry of Economics, Energy, Transport and Regional Development (HMWEVW), the Deutsche Flugsicherung 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 Airport and Regional Forum (FFR), which is assigned to the

Hessian State Chancellery, 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.

Fraport wants to grow further at its main site and ensure this growth generates as little noise as possible. For Fraport AG, this means it is constantly working towards measures that reduce aircraft noise pollution above and beyond the legal requirements. 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 FLK, and are also publicly disclosed on the company's website. Municipalities with Fraport aircraft noise measurement stations receive additional detailed analyses upon request.

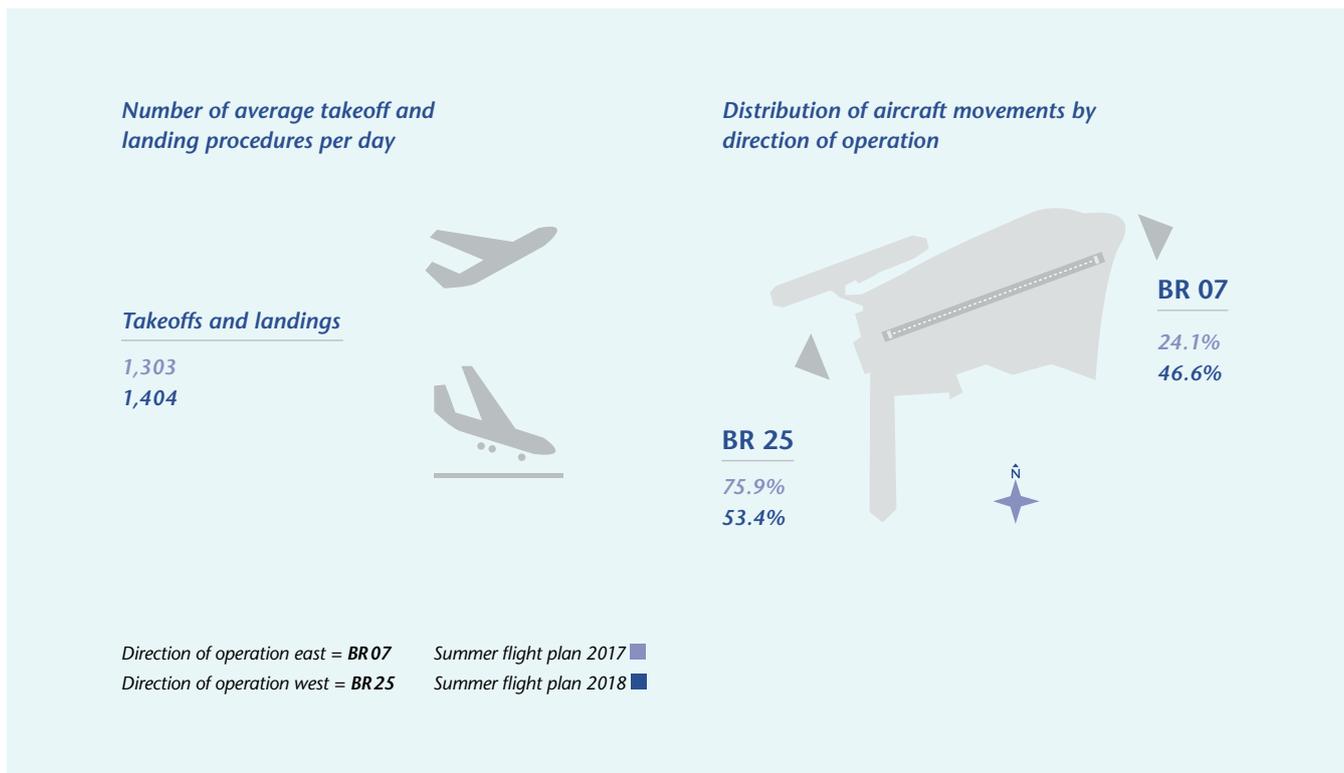
Information available online at any time

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 available online and allows local residents and 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.

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 take-off 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. Thus far, the GBAS could not be used for parallel approaches, which meant the aircraft had to alternate landing on the two runways. This has now been possible since December 2018. With the so-called noise abatement model, individual takeoff and landing runways are alternately not used, enabling the local nighttime quiet period to be increased by one hour. Furthermore, the current structure of the noise-related charges as part of the airport charges is an incentive to use low-noise aircraft.



During the summer of 2018, there was a slight increase in landings after 11:00 p.m. This was due, among other things, to poor weather conditions, air traffic controller strikes in Europe and capacity bottlenecks in the European air space. As an improvement measure, airlines added, for example, additional buffers in the flight plans at Frankfurt Airport. Moreover, takeoffs are no longer scheduled after 10:40 p.m. Late landings are examined and approved, if necessary, by the aircraft noise protection officer of the Hessian Ministry of Economics, Energy, Transport and Housing (HMWEVW). Fraport AG add a night surcharge of 50% to the noise charges for landings and takeoffs, and 200% after 11:00 p.m., in an effort to make delayed aircraft movements particularly unattractive. Such charges are used to finance the passive noise protection program and wake turbulence prevention.

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 limit 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.

In 2018, a monitoring report jointly drawn up by the alliance partners was published for the first time. This report shows that the noise emission ceiling in the previous year was complied with.

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 Hesse State Government in accordance with the strictest regulations of the Aircraft Noise Act. Fraport AG satisfies these requirements in full.

The state government promised affected residents additional, more extensive efforts than those previously made in the vicinity of the airport in announcing the "Together for the Region – Alliance for Noise Abatement 2012" program in February 2012. That same year, a regional fund was set up to this end with €265–270 million. The funds are predominantly provided by the State of Hesse and Fraport AG and can be used for both private households and public facilities qualifying for protection, such as schools, kindergartens, or hospitals. Some 17,300 households in the airport region may receive additional support for passive noise abatement from the regional fund. The application deadline for financing from the fund was December 31, 2017. In its place, the Regional Equalization of Burdens Act, with which the State of Hesse has made an additional €22.6 million available to local authorities



particularly affected by aircraft noise by the year 2021, has been in effect since January 1, 2018.

Wake turbulence prevention

Damage has repeatedly occurred on 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. The HMWEVW subsequently issued supplemental planning zoning decisions on May 10, 2013 and May 26,

2014. 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 2018, some 3,380 applications for roof protection (wake turbulence prevention) have been submitted and work on some 2,850 properties has been completed so far.

The Executive Director Controlling and Finance is regularly informed about the programs of measures regarding noise abatement and roof protection. The Executive Director Operations is also directly informed of individual matters where required.

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

Environment

Operating an airport and air traffic have an effect on the environment. Fraport is committed to the due and proper consideration of the environmental requirements associated with this. Our activities focus on targeting the conservation of the climate and nature, and the careful use of resources.



Climate protection

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



An overview of Group-wide CO₂ emissions

Management activities at Fraport AG mainly deal with the emissions the company is directly responsible for, but it also looks at emissions that it is only indirectly connected to and which it can therefore only indirectly influence. Based on the Federal Government's climate change agreement 2050, Fraport AG wants to reduce the CO₂ emissions at Frankfurt Airport to 80,000 tons by 2030. This corresponds to a reduction by 65% compared to the emissions in the base year of the international climate change agreement (1990). In the past fiscal year, Fraport AG's CO₂ emissions amounted to approximately 188,631 tons of CO₂, 0.8% less than in the previous year. The emission reductions from the energy savings from the ongoing programs to improve energy efficiency were nearly offset by the increased

energy demand due to the unusually long and hot summer as well as by strong passenger growth at Frankfurt Airport.

For the Group as a whole (including Frankfurt), the Executive Board has set a climate protection target of a reduction to 125,000 tons of CO₂ by 2030.

If necessary, the objective will be adjusted to any changes in Fraport's airport portfolio. The current Group target corresponds to a reduction of

around 50% compared to the base year of 2015. In 2018, emissions in the fully consolidated Group companies amounted to 244,029 metric tons of CO₂ (previous year: 209,668). The increase in emissions is attributable to the first-time incorporation of the Group companies Fortaleza and Porto Alegre. The emission value of these airports was 36,445 tons of CO₂. Without these airports, emissions would have decreased by 1.0%.

A way of successfully managing CO₂ is to participate in the Airport Carbon Accreditation program of the ACI (Airports Council International), in the development of which Fraport played a major role. Since 2010, 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. Frankfurt Airport reached level 3 (“optimisation”) back in 2012. Ljubljana Airport achieved level 2 in 2015 and is aiming for level 3+ (“neutrality”) in the medium term. Lima, Varna, and Burgas airports do not currently participate, nor do the airports of Fraport Greece and the Brazilian airports in Fortaleza and Porto Alegre. However, they are obligated to have their CO₂ footprint tested by way of an external audit.

Fraport AG has used its own monitoring instrument, the CO₂ and energy consumption monitoring system, since 2013 to depict, analyze, and manage energy consumption at the Frankfurt site. It creates transparency about consumption and consumers, helps to improve energy efficiency and reduce energy costs. It

also allows qualified statements to be made at any time about the current CO₂ emissions at Fraport AG and allows any undesirable developments with respect to the strategic CO₂ targets for Fraport AG to be detected at an early stage. The company’s monthly energy consumption, which is recorded in a sophisticated manner by building, system or equipment, serves as the database. All energy sources, such as electricity, district cooling, district heating, gas, fuel for vehicles, and other fuels, are taken into account.

Since 2014, all decisions relating to Fraport AG’s energy management at Frankfurt Airport have been prepared in a separate body, known as the Energiezirkel, which is chaired by the Executive Director Controlling and Finance and reports to the Executive Board. Such decisions mainly concern improvements in building, system, and process energy efficiency. In the past

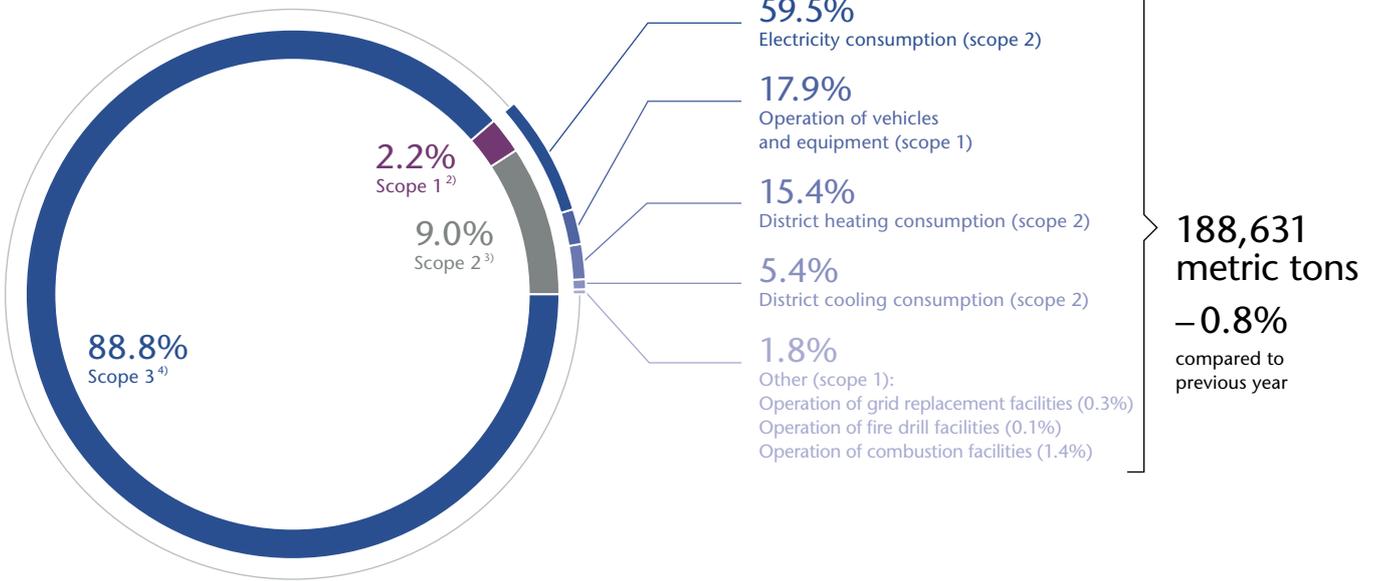
fiscal year, Fraport AG’s CO₂ emissions amounted to approximately 188631 tons of CO₂, 0.8% less than in the previous year. The emission reductions from the energy savings from the ongoing programs to improve energy efficiency were nearly offset by the increased energy demand due to the unusually long and hot summer as well as by strong passenger growth at Frankfurt Airport.

Fraport AG has been involved in the Carbon Disclosure Project (CDP) since 2006, which analyzes CO₂ emissions, climate risks, and companies’ reduction goals strategies. The CDP manages the world’s largest database on this topic, which is used by investors and also by political decision-makers. A score assesses a company’s transparency and activities. Fraport AG achieved level C (“Awareness”) in 2018. This is evidence of transparent reporting and the company’s awareness of its influence on climate change.

Frankfurt Airport carbon footprint

Fraport parent company carbon footprint

1.69 million metric tons
+ 6.6%¹⁾
compared to previous year



¹⁾ The growth at the site is mainly attributable to the increase in air traffic and the hot summer (aircraft movements + 7.7%).
²⁾ Own consumption of Fraport parent company.
³⁾ External procurement of energy by Fraport parent company.
⁴⁾ Third parties on site, air traffic in the landing and takeoff cycle up to 3,000 feet, as well as incoming and departing traffic (passengers, employees).



For the vehicle fleet and the aircraft handling equipment, the specialist departments assess the opportunities to use alternative forms of propulsion, in particular electric vehicles, as an alternative to vehicles with combustion engines.

Environment and nature conservation

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.



Environmental management as a Group-wide duty

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 and expects the same of its suppliers and service providers.

The environmental policy from 2008 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 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, 86.7% of the fully consolidated, environmentally relevant Group companies were equipped with such a system.

Environmental management systems serve to systematically organize, manage and monitor corporate environmental

protection within the relevant company. In addition, they support those responsible for operational activities and the management with regard to the performance of their respective duties and improvements in environmental performance. The functionality and effectiveness of the environmental management systems is reviewed and certified by external certifiers (ISO 14001) or environmental verifiers (EMAS) on an ongoing basis. Fraport AG’s employees’ many years of experience in environmental management benefit all Group airports, for example in the form of technical support, including on site.

Consideration of environmental matters

Lenders have explicitly demanded consideration of environmental concerns in the biggest construction project at Frankfurt Airport. For the financing of Terminal 3, the European Investment Bank requires a project progress report every two years that also includes the description of all significant environmental aspects. This helps to reduce environmental risks and is one of the principles of transparency, which aims to increase the reliability of the EIB Group as seen by its shareholders and the citizens of the European Union in general.

In its “Environmental Impact Study for the Expansion Program of the AIJCH”, updated for the fiscal year 2018, the Group company Lima laid out the requirements for the contractual implementation of the airport expansion in line with social and ecological guidelines. In addition, the Group company has committed 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.

Grassland between runways

Comprising an area of around 22 square kilometers, Frankfurt Airport is among 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. The Wildlife Management department is responsible for preserving and further enhancing this value, as long as flight operations allow. Its success in doing so is monitored closely.



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. The airports comply with the relevant national laws and have correspondingly implemented their own monitoring systems.

Collisions with individual large birds or flocks of birds are a source of risk for airplanes. Since statistically around two thirds of all bird strikes occur at airports and in their vicinity, Fraport, like every other airport operator, is required to minimize this risk. As has meanwhile become the state-of-the-art approach, Fraport prioritizes a specific biotope management. The airport grounds are made respectively unattractive for the relevant animals or birds, meaning that breeding, resting and feeding options are minimized or avoided. Bird gathering spots in the vicinity of the airport are regularly monitored. During new planning or planned changes in the region, Fraport exercises its influence to maintain aviation security from a biological point of view. In 2018, Airport Frankfurt had a wild animal strike rate of 5.34 incidents

per 10,000 flight movements (5.59 in the previous year) and was thus slightly below the German average of 5.61 (previous year: 5.8). The statistic also includes collisions with mammals.

Counterbalancing the Expansion South

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 grassland are being developed. Measures to counterbalance the Expansion South, in particular Terminal 3, are already included in this extensive package of measures. The implementation and evaluation of the measures are subject to continuous monitoring.

Operating an airport requires a lot of water and at the same time generates a

lot of wastewater. When using “water as a good requiring protection”, Fraport factors in all aspects of modern water management. This includes both consumption control and quality control of the water that enters the ecosystem. At Airport Frankfurt, water is used sparingly; for this, water-saving technologies are used in sanitary systems and circulatory systems in vehicle washing facilities, among other things. Fraport AG also replaces drinking water with service water, where possible. At CargoCity South and Terminal 2, rainwater is collected and supplemented by water from their own groundwater wells or treated water from the Main river. The service water is used in sprinkler systems, toilet flushing systems and for watering the green areas. In CargoCity South, the service water supply has been comprehensively developed. In the north, Terminal 2 is supplied by service water, Terminal 1 and neighboring office buildings are largely connected to the system. The share of service water in Fraport AG’s total consumption is around 50%. This value is significantly higher than in previous years, due to the construction for the new Terminal 3.

Air quality

Recording air pollutant emissions stemming from airport operations.



Determining the impact of air pollutants

Fraport 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 current discussion on diesel pollutants has once again brought the subject to center stage. There is no obligation 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 people and the environment (immissions).

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. The Group companies comply with the relevant national laws and have implemented their own monitoring systems where required.

In Germany, Fraport AG cooperates with the German Aviation Association and the Airports Council International. In addition, collaborations with the Hessian Agency for Nature Conservation, Environment and Geology and the Federal Environmental Agency exist to study so-called ultra-fine particulates.

At the Frankfurt site, with the largest share of traffic, Fraport has continually

measured air pollutants since 2002 at two to five measuring stations. The results are regularly published on the website in the "Air quality annual report". In 2005, the area near the Runway Northwest was added to the network of air monitoring stations. In the approval procedure, the greatest impact on air quality by the airport was predicted for areas close to residential zones.

The measurements show that the air quality on the airport grounds have remained unchanged at an urban level since the beginning of monitoring by Fraport.

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.

Share of overall impact

To gain information on the proportion of certain pollutants 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 in collaboration with specialists from Fraport AG.

From an organizational standpoint, the "Environmental Impact, Noise, and Air Quality" department of the Airside and Terminal Management, Corporate Safety, and Security strategic business unit is responsible for this task. The CO₂ emissions are surveyed and monitored in the Environmental Management department. The department is part of the Corporate Development, Environment, and Sustainability central unit. The Executive Board is directly involved as it receives an annual report on the matter.



Fraport is working on a model that creates a systematic inventory of air pollutant emissions. This will enable future potential for mitigation to be identified, mitigation activities to be controlled, and their success to be mapped. It serves as a data basis to determine the proportion of the airport's operations on pollution 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.

Aircraft turbines mainly emit carbon dioxide (about 7%) and water vapor (approximately 3%) in addition to mixed air (about 90%). The additional resulting pollutants carbon monoxide, nitrogen oxides, sulfur dioxide, hydrocarbons, and soot account for less than one percent overall. The emission spectrum of aircraft turbines 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 to include low-emission and electric motors.

Subsequent to the mediation on the expansion of Frankfurt Airport, Fraport established two service units in 2000, the Infon hotline and the Neighborhood Dialog. In addition to complaints about aircraft noise and noise abatement, requests on air quality are also processed.

Fraport international



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Fraport Greece

On the following pages, we introduce the Group companies in which we own a share of over 50%.





Company Portrait

Fraport USA Inc.

Fraport USA was founded in 1992 at Pittsburgh International Airport with the objective of developing better commercial concession programs at airports in North America. In collaboration with airport operators, the company implements creative and innovative retail and restaurant concepts that appeal to both domestic passengers and a diverse international audience. At the same time, positive competition between the individual concessionaires at each site is promoted. Based on Fraport's mission statement "Gute Reise! We make it happen", the focus is always on service orientation and customer satisfaction.

At the end of 2018, Fraport USA was operating at four airport sites: Baltimore/Washington, Cleveland, JFK in New York (T5), and Pittsburgh. The company manages the retail and

gastronomy facilities on an area covering about 28,700 square meters (over 300,000 square feet) in the passenger terminals at these sites. The facilities are operated by local, regional, national, and international concessionaires. The focus is on local brands that represent the respective cultural characteristics. Almost 70 million passengers used the terminals of these aviation hubs in 2018.

In August, the Metropolitan Nashville Airport Authority awarded Fraport USA the tender to manage the commercial retail areas at Nashville International Airport. The company took over operations in February 2019. Over a period of ten years, Fraport USA will transform the retail and gastronomy experience for almost 16 million passengers at one of the fastest growing airports in North America.

In April, Fraport USA took over the operational management of around 4,700 square meters (approximately 50,500 square feet) of retail space in Terminal 5 from JetBlue at John F. Kennedy International Airport. Fraport USA and JetBlue are working together to optimize the range of shops and restaurants with New York City-inspired offers.

In May, Fraport USA launched the "Welcome Initiative for Nurturing Great Service (WINGS)", a recognition program for employees in customer service which encourages the implementation of best practices that increase motivation and will establish a reward culture for outstanding customer service. The program offers training in which employees of concessionaires and others can improve their skills in customer service and best represent the qualities and the culture of their cities.

Penn Brewery newly available at Pittsburgh Airport

In 2018 Fraport USA/Pittsburgh welcomed not only the largest and oldest craft beer brewery in Pittsburgh, Penn Brewery, it was also able to integrate a number of innovative pop-ups at the airport. In this way, products can be advertised cost-effectively in a small retail space and tested without significant financial risk for the business involved.

As the largest airport in the metropolitan region around the US capital, Baltimore/Washington was used by more than 27 million passengers in 2018. This includes a high proportion of passengers from Southwest Airlines, which operates its main east coast hub in Baltimore. Together with the Maryland Aviation

Administration, Fraport USA/Maryland was able to attract more concessionaires to the airport.

At Cleveland Hopkins International Airport, Fraport USA/Cleveland transformed the retail and gastronomy program by doubling the concession area to almost 5,600 square meters (over 60,000 square feet) and introducing new concepts.

Fraport USA promotes small businesses, businesses owned by minority groups, and companies owned by a disadvantaged corporate group through training or networking services. In this way, Fraport USA meets the political objectives of the national ACDBE guideline (Airport Concession Disadvantaged Business Enterprise) and is one of the leading US companies in this area.



*Vivica Brown,
Vice President of Operations, Nashville*

“Nashville International Airport is growing at a record pace. Dynamic retail and gastronomy programs play an important role in improving the passenger experience and conveying the impression of local cultural characteristics. We want to create a program that brings the visual aspects, the sound, and the variety of tastes of Nashville to the airport. At the same time, we seek to maintain the high operational standards we are known for and that travelers expect.”

Airports

- Baltimore-Washington International Airport
- Cleveland Hopkins International Airport
- Pittsburgh International Airport
- John F. Kennedy International Airport (Terminal 5)

Passengers

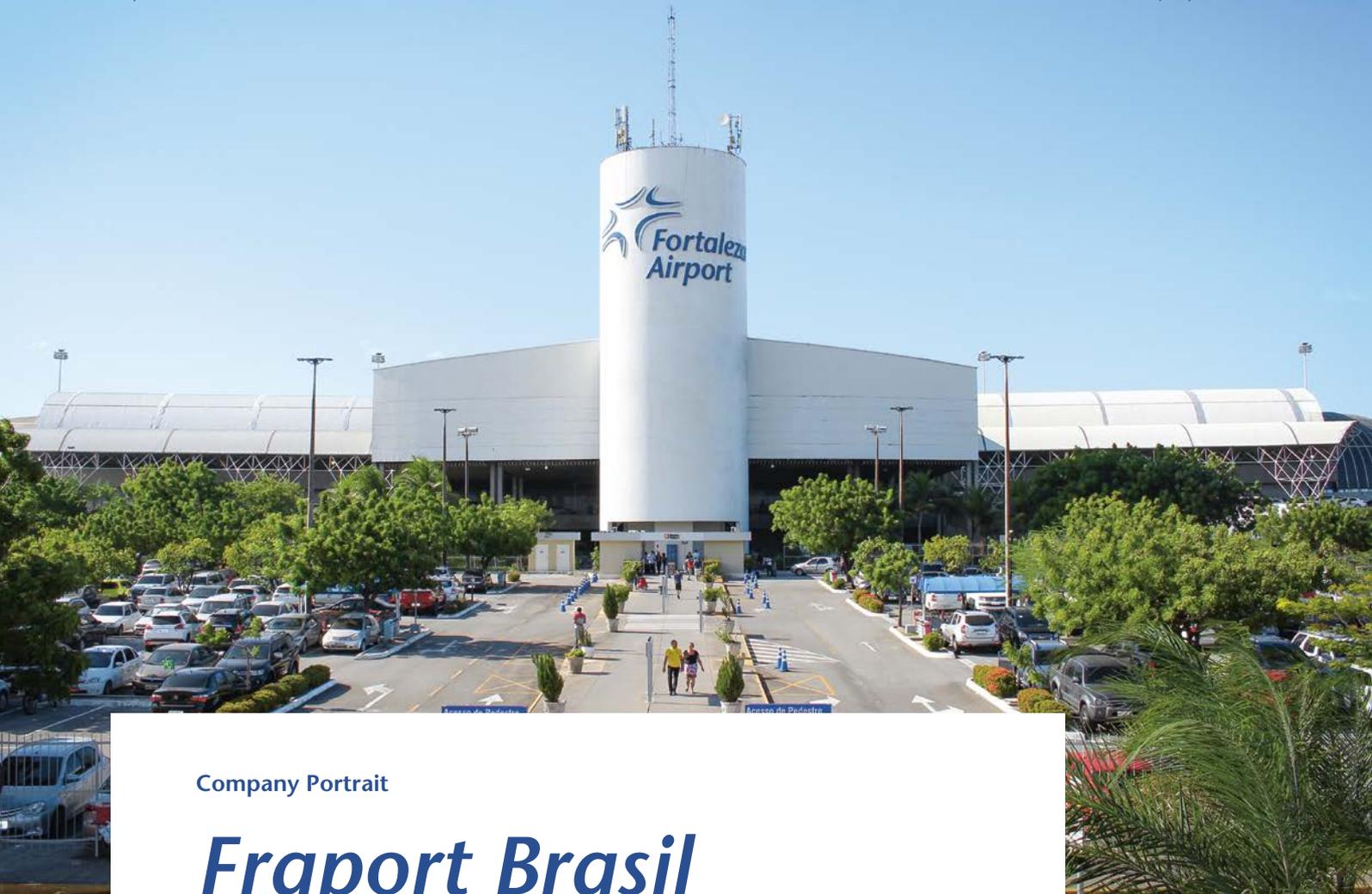
~ 70 million

Sickness rate

1.19%

Retail area

~ 28,700 sqm
(approximately 310,000 sq. ft)



Company Portrait

Fraport Brasil

The two Brazilian airports in Porto Alegre and Fortaleza have been a part of the Fraport Group since 2018. Fortaleza is located directly on the Atlantic Ocean in the northern part of the country. The city's population of approximately 2.6 million boasts a high purchasing power, making it one of the economically strongest cities in north-eastern Brazil. Porto Alegre, with its approximately 1.5 million inhabitants, borders on the coastal lagoon "Lagoa dos Patos". Given its favorable location directly on the Rio Gualba and its large port, it is one of the most important industrial and commercial centers in southern Brazil. Products from the agricultural interior, such as soybeans, leather, canned beef, and rice, are exported from here all the way to Africa and Japan.

Salgado Filho International Airport (SBPA) in Porto Alegre was officially opened in 1953. The significantly younger Pinto Martin International Airport (SBFZ) in Fortaleza was built in 1998. In 2017, Fraport was awarded the tender from

the Brazilian Government for the concessions in order to operate, manage, and develop the two airports over the next 25 and 30 years, respectively. This led to the creation of two Group companies, Fraport Brasil-Porto Alegre and Fraport Brasil-Fortaleza. The companies took over operations of the airports on January 2, 2018.

Since the beginning of the concessions, employees in Brazil have worked hard to improve the quality of services, operations, and safety. The expansion and improvement of the infrastructure is an integral part of the concession contracts.

Both airports recorded high passenger growth rates in the year under review. Salgado Filho International Airport welcomed 8.3 million passengers (+3.6% compared to 2017) and recorded over 80,000 aircraft movements. At Pinto Martins International Airport, 6.6 million passengers (+11.4% compared to 2017) took off and landed, with over 51,000 aircraft movements.

The year 2018 was full of challenges and important events for the team of 380 staff members employed under the leadership of CEO Andreea Pal. The ceremonial laying of the foundation stone for the expansion and modernization projects at Salgado Filho International Airport occurred in March. With the Governor of the State of Rio Grande do Sul and the Mayor of Porto Alegre in attendance, the ceremony marked the beginning of the construction work for the expansion of Terminal 1, the extension of the runway, adjustments to the taxiways, and improvement of the drainage system at the airport. The expansion of the terminal is expected to be completed by the end of 2019. The extension of the runway will be finished in 2021.

Also in March, the cornerstone for the expansion and modernization of Pinto Martins International Airport was laid with the Governor of the State of Ceará, the Mayor of Fortaleza, and other guests in attendance. The construction work

“Our greatest challenge is to exceed expectations, not only those of passengers but also of all stakeholders. These may be families who want to pick someone up or they could be trading partners, airlines, or other employees at our company. We seek to set ourselves apart through our exceptional performance. This goal motivates us in all our activities.”



Michele Guimarães dos Santos,
Terminal Supervisor, Salgado Filho

Airports

Aeroporto Internacional de Fortaleza

Aeroporto Internacional de Porto Alegre

Passengers

~ 14.9 million

CO₂ emissions

2,735 t

includes the expansion of Terminal 1, the extension of the runway, adjustments to the taxiways, and optimization of the access road to the airport. The expansion of the terminal is scheduled to run until April 2020, while the extension of the runway will last until 2021.

In addition, a hub was established for Air France/KLM in Fortaleza in 2018 together with the Brazilian airline Gol. The launch

of new international flights to Paris and Amsterdam reflects the increase in passenger traffic and contributes to the economic development of the city, the state, and the entire region.

Depending on future exchange rate developments, Fraport expects capital expenditure in airport infrastructure of around €700 million in the first five years of the concession period.



Wellania Antunes Carneiro,
Terminal Agent, Pinto Martins

“At Fraport Brasil-Fortaleza, our customer orientation is our top priority. In order to provide first-class service we treat them as we would want to be treated as customers. Whether on the phone or through personal contact, there is always an opportunity to do something special.”



Company Portrait

Fraport Slovenija, d.o.o.

Fraport Slovenija, d.o.o. operates Ljubljana Airport, the largest international airport in Slovenia and the home airport of the Slovenian airline Adria Airways. The company was founded in 1963 under the name Aerodrom Ljubljana, and has been a wholly-owned subsidiary of Fraport AG since 2015. In April 2017, Aerodrom Ljubljana was renamed Fraport Slovenija in the last step of the company's integration into the Fraport Group. At the end of 2018, the management team, led by Managing Director Zmagob Skobir, was responsible for around 483 employees.

The airport benefits from its strategic location in the corridor from the Middle East over the Bosphorus to the European Union. Fraport Slovenija served over

1.8 million passengers in 2018, making it yet another record year in the history of the airport. Passenger growth was 7.7% compared to the previous year. In 2018, passengers from Ljubljana were able to reach 34 destinations in Europe with direct flights offered by eleven airlines.

The continuing positive development of passenger numbers has led Fraport Slovenija to build a new passenger terminal to meet demand. The construction of the 10,000 m² (approximately 107,500 ft²) terminal is set to begin in 2019 and should be completed by 2021. The new ring road at the airport was completed at the beginning of 2018. Moving the main road along with the rerouting of roads allows for a more efficient use of land at the airport. Due to the increased attrac-

tiveness of the land coupled with greater demand, Fraport Slovenija has intensified the development of the Airport City and the logistics area at the airport in an effort to increase the attractiveness of the airport as a whole.

Focus on employees' health

The satisfaction and health of employees is of great importance at Fraport Slovenija and anchored in its strategic corporate goals. And this approach is paying off: In 2018, Fraport Slovenija received the award for best employer in the category "Foreign-owned companies" by Spirit Slovenija in cooperation with the Slovenian Ministry for Economic Development and Technology. In 2019, the company was recognized by the largest job

exchange in Slovenia, MojeDelo.com, as a respected employer for the sixth time.

The company is active in a range of different areas with the goal of promoting employee health. For example, Fraport Slovenija pays the costs for flu shots and provides staff with regionally produced fruit. It also encourages its employees to pursue health-promoting recreational activities during their free time and supports these efforts by providing sporting facilities, financial support for sporting competitions, and by organizing corporate sports activities and events.

Fraport Slovenija strengthens the work-life balance through flexible work models (e.g. part-time work, unpaid leave in emergency situations of up to six months, flexible working time models in administration) and financial support within the scope of prevention and emergency situations (e.g. supplementary pension insurance, solidarity assistance, co-financing of accident insurance). Child care is organized during school holidays to assist employees with children. An event for families ("Fun Airport Festival") and discounts for business partners round off the support measures.

Airports

Ljubljana Jože Pucnik Airport

Passengers

~ 1.8 million

Sickness rate

7.01%

CO₂ emissions

1,206 t

Employee satisfaction

3.1



Špela Uršič,
Head of Human Resources and Training

"Fraport Slovenija places great importance on having a professional team with a high level of expertise. To attract the best employees and staff, we offer job security and excellent working conditions. The measures have strategic importance for us and include a wide range of education and training measures, the conditions in the workplace regarding health and safety, and offers for cultural and recreational activities."



Company Portrait

Fraport Regional Airports of Greece

Fraport Regional Airports of Greece (Fraport Greece) was founded in 2015. In April 2017, the company took over responsibility for the operation, management, and development of 14 Greek regional airports for a concession term of 40 years. Shareholders in Fraport Greece are the German airport operator Fraport AG (73.4% share), the Greek business development corporation Copelouzos Group (16.6% share), and the Marguerite Fund (10% share). Fraport AG and the Copelouzos Group look back on a longstanding partnership that started with the project to expand, maintain, and operate Pulkovo Airport in St. Petersburg, Russia. Marguerite, the European Fund 2020 for Energy, Climate Protection and Infrastructure, was founded in 2010 with the participation of six public institutions and the European

Commission with commitments amounting to €710 million with the goal of financing capital-intensive infrastructure investments within the EU.

Fraport Greece is made up of three companies: Fraport Regional Airports of Greece Management Company S. A. (Fraport Greece ManCo), Fraport Regional Airports of Greece A S. A. (Fraport Greece A), and Fraport Regional Airports of Greece B S. A. (Fraport Greece B).

While all essential administrative functions are carried out within the management company, Fraport Greece A is responsible for operating the airports of Thessaloniki (SKG), Aktion/Preveza (PVK), Kavala (KVA), Chania/Crete (CHQ), Kerkyra/Corfu (CFU), Kefalonia (EFL) and Zakynthos (ZTH). Fraport Greece B operates the

airports on Kos (KGS), Mytilini/Lesbos (MJT), Mykonos (JMK), Rhodes (RHO), Samos (SMI), Santorini/Thira (JTR) and Skiathos (JSI).

In addition to airport operations, Fraport Greece is responsible for the maintenance and development of the airports over the next 40 years, and it will invest around €415 million in modernization and infrastructure development by 2021. Currently, 200 people are employed at the company's headquarters in Athens, and 400 others work full-time at the 14 airports.

The management of Fraport Greece includes Alexander Zinell (Chief Executive Officer), Bill Fullerton (Chief Technical Officer), Vangelis Baltas (Chief Financial Officer), and Ilias Maragakis (Chief Operating Officer).

The concession of the 14 Greek regional airports is one of the largest capital expenditure measures in Greece. The partners work together to support the tourism industry that is important to Greece, contribute to the competitiveness of the country, and create new jobs. In addition, the cities and regions in the vicinity of the airports benefit from the growing passenger numbers and the extension of the travel season thanks to a professional airport management.

The airports are located in attractive tourist areas or national economic centers and were used by 29.9 million passengers in 2018, an increase of 8.9% compared to 2017. In the future, even more passengers, mostly tourists, are expected to visit Greece, which will benefit other sectors

such as agriculture, fisheries, construction, retail, the service sector, and the real estate market. Fraport Greece works closely with the local authorities at the respective airport sites and promotes local businesses and service providers.

Development plans call for the modernization or development of infrastructure at the 14 airports. The planned measures range from the renovation of existing terminals to the construction of new airside and landside facilities. Nine airports will have new or expanded terminals, while completely new terminal facilities will be built at five other airports.

Airports

Thessaloniki, Aktion/Preveza, Kavala, Chania (Crete), Kerkyra (Corfu), Kefalonia, Zakynthos, Kos, Mytilini (Lesbos), Mykonos, Rhodes, Samos, Santorini (Thira), Skiathos

Passengers

~ 29.9 million

Sickness rate

0.77%

CO₂ emissions

33,711 t



*Christos Stathis,
Integrated Management Systems Manager*

“Fraport Greece’s priorities include developing processes and functions with which we can continuously improve the quality of our services, the environmental performance, as well as occupational safety and health. By implementing management systems based on ISO standards, we are establishing sustainable and modern operations with the involvement of the airport community. With the integrated management system, we will introduce a new concept and best practices in the Greek aviation industry.”



Company Portrait

Lima Airport Partners S.R.L.

Jorge Chávez International Airport (JCIA) was officially opened on December 30, 1965. 35 years later, in 2001, the government of Peru awarded the concession for the operation, management, and expansion of the airport for a period of 30 years to Lima Airport Partners S.R.L (LAP), of which Fraport AG is the majority shareholder. The first activities to modernize the infrastructure included the renovation of sanitary facilities, electrical and communication systems, and technical equipment.

Since the start of the concession, the area of the airport has almost doubled, and its operation has been aligned with international standards as part of two capital

expenditure programs. In 2018, Jorge Chávez International Airport reported a record 22.1 million passengers and over 192,000 aircraft movements, constituting a five-fold increase since the concession was granted in 2001. In 2018, LAP had over 500 employees under the management of the CEO, Juan José Salmón.

At peak times, the airport is currently operating at the limit of its capacity. To ensure a consistent quality of service and to meet the increasing demands of passengers and airlines, LAP has begun an extensive expansion program. The ambitious project includes, among other things, the construction of a second runway and a

new passenger terminal. In 2017, the Peruvian Ministry for Transport and Communication (MTC) signed an addendum to the concession agreement, extending the term of the concession by an additional ten years until 2041 after the provision of the areas required for the expansion had been delayed.

In 2018, the team of the airport development program "ADP", which is responsible for the expansion, worked on procuring the necessary documents for the bid submitted by the project consortium. In August, the consortium that will be responsible for the construction and planning of the expansion was selected.



Josselyn Vásquez,
Airport Operations Instructor at LAP

“With the expansion of the new airport, LAP is enhancing our existing expertise in the service sector. By standardizing and improving processes in the workflows, we are able to develop a much more efficient work concept that is reflected in the quality of the service and travel experience.”

After fulfilling all the requirements laid out by the competent authority, LAP received approval for the amended version of the environmental impact study (MEIA) in October. That same month, the President of Peru and the Minister for Communications and Transport signed the official handover protocol for the land needed for the expansion of the airport.

Training in neighboring communities

Throughout the year, various activities related to the airport expansion were held in neighboring communities. For example, training in entrepreneurship was offered to residents in 16 (of a total of 47) com-

munities surrounding the airport. In these training sessions, participants learned about, among other things, topics such as business planning, marketing strategy, cost structure, and legal requirements for business start-ups.

At the same time, more than 6,000 people were trained in specialist areas, such as family medicine, pediatrics, dentistry, and nutrition, within the scope of health care campaigns. Working with five local schools, LAP also organized airport tours for more than 120 children between four and twelve years of age from surrounding villages.

Airports

Aeropuerto Internacional Jorge Chávez

Passengers

~ 22.1 million

Sickness rate

3.19%

CO₂ emissions

10,068 t

Employee satisfaction

2.00



Company Portrait

Fraport Twin Star Airport Management AD

In 2006, the German-Bulgarian company Fraport Twin Star Airport Management AD was awarded the tender, with a term of over 35 years, for the concession for the airports in Varna (VAR) and Burgas (BOJ). The joint venture, in which Fraport holds a 60% stake, has over 600 permanent employees and hires up to 1,200 seasonal workers. The Chairman of the Executive Board is Ulrich Heppe.

Fraport Twin Star is responsible for the operation, management, and development of two 24-hour gateways on the Black Sea: Varna Airport serves the north-eastern and Burgas Airport the

south-western parts of Bulgaria. This includes the training of employees, improving service quality and the general passenger experience, modernizing the airport equipment, introducing new technology, and modernizing and expanding the airport infrastructure.

2018 was another record year for the German-Bulgarian company. Together, VAR and BOJ welcomed 5.6 million passengers and processed over 40,000 flights. 103 airlines flew to 173 destinations in Europe, the Middle East, and Africa. Fraport Twin Star recorded traffic growth of about 12% in the past year. In

the past three years, traffic volume at the two Black Sea airports increased by around 50%.

In 2018, Varna Airport celebrated its 70th anniversary. To mark this occasion, VAR launched the "Art Airport Challenge", a graffiti contest in which one of the airport buildings was redesigned. 20 teams took part in the competition. The task was to create a work of art that expresses the vision of Fraport Twin Star: "We place the airport in the traveler's heart".

Fraport Twin Star has planned new capital expenditure in the next few years to

develop the infrastructure at the Black Sea airports. In Varna, the expansion and renovation of the apron, the design of a new fire department building and renovation of three taxiways are planned. The repavement of another taxiway was already completed in 2018. The capital expenditure plans for Burgas Airport include the projects relating to the expansion and refurbishment of the apron, the extension of the terminal, and a second expansion of the parking zone in 2019.

Employees are the most valuable asset at Fraport Twin Star, as motivated staff guarantee a high level of customer satisfaction. Therefore, various measures to increase employee satisfaction were implemented in 2018. These include,

among other things, improving internal communication, better working conditions in the operational areas, upgrading the annual performance evaluation system and promoting team understanding through joint volunteer work.

In the area of climate protection, Fraport Twin Star is committed to the goal of reducing CO₂ emissions. The company is gradually replacing its vehicle fleet with electric or more efficient vehicles with lower fuel consumption. Another measure is improving the building management system for monitoring the overall electricity consumption in the passenger terminals. In addition, Fraport Twin Star seeks to conduct a comprehensive energy audit of the buildings at both airports.

Airports

Burgas Airport
Varna Airport

Passengers

~ 5.6 million

Sickness rate

2.58%

CO₂ emissions

7,457 t

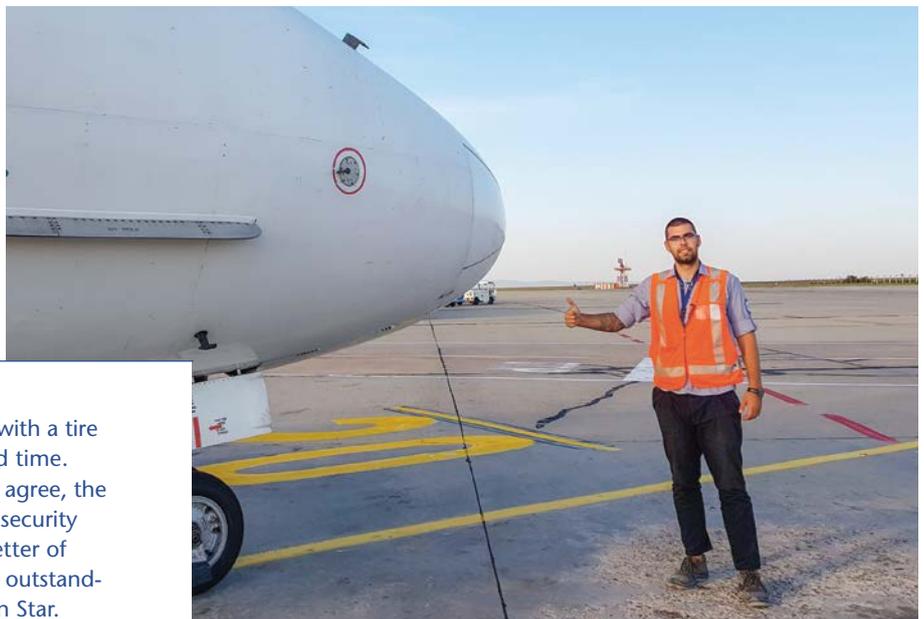
Employee satisfaction

2.53



“Security in the air begins on the ground.”

Daniel Baldzhiyski,
RAMP-Agent, Burgas



In July, he pointed out a problem with a tire despite Ryanair’s short turnaround time. Although the pilot did not initially agree, the plane’s takeoff was postponed for security reasons. Later, the airline sent a letter of thanks in which it pointed out the outstanding professionalism of Fraport Twin Star.

Key Figures

Consolidated Income Statement

€ million	December 31, 2018	December 31, 2017
Revenue	3,478.3	2,934.8
Change in work-in-process	0.3	0.4
Other internal work capitalized	35.9	36.3
Other operating income	88.2	38.9
Total revenue	3,602.7	3,010.4
Cost of materials	-1,089.1	-720.4
Personnel expenses	-1,182.3	-1,092.9
Depreciation and amortization	-398.5	-360.2
Other operating expenses	-202.3	-193.9
Operating result	730.5	643.0
Interest income	33.3	29.0
Interest expenses	-201.7	-186.5
Result from companies accounted for using the equity method	98.8	30.9
Other financial result	9.5	-10.3
Financial result	-60.1	-136.9
Result from ordinary operations	670.4	506.1
Taxes on income	-164.7	-146.4
Group result	505.7	359.7
thereof profit attributable to non-controlling interests	31.8	29.5
thereof profit attributable to shareholders of Fraport AG	473.9	330.2
Earnings per €10 share in €		
basic	5.13	3.57
diluted	5.11	3.56
EBIT (= operating result)	730.5	643.0
EBITDA (= EBIT + depreciation and amortization)	1,129.0	1,003.2

Consolidated Statement of Financial Position as at December 31, 2018

Assets

€ million	December 31, 2018	December 31, 2017
Non-current assets		
Goodwill	19.3	19.3
Investments in airport operating projects	2,844.3	2,621.1
Other intangible assets	134.5	132.4
Property, plant, and equipment	6,081.7	5,921.5
Investment property	88.8	96.4
Investments in companies accounted for using the equity method	260.0	268.1
Other financial assets	426.1	488.6
Other receivables and financial assets	195.0	190.9
Deferred tax assets	56.7	41.0
	10,106.4	9,779.3
Current assets		
Inventories	28.9	29.3
Trade accounts receivable	177.9	143.5
Other receivables and financial assets	304.3	245.5
Income tax receivables	13.1	5.4
Cash and cash equivalents	801.3	629.4
	1,325.5	1,053.1
Non-current assets held for sale	17.2	–
Total	11,449.1	10,832.4

Liabilities and equity

€ million	December 31, 2018	December 31, 2017
Shareholders' equity		
Issued capital	923.9	923.9
Capital reserve	598.5	598.5
Revenue reserves	2,657.9	2,345.7
Equity attributable to shareholders of Fraport AG	4,180.3	3,868.1
Non-controlling interests	187.7	160.6
	4,368.0	4,028.7
Non-current liabilities		
Financial liabilities	4,100.3	3,955.6
Trade accounts payable	45.5	42.4
Other liabilities	1,016.7	1,090.1
Deferred tax liabilities	228.3	203.8
Provisions for pensions and similar obligations	31.7	34.2
Provisions for income taxes	74.2	70.3
Other provisions	160.2	147.2
	5,656.9	5,543.6
Current liabilities		
Financial liabilities	608.3	575.4
Trade accounts payable	286.5	185.9
Other liabilities	275.6	249.7
Provisions for income taxes	43.9	33.1
Other provisions	201.1	216.0
	1,415.4	1,260.1
Liabilities related to assets held for sale	8.8	–
Total	11,449.1	10,832.4

Consolidated Statement of Cash Flows

€ million	2018	2017
Profit attributable to shareholders of Fraport AG	473.9	330.2
Profit attributable to non-controlling interests	31.8	29.5
Adjustments for		
Taxes on income	164.7	146.4
Depreciation and amortization	398.5	360.2
Interest result	168.4	157.5
Gains/losses from disposals of non-current assets	-26.8	6.9
Others	-21.1	-23.2
Changes in the measurement of companies accounted for using the equity method	-98.8	-30.9
Changes in inventories	0.4	8.6
Changes in receivables and financial assets	-61.8	-4.1
Changes in liabilities	39.3	94.0
Changes in provisions	-20.5	8.9
Operating activities	1,048.0	1,084.0
Financial activities		
Interest paid	-127.8	-137.3
Interest received	12.6	12.5
Paid taxes on income	-130.5	-140.5
Cash flow from operating activities	802.3	818.7
Investments in airport operating projects	-343.6	-1,607.0
Investments for other intangible assets	-12.5	-9.0
Capital expenditure for property, plant, and equipment	-472.4	-287.1
Investments for "Investment property"	-2.0	-0.2
Investments in companies accounted for using the equity method	-3.8	-3.0
Sale of shares in companies accounted for using the equity method	109.2	0.0
Dividends from companies accounted for using the equity method	38.8	3.4
Dividends from other investments	0.8	2.2
Proceeds from disposal of non-current assets	15.7	3.5
Cash flow used in investing activities excluding investments in cash deposits and securities	-669.8	-1,897.2
Financial investments in securities and promissory note loans	-103.2	-68.8
Proceeds from disposal of securities and promissory note loans	122.7	182.2
Decrease in time deposits with a term of more than three months	3.8	151.3
Cash flow used in investing activities	-646.5	-1,632.5
Dividends paid to shareholders of Fraport AG	-138.6	-138.5
Dividends paid to non-controlling interests	-7.9	-9.1
Capital increase	0.0	2.5
Capital contributions for non-controlling interests	0.0	47.1
Cash inflow from long-term financial liabilities	461.0	1,304.9
Repayment of non-current financial liabilities	-495.5	-356.3
Other financing activities	0.0	48.4
Changes in current financial liabilities	198.9	-19.3
Cash flow used in financing activities	17.9	879.7
Change in restricted cash	-38.5	-32.5
Change in cash and cash equivalents	135.2	33.4
Cash and cash equivalents as at January 1	461.0	448.8
Foreign currency translation effects on cash and cash equivalents	2.0	-21.2
Cash and cash equivalents as at December 31	598.2	461.0

Key responsible corporate governance figures

(marked KPIs correspond to the non-financial performance indicators in the 2017 Group management report)

Economic enhancement	Area of application	Unit	2018	2017
Global satisfaction of passengers	FRA site	%	86.0	85.0
Baggage connectivity	FRA site	%	98.4	98.5
Customer Service Index Airlines	FRA site	%	73.9	75.4
Group Result	Group	€ million	505.7	359.7
ROFRA	Group	%	11.1	10.0
Net financial debt	Group	€ million	3,545.4	3,512.4
Free cash flow	Group	€ million	6.8	393.1
Frankfurt passengers	FRA site	million	69.5	64.5
Benefit of implemented ideas	FRA site	€	126,000	557,133

Employees ²⁾	Area of application	Unit	2018	2017
Employees – total	Group		23,299	22,024
of which women	Group	%	25.7	25.0
Average age	Group	Years	43.6	43.6
Employee satisfaction ³⁾	Group	School grading system	2.76	2.85
Women in management positions ⁴⁾	Group	in % of managers	26.0	28.0
Employee turnover	Group	Number of permanent employee leavers in %	7.9	8.3
Employees with collective bargaining agreements	Group	in % of employees	96.5	95.8
Training days	Group	Days per employee	8.0 ⁵⁾	4.56
Traineeships	Group		410	360
Sickness rate	Group	%	7.4	7.5
Work accidents per 1,000 employees	Group		26.1	25.8
Percentage of persons with severe disabilities	Group	in % of relevant jobs (all employees)	7.7	7.9

¹⁾ Reported as per the guidelines of the Global Reporting Initiative (employee figures incl. temporary staff, apprentices, and employees on leave as at December 31).

²⁾ Includes Fraport AG and 11 Group companies at the Frankfurt site as well as the Group companies Lima, Twin Star, and Fraport Slovenija.

³⁾ Includes Fraport AG and the German Group companies.

⁴⁾ According to the Schlüter method: departures in fiscal year/(permanent employees + recruitment), previous year's figure adjusted.

⁵⁾ The significant increase in training days (continuing education) in 2018 is primarily the result of improved data collection.

Key responsible corporate governance figures

(marked KPIs correspond to the non-financial performance indicators in the 2017 Group management report)

Community	Area of application	Unit	2018	2017
Corporate performance (gross value generation)	Group	€ million	3,698.8	3,084.8
Cost of materials		€ million	1,089.1	720.4
Other operating expenses		€ million	202.3	193.9
Direct value generation		€ million	2,407.4	2,170.5
Employees		€ million	1,182.3	1,092.9
Capital expenditure		€ million	834.3	1,878.3
Shareholders		€ million	146.5	150.1
State (taxes)		€ million	130.5	140.5
Lenders (interest)		€ million	127.8	137.2
Changes in the financial position from the added value statement		€ million	-14.0	-1,228.5
LOG noise area: Area affected by a Leq of 55 dB(A) day	FRA site	ha	17,582	16,952

Environment	Area of application	Unit	2018	2017
Absolute CO₂ emissions¹⁾	Group	t CO₂	244,029	209,668
Absolute CO ₂ emissions	Fraport AG	t CO ₂	188,631	190,065
Relative CO ₂ emissions	Fraport AG	kg CO ₂ per traffic unit ²⁾	2.07	2.2
Total energy consumption (scopes 1 and 2)	Group	TJ	3,278.1	2,995.7
Proportion of fully consolidated Group companies with an environmental management system	Group	%	86.7	89.3
Total water withdrawal	Group	million m ³	2.193	1.873
	Group	Liters per traffic unit ²⁾	17.7	16.1
Waste water	Group	million m ³	2.476	2.432
	Group	Liters per traffic unit ²⁾	20.0	20.9
Waste	Group	1.000 t	28.27	26.32
Wildlife strike rate	FRA site	Number per 10,000 aircraft movements	5.34	5.59

¹⁾ Includes Fraport AG and Fraport Greece as well as the Group companies GCS, FraGround, Fraport Slovenija, Lima, Fortaleza, Porto Alegre, and Twin Star.

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

Employees in the Fraport Group

Employees of the fully consolidated companies as at the balance sheet date December 31.	2018	2017
Fraport parent company (Fraport AG)	10,595	10,747
Subsidiaries (Name and registered office)		
Media Frankfurt GmbH, Frankfurt am Main	49	49
Airport Assekuranz Vermittlungs-GmbH, Neu-Isenburg	12	12
Airport Cater Service GmbH, Frankfurt am Main	132	132
GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/Main KG, Frankfurt am Main	729	689
Flughafen Kanalreinigungsgesellschaft mbH, Kelsterbach	27	23
Fraport Ausbau Süd GmbH, Frankfurt am Main	9	4
AirIT Services GmbH, Lautzenhausen	24	19
FraSec Fraport Security Services GmbH, Frankfurt am Main	4,110	3,697
FraSec Fraport Security Services K9 TEDD GmbH Twickelerveld European Detection Dogs, Frankfurt am Main	9	0
FraGround Fraport Ground Services GmbH, Frankfurt am Main	3,744	3,331
Fraport Passenger Service GmbH, Frankfurt am Main	186	163
FraCareServices GmbH, Frankfurt am Main	770	582
Fraport Casa GmbH, Neu-Isenburg	2	2
FRA-Vorfeldkontrolle GmbH, Kelsterbach	99	94
Fraport Casa Commercial GmbH, Neu-Isenburg	1	1
Fraport Group Germany (mainly Frankfurt site)	20,498	19,545
Fraport Peru S.A.C., Lima, Peru	7	8
Antalya Havalimani Uluslararası Terminal Isletmeciligi Anonim Sirketi, Istanbul, Turkey	10	10
Fraport Twin Star Airport Management AD, Varna, Bulgaria	689	694
Fraport Slovenija (previously: Aerodrom Ljubljana)	483	428
Lima Airport Partners S.R.L., Lima, Peru	555	493
Fraport Saudi Arabia for Airport Management and Development Services Company Ltd., Riyadh, Saudi Arabia	2	2
Fraport USA Inc., Pittsburgh, PA, USA	37	30
Fraport Regional Airports of Greece A S.A. Athens, Greece	230	216
Fraport Regional Airports of Greece B S.A. Athens, Greece	197	180
Fraport Regional Airports of Greece Management Company S.A. Athens, Greece	199	168
Fraport Brasil S.A. Aeroporto de Porto Alegre, Porto Alegre, Brazil	237	159
Fraport Brasil S.A. Aeroporto de Fortaleza, Fortaleza, Brazil	147	91
Fraport Malta Ltd., St. Julians, Malta	4	0
Fraport Malta Business Services Ltd., St. Julians, Malta	4	0
Fraport Group companies outside of Germany	2,801	2,479
Fraport Group total	23,299	22,024

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

About This Report

The “Our Values – 2018 Sustainability Report” 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 governance.¹⁾ 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 areas of activity 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 areas of activity 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 management. The reports are also the basis and source of our statement of compliance with the German Sustainability Code.

The information in our 2018 Sustainability Report 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 or have significant environmental effects within this framework. 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 2019. The previous report was published on May 3, 2018.

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.

Imprint

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