

Appendix to “Connecting sustainably – Report 2010”



Profile

Strategy and Analysis

Vision and strategy/
Foreword by the Chairman

Fraport believes that sustainability means taking a responsible approach to structuring the future. We interpret sustainable development as a continuous process. We believe that the entrepreneurial scope for action can only be safeguarded by consistently integrating non-business aspects into the management process. We are aware that the management of our company will inevitably lead to conflicting goals within our company and outside it, between us and our stakeholders. We can only secure our “Licence to operate” and our “Licence to grow” over the long term if the solution for these conflicting targets creates the right balance between the factors that are relevant to the company and the community (*for further information see “Our interpretation of sustainability”*).

On the basis of the Group strategy and Group vision adopted in the 2004 (*for further information see www.fraport.com*) the Executive Board of Fraport AG developed the Agenda 2015 for mastering the upcoming challenges the company will be confronted with (*for further information see www.fraport.com*).

They include five aspects:

1. Realizing investments

From 2007 to 2015, we will invest around € 7 billion in modernizing and expanding the Frankfurt site. The focus of the investment program is on building the new runway. We will also push forward other important investment projects for expanding terminal capacities, adapting the building infrastructure to meet the needs of new wide-body aircraft, and upgrading the existing terminals and the airside facilities.

2. Improving profitability

An investment volume of € 1 billion increases the associated depreciation and amortization, and interest payments alone by around € 100 million in each subsequent year. We therefore need to improve our profitability on the revenue and cost-side over the short term in order to be in a position to maintain or increase the current level of earnings over the medium term.

3. Exploiting opportunities for growth

Alongside the expansion of capacities in Frankfurt, we perceive three key growth engines for the Group. Firstly, the retail business at Frankfurt Airport, secondly our external activities which offer opportunities in the area of external business to further market know-how through Fraport subsidiaries and management contracts. Ultimately, we are working toward having a greater share in the value added of real estate development in selected projects when transforming hub airports into Airport Cities.

4. Enhancing customer satisfaction

As we fulfill our mission to maintain our status as a mega-hub and one of the leading European airports, we are continuously improving the quality of infrastructure and services for airlines, passengers, lessees, and other airport users. The development of customer satisfaction is measured in this process by conducting regular surveys addressing the most important customer groups. We want to continue developing the positive trend of recent years in the future.

5. Safeguarding sustainability

As far as we are concerned, sustainability is a key issue for the future and it is a top priority for the company. In 2008, we formulated a holistic sustainability strategy which we will continue to develop further.

Fraport drew up a materiality matrix for the first time in 2010. This was derived from the Group strategy and Agenda 2015 and highlights the most important fields of action for the future development of the Group (*for further information see “Foreword”, p. 2–3*). The fields of actions are weighted on the basis of the issue of what is relevant for stakeholders on the one hand and for the future capability of the company, i.e. its future scope for action, on the other hand. The priority issues identified by the matrix include safety and security in air traffic, noise abatement, climate protection, customer satisfaction, attractiveness as an employer and profitability of investments. As a company oriented toward the long term, Fraport sets targets for strategically important issues and defines the measures necessary for attaining these targets. In 2010, they were grouped together for the first time in a sustainability program and adopted by the Executive Board in January 2011. The targets and goal attainment are regularly reviewed (*for further information see section “Challenges and strategy”, p. 7; “Fields of tension of global air traffic”, p. 8–9; “Sustainability program”, p. 9–11*).

In the course of validation in conformity with EMAS, Fraport AG intends to verify legal conformity, a systematic approach to company environmental protection, a continuous improvement of environmental services and provision of information in the public domain about its environmental effects and services. The process of information has been implemented since 1999 through the regular publication of an Environmental Statement. Comprehensive Environmental Statements are published in a regular cycle of 3 years. Each year we report in the form of abbreviated Environmental Statements about the progress over the course of the year (*for further information see www.fraport.com*).

The section entitled “Business development 2010” in the management report of the Annual Report 2011 presents the information about business development during the year 2010 (*for further information see Annual Report 2010, section Business development, p. 54ff*).

Description of effects, risks and opportunities	<p>The airline industry is a growth sector and the Airport Council International (ACI) is anticipating annual growth of 4.1 % for passengers and 4.8 % for airfreight until the year 2020. This development presents the air traffic industry and all its partners with a fundamental dilemma. Even if there is a sustained increase in efficiency at all levels, the increase in air traffic will lead to more noise pollution and increasing greenhouse-gas and other emissions. Climate and noise protection are therefore the key challenges for the airline industry.</p> <p>The issue of “Noise and health” is an issue that is subject to intense discussion by politicians and in the media. This debate is not simply involving the airline industry but is also encompassing other forms of transport. Fraport AG is not in a position to influence aircraft noise directly, but it would like to play a proactive role in reducing the negative impacts of aircraft noise. Fraport therefore played a particularly proactive role concerning the issue of aircraft noise during the course of 2010, particularly in the context of “Airport and Region Forum”. In the summer of 2010, the results of the long-standing and constructive debate about noise abatement in the public domain were presented (for further information see section “Region and society”, p. 42).</p> <p>Climate protection has been on the agenda of politicians and the community for many years. In the meantime, the need to significantly reduce greenhouse-gas emissions has been widely recognized if we are to at least restrict climate change. Political bodies from the UN, through the EU, to national and regional parliaments have adopted targets for CO₂ reduction. The pressure to take action and the significance of climate policy for all the players involved is likely to increase. The first initiatives on regulation are already identifiable. A number of industrial sectors in Europe are integrated in the Emission Trading System (ETS) and appropriate regulations and corresponding regulations will apply with binding effect for the air-traffic industry from January 2012. According to estimates by the umbrella organization of airport operators, Airports Council International, up to 5 % of global climate gas emissions derived from air traffic originate from the operation of airports. Air traffic overall contributes a few percent of the global emission of climate gases. Out of the total CO₂ emissions for the airport, more than half (53.3 %) originate from the operation of aircraft (LTO cycle and use of auxiliary turbines, 13.4 % result from the activities of Fraport AG (for further information see section “Environment”, p. 37).</p> <p>It is quite clear that the aircraft industry needs to develop new approaches like any other industry in order to further reduce its energy consumption. As well as the successes already achieved, the industry needs to take other measures, such as research in kerosene alternatives because oil is finite as a raw material and the combustion of oil constitutes a significant contributory factor to the climate impacts generated by air traffic. Alternative fuels and numerous measures for enhancing energy efficiency are part of the spectrum of measures enshrined in the four-pillar strategy of the air traffic industry directed toward climate protection (for further information see “Fields of tension in global air traffic”, p. 8–9). As an airport operator, we support the four-pillar strategy for the air traffic industry. We focus our activities on areas that we are in a position to influence directly. These primarily relate to technical improvements to buildings and systems, process optimizations and economic tools like landing fees dependent on noise and emissions (for further information see section “Environment”, p. 35–37).</p>
	<p>The airport is an important economic factor for the Rhine-Main Region. Thanks to its central location and the link with the airport, this region has been transformed into one of the most dynamic and most highly integrated international economic zones in Europe. A workforce of some 71,000 employees makes the airport Germany's biggest workplace. Analyses assume that each workplace generates more than twice as many workplaces in the surrounding region. From 2007 to 2015, Fraport will invest around € 7 billion in upgrading and expanding the Frankfurt site. Expansion of the airport means that the number of people working directly at the airport is likely to rise to around 95,000. In the Rhine-Main Region and beyond, a further 75,000 jobs are likely to be indirectly associated with the airport. The airport is also important for the entire Federal Republic of Germany because the German economy is mainly dependent on exports. Many companies rely on short delivery times and fast turnover of goods in order to be in a position to operate successfully in global markets for sourcing and sales. Air traffic is an essential requirement for this. Frankfurt Airport plays a pivotal role for Germany.</p>
	<p>On the basis of the Group strategy and the Agenda 2015, Fraport developed a materiality matrix for the first time in 2010. This presents the most important fields of action for the future development of the Group (for further information see “Foreword”, p. 2–3). The fields of action are weighted on the basis of the issue of what is relevant for stakeholders on the one hand and for the future capability of the company, i.e. its future scope for actions, on the other hand. The priority issues identified by the matrix include safety and security in air traffic, noise abatement, climate protection, customer satisfaction, attractiveness as an employer and profitability of investments. As a company oriented toward the long term, Fraport sets targets for strategically important issues and defines the measures necessary for attaining these targets. In 2010, they were grouped together for the first time in a sustainability program and adopted by the Executive Board in January 2011. The targets and goal attainment are regularly reviewed (for further information see section “Challenges and strategy”, p. 7; “Fields of tension in global air traffic”, p. 8–9; “Sustainability program”, p. 9–11).</p> <p>In the course of validation in conformity with EMAS, Fraport AG will verify a number of factors including continuous improvement of its environmental performance. The process of information has been implemented since 1999 through the regular publication of an Environmental Statement. Comprehensive Environmental Statements are published in a regular cycle of 3 years. Each year we report in the form of abbreviated Environmental Statements about the progress over the course of the year (for further information see www.fraport.com).</p>
	<p>Information on corporate risks and opportunities is explained in the Opportunity and risk report of the Annual Report 2010, p. 71ff.</p>
	<p>Information on the governance mechanisms in place is included in the Corporate governance report in the Annual Report 2010, p. 38ff.</p>
Organizational profile	
Organizational profile	Fraport AG
Brands, products, and services	<p>Internationally, Fraport AG is one of the leading groups in the airport business and operates Frankfurt Airport as one of the most important air traffic hubs in the world. As a full-service provider in airport management, Fraport AG operates on four continents through investments, joint ventures and subsidiary companies. Apart from the classic aviation services of flight operations, terminal operations, airport and aviation safety and security, and ground handling, the portfolio of expertise marketed by Fraport AG also includes real estate and floor-space development, airport retailing, facility management and intermodal links between air, rail and road. (for further information see www.fraport.com).</p>
Organizational structure	<p>The organization of Fraport AG is divided into four Strategic Business Units, three Service Units and twelve Central Units. Our Strategic Business Units form complete specialist units ensuring that our customers, products, services and know-how are delivered from a single source. The Service Units carry out cross-company, interdisciplinary service and support functions for the individual divisions. The Central Units are responsible for all overarching central functions in the company (for further information see section “Organization and Governance”, p. 12).</p>

Head office of the organization	The main site of the company is Frankfurt Airport (<i>for further information see “Profile”, inside cover</i>).
Countries with business activities	Germany, Bulgaria, Austria, Russia, Turkey, India, China, Saudi Arabia, Peru, USA, Egypt, Senegal (<i>for further information see “Profile”, inside cover and www.fraport.com</i>).
Ownership structure and legal form	Fraport AG is a joint-stock company (Aktiengesellschaft) under German law. The share is quoted on the Frankfurt Stock Exchange and is listed in the MDAX, the index for mid-sized German companies. The stakes held by the State of Hesse and Stadtwerke Frankfurt am Main Holding GmbH, and the consortium agreement between these two shareholders mean that Fraport AG is controlled by these two entities. More detailed information on our owners and the Fraport share can be accessed in our Annual Report in the section <i>“The Fraport share and investor relations”, p. 66ff</i> or by going to www.fraport.com .
Markets served	As a full-service provider in airport management, Fraport AG operates on four continents through investments and subsidiary companies (<i>for further information see “Profile”, inside cover, “Accounting for sustainable development: finance table”, p. 50–51, Annual Report 2010: “Segment reporting” p. 94ff, “Disclosure of shareholdings according to Article § 313 (2) of the German Commercial Code (HGB)”, p. 169ff</i>).
Size of the reporting organization	The following data apply to the Fraport Group for 2010 (<i>for further information see “Profile”, inside cover; “Accounting for sustainable development”, p. 50 and p. 58</i>): Number of employees (31 Dec. 2010): 21,124 Revenue: € 2,194.6 million Balance sheet total: € 9,170.5 million Shareholders’ equity: € 2,739.3 million EBITDA: € 710.6 million Group result: € 271.5 million
Changes in the size, structure and ownership constellation	See <i>“Business development 2010”, Annual Report 2010, p. 54ff</i> and <i>“Companies included in the consolidation and balance sheet date”, p. 96ff</i>
Awards received	An overview of our rewards can be found in the document <i>“Awards”</i> .
Reporting parameters	
Reporting period	The report covers the reporting period 1 January to 31 December 2010. Important indicators are generally also given over a period of three years, i.e. from 2008 to 2010. Some data is also reported over a period of six or two years.
Publication of the last report	The last report was published on 28 May 2010.
Reporting cycle	The report is published annually. We record and communicate the information and data in a form that is as up-to-date as possible. During the course of the year, we communicate timely and event-related information as quickly as possible, mainly on our website www.fraport.com .
Contacts for issues relating to the report/content	We have identified the following contacts for questions on the report and its content in the report: Sustainability Management and Corporate Compliance Division Management Jörg Kämer Tel.: +49 69 690-60131 Fax: +49 69 690-60288 Email: j.kaemer@fraport.de Head of Sustainability Reporting and Monitoring Nicole Scheer Tel.: +49 69 690-20429 Fax: +49 69 495-20429 Email: n.scheer@fraport.de
Definition of report content and stakeholders	This sustainability report is intended to provide our stakeholders and people with an interest in the issues in the public domain with information about our activities, progress and targets in the area of sustainable development at the Fraport Group. The content of the report was defined using a materiality matrix based on the principles of materiality, inclusion of stakeholders and sustainability context (<i>for further information see section “Challenges and strategy”, p. 6–7</i>). The sustainability report is based on the UN Global Compact and should also be interpreted as our progress report.

Reporting thresholds	<p>The information in the sustainability report includes</p> <ul style="list-style-type: none"> – all activities, products and services, – the countries where Fraport has activities, – all the companies that we have included in the consolidation for financial reporting on the relevant balance sheet date. <p>We record any deviations that we believe should be regarded as significant for the assessment of performance.</p>
Restrictions on scope of reporting	<p>We communicate information that is necessary in order to be in a position to assess the performance of the Fraport Group on the journey of sustainable development for the defined scope during the period under review in the report. This primarily includes all key ecological and community/social influences exerted by the organization. The economic performance of the Group is only given in outline form and more comprehensive information on this area is provided in the Annual Report 2010. Our annual Environmental Statements include more extensive information on our environmental impact in the context of EMAS certification.</p>
Joint ventures, subsidiaries, outsourced activities	<p>The information in the sustainability report comprises all the companies which have been consolidated for purposes of financial reporting on the relevant balance sheet date. The parent company Fraport AG and all the affiliated companies are included in the consolidated financial statements in full, and joint-venture companies are included on a proportionate basis. Associated companies are valued at equity in the consolidated financial statements. We record any deviations that we believe should be regarded as significant for the assessment of performance.</p>
Data collection methods and basis for calculation	<p>The financial figures correspond with the data provided in the Annual Report 2010. Fraport AG prepared its consolidated financial statements for the accounting period ended 31 December 2010 in accordance with the standards published by the International Accounting Standards Board (IASB). Data on personnel figures are recorded and evaluated using standardized personnel software solutions. The environmental data are collected for the group of consolidated companies of Fraport AG comprising the fully consolidated subsidiary companies exerting significant environmental impacts at the Frankfurt site. The environmental data are systematically surveyed in conformity with the EMAS Directive and DIN EN ISO 14001. They are subject to external verification by an accredited environmental inspector. The presentation of the reporting data is carried out using the standard methods, calculations and estimates we believe to be appropriate and as used in standard business practice. However, it is not possible to exclude the possibility of individual GRI indicators being associated with some degree of uncertainty.</p>
New presentation of information from old reports	<p>No change in the presentation has resulted for the year 2010 by comparison with the previous year.</p>
Changes compared to previous years	<p>Pursuant to the materiality principle, we reconciled the circle of consolidated Group companies in financial reporting to determine the personnel indicators in the reporting period 2010. Accordingly, we include the parent company Fraport AG and all the affiliated companies in full, and joint-venture companies are included on a proportionate basis; minority holdings are not included in the calculation of the Group personnel data. In the previous year, the group of consolidated companies related to all the significant companies, which taken together account for some 99 % of the total number of Group employees. The group of consolidated companies was not reconciled retrospectively with the personnel indicators of 2008 and 2009.</p>
GRI Content Index	<p>The GRI Content Index is provided in the section <i>“Our facts and figures: GRI Content Index and progress report on the UN Global Compact”</i>, p. 64–69 and on www.fraport.com.</p>
External audit of the report	<p>The environmental data are collected for the Fraport AG and the group of fully consolidated companies exerting significant environmental impacts at the Frankfurt site. The environmental data are systematically surveyed in conformity with the EMAS Directive and DIN EN ISO 14001. They are subject to external verification by an accredited environmental inspector. The financial figures correspond with the data provided in the Annual Report 2010. Fraport AG prepared its consolidated financial statements for the accounting period ended 31 December 2010 in accordance with the standards published by the International Accounting Standards Board (IASB).</p>
Governance, obligations and commitment	
Management structure of the organization	<p>In accordance with German legislation, Fraport is governed by a dual management system. The Executive Board manages the company with responsibility for sustainable growth in the interests of the company, i.e. taking account of the requirements of the shareholders, its employees and the other stakeholder groups associated with the company. The Executive Board decides on the strategic direction of the company, defines it together with the Supervisory Board and ensures implementation. The Executive Board is responsible for compliance with the statutory regulations and internal company guidelines and ensures compliances within the Group. The Executive Board also ensures appropriate risk management and risk controlling within the company. The Supervisory Board appoints, monitors and advises the Executive Board. Fundamental decisions in the company require the consent of the Supervisory Board. The Supervisory Board has 20 members and has equal shareholder and employee representation. The shareholder representatives are appointed by the shareholders at the Annual General Meeting. The employees are elected by the employees in accordance with the regulations of the Co-determination Act. The period of office is five years.</p>
Declaration that the Chairman of the Supervisory Board is not the Chairman of the Executive Management	<p>The Chairman of the Supervisory Board is not a Member of the Executive Board.</p>
Independent members of the highest management body	<p>This information is only necessary for organizations without a Supervisory Board. Fraport AG has a Supervisory Board pursuant to German stock corporation law.</p>

Mechanism for shareholder and employee recommendations to the highest management body	<p>The employees have equal representation with employers in the governance body of the Supervisory Board pursuant to German legislation. The Supervisory Board has a separate Human Resources Committee. The function of the Human Resources Committee is to prepare resolutions pertaining to human resources.</p> <p>The shareholders of Fraport AG assert their voting rights in the company and their right to voice their opinions at the Annual General Meeting. Before the Annual General Meeting, shareholders are informed about the business developments and the agenda for the meeting. During the year, the shareholders receive the latest information about the company through interim reports and additional publications on the website. The representatives of the shareholders and employees prepare for each meeting of the Supervisory Board, as necessary with members of the management. The members of the Executive Board take part in the meetings of the Supervisory Board, unless the Supervisory Board decides in individual cases to meet in the absence of the Executive Board.</p>
Link between remuneration of the executive body and performance of the organization	<p>The compensation of the Executive Board of Fraport AG was linked more firmly to longer-term criteria in 2010 and meets the requirements defined by the Act on Appropriateness of Management Board Compensation (VorstAG). In 2010, the salary structure of the executive employees was also adjusted accordingly. The Annual Report of Fraport AG provides information on this.</p>
Mechanisms of the highest management body for avoidance of conflicts of interest	<p>The Fraport Corporate Governance Code describes procedures for dealing with conflicts of interest (<i>see Fraport Corporate Governance Code, subsection 4.3, p. 10 and subsection 5.5, p. 15</i>).</p> <p>According to the Corporate Governance Code, the Members of the Executive Board are subject to a comprehensive prohibition against competition during their activity for the company. Members of the Executive Board and employees must not in connection with their activity request or accept payments or non-cash benefits for themselves or for other persons from third parties, and they must not grant unjustified advantages to third parties. The Members of the Executive Board have an obligation to act in the interest of the company. No Member of the Executive Board may pursue personal interests when they take decisions and make use of business opportunities which rightly belong to the company for their own personal interests. Each Member of the Executive Board must immediately disclose any conflicts of interest to the Supervisory Board and must inform the other Members of the Executive Board about any such conflicts. All transactions between the company on the one hand and persons related to them or any companies with close personal relationships to them must be conducted on an arm's-length basis at standard commercial conditions for the business sector. Transactions between the company and the Members of the Executive Board can only be concluded by the Supervisory Board. Significant other transactions (i.e. any transactions between Members of the Executive Board and any other Group companies, and between the company and persons related to the Members of the Executive Board or companies with close personal relationships to them) require the consent of the Supervisory Board. Members of the Executive Board may only take on part-time activities outside the company, in particular memberships of supervisory boards, with the consent of the Supervisory Board.</p> <p>Each Member of the Supervisory Board has an obligation to act in the interest of the company. No Member of the Supervisory Board may pursue personal interests when they take decisions and make use of business opportunities which rightly belong to the company for their own personal interests. Each Member of the Supervisory Board must immediately disclose to the Supervisory Board any conflicts of interest, which may arise as a result of consultancy or governing body function with customers, suppliers, lenders or any other business partners. The Supervisory Board will then inform in the form of a report the Annual General Meeting about any conflicts of interest which have occurred and the measures that were taken to remedy them. Important and not just temporary conflicts of interest in the person of a Member of the Supervisory Board will lead to the termination of the office. Contracts with consultants and other contracts for services of a Member of the Supervisory Board with Fraport AG require the consent of the Supervisory Board.</p>
Qualification of the members of the highest management body in relation to sustainability issues	<p>The structure of the management and governance bodies of Fraport AG is based on German stock corporation law. The Supervisory Board meets at least four times a year. Once a year, it reviews the efficiency of its activity. This enables issues to be identified that require the initiation of individual further training measures (<i>for further information see "Explanation on corporate management" pursuant to Article § 289a German Commercial Code (HGB) at www.fraport.com and Corporate Governance Report in the Annual Report 2010, p. 38ff</i>). When proposals for election of the Supervisory Board members are considered, emphasis is placed on Supervisory Board members having the necessary know-how, skills and specialist experience to carry out the functions properly. They must also have the appropriate level of independence.</p>
Business model, codes of conduct and principles	<p>The Supervisory Board of Fraport AG adopted the Corporate Governance Code of Fraport AG as early as 2002. The code describes the essential principles for the management and monitoring of the company and includes internationally and nationally recognized standards for good and responsible corporate conduct.</p> <p>In 2003, Fraport AG introduced a Values Management System to safeguard the integrity of business conduct. This was implemented in close connection with the Corporate Governance Code, the vision, the management principles, and the basic values of our company (<i>for further information see section "Organization and governance", p. 13</i>).</p> <p>Fraport has a Risk Management System. This ensures that important risks are identified, continuously monitored and limited to an acceptable level within the scope of the opportunities available. The Risk Management System is used to formulate "Risk principles". The new integrated Risk and Compliance Management System is based on a series of systems which were grouped conceptually within an integrated Fraport Risk and Compliance Management System in 2010. Implementation will be carried out gradually starting 2011. The management system for values and risk and the former Compliance Management System, as well as the Internal Controlling System, are being grouped within the new integrative organizational system (<i>for further information see section "Organization and Governance", p. 13</i>).</p> <p>The environmental policy of Fraport AG has been adopted and signed by the Executive Board of the company. It is therefore binding on the whole Group. This policy commits Fraport AG to adopt an environmentally compliant approach for all the business activities it is involved in at all its sites (<i>for further information see www.fraport.com</i>).</p> <p>The Group company agreement entitled "The Conduct of Partnership, Diversity and Equality at the Workplace" defines the principles for antidiscrimination, equal opportunity, the advancement of women into management positions and diversity for Fraport. These principles are a key element for decision-making on personnel appointments, training measures, organizational changes and structuring work time (<i>for further information see section "Employees", p. 29</i>).</p> <p>We show the flag: The Fraport management principles are based on vision and corporate goals and define the management ethos at Fraport AG. All managers are committed to these principles.</p>

Procedure at the level of the highest management body for monitoring sustainability and performance	<p>The Executive Board takes responsibility for monitoring and managing the issues relevant to sustainability through the Sustainability Board established within the organization. The Executive Board and the Supervisory Board work closely together in a spirit of mutual trust for the benefit of the company. The Executive Board defines the strategic direction of the company and establishes it together with the Supervisory Board. The status of implementation of the strategy is discussed with the Supervisory Board at regular intervals. Since 2009, sustainability has been incorporated within the new compensation system for the Executive Board, and in 2010 the salary structure of executive employees was also adjusted appropriately. The new compensation structure has been designed for the long term with assessment principles covering several years and the possibility of a ceiling for extraordinary developments. The structure is therefore geared more strongly than previously to the long-term and sustainable development of the company. Parts of the remuneration are linked to longer-term criteria of employee satisfaction, employee development and customer orientation. The parameters are defined by employee and customer surveys and the future development of jobs.</p>
Procedure for assessing the sustainability performance of the highest management body	<p>The Supervisory Board meets at least four times a year. Once a year, it reviews the efficiency of its activity (<i>see "Statement on Corporate Governance" according to Article § 289a HGB on www.fraport.com and Corporate Governance Report in the Annual Report 2010, p. 38ff</i>).</p>
Precautionary principle	<p>Fraport actively looks for opportunities and embraces them if the magnitude of the projected benefits and the exposure to risks are in a reasonable relationship. A controlled approach to risks is the primary goal of risk management (<i>for further information see section "Organization and Governance", p. 13</i>).</p> <p>Furthermore, our business model supports a precautionary approach when dealing with environmental problems while also taking into account aspects such as the cost efficiency, economic feasibility and sustainability of our environmental programs (<i>for further information see www.fraport.com</i>).</p> <p>A range of comprehensive measures directed toward preventive health and safety are designed to avoid the physical, psychological and social forms of stress that employees experience at work as far as possible. If stress cannot be avoided, the preventive measures are intended to reduce or compensate for it (<i>for further information see section "Employees": Job safety and occupational health, p. 32 - 33</i>). The Executive Board and the employees have formulated a statement of principles on occupational health and safety and incorporated it into the Group guidelines (<i>for further information see www.fraport.com</i>).</p> <p>Safety und security is a key condition for air traffic. This principle applies equally to passenger traffic and airfreight. This is why safety and security management has always been a top priority at Fraport. Increasingly advanced technologies and more and more personnel are being deployed at Frankfurt Airport to guarantee the security of passengers, baggage and cargo. The security of people working at the airport is also a top priority. The Safety Management Systems (SMS) at Fraport AG is an instrument set up in conformity with the ICAO standards and recommendations. It records and evaluates all events relevant to safety in airport operations and potential weak points in the operating processes. The SMS is directed toward all users at Frankfurt Airport, the relevant processes, procedures and responsibilities are defined in a manual accessible to all internal personnel (<i>for further information see section "Customers": Air security and corporate security, p. 24 - 25</i>).</p>
External agreements and principles	<p>Voluntary initiatives: Fraport AG has made a commitment to compliance with the most important internationally recognized codes of conduct to promote responsible corporate governance at all Group sites – the principles of the UN Global Compact, the OECD principles and the ILO core labor standards. Compliance with the commitments made is reviewed within the framework of quality management.</p> <p>In addition, Fraport signed the Business Conduct Rules of the biggest European purchasing association, the German Association of Materials Management, Purchasing and Logistics (AMMPL) in 2009. The guideline is based on the principles of the UN Global Compact and includes fundamental anti-corruption rules, antitrust agreements, rules on child labor and forced labor, and compliance with human rights, environmental protection and health promotion, and fair working conditions. The companies signing up to the agreement have made a commitment to promoting the "Business Conduct Rules" with their suppliers.</p> <p>The Supervisory Board of Fraport AG adopted the Corporate Governance Code of Fraport AG as early as 2002. The code describes the essential principles for the management and monitoring of the company and includes internationally and nationally recognized principles for good and responsible corporate conduct. The Fraport Code also includes the essential rights of the shareholders who provide the company with the necessary equity capital and bear the entrepreneurial risk. The Fraport Code is firmly based on the German Corporate Governance Code.</p> <p>Equal opportunity, diversity and getting the work-life balance right for career and family are key elements of our employment policy (<i>for further information see Brochure: Equal opportunities benefit everyone</i>). Fraport signed the Charter of Diversity in December 2007(<i>for further information see section "Employees", p. 29</i>).</p> <p>Since 2002, Fraport has been a member of Transparency International German Chapter. (http://transparency.de/).</p> <p>Fraport participates in Airport Carbon Accreditation (ACA), a program of ACI Europe with the objective of persuading the maximum number of European airports to adopt CO₂-neutral operation. Frankfurt Airport was the first airport to be assessed on the basis of the rules of the ACA and was included in the program in 2009. By the end of 2010, 29 other airports were accredited. The highest level of 3+ can be reached in four stages. To date, Fraport has been accredited to stage 2, the aim is to achieve stage 3 (<i>for further information see section "Environment", p. 35</i>).</p> <p>Mandatory: Reporting is in accordance with the standards of the International Accounting Standards Board (IASB). As the capital-market oriented parent company of the Fraport Group, Fraport AG must prepare its consolidated financial statements in accordance with IFRS.</p>
Membership in associations and interest groups	<p>Fraport pursues its interests through membership of the trade organizations German Airports Association (ADV, <i>for further information see www.adv.aero/</i>), Airports Council International (ACI <i>for further information see www.airports.org</i>) Europe and World. Fraport is also a founding member of the new Federation of the German Air Traffic Industry (BDL), which started its work on 1 January 2011 (<i>for further information see www.bdl.aero/</i>). BDL focuses on the importance of air traffic as an economic factor for Germany and has defined its target as highlighting its contribution to safe mobility, climate and environmental protection. Until the BDL structures are fully operational, thematic communication is being carried out by the associations ADV, BDF and the DFS Deutsche Flugsicherung GmbH. We are working together with the bodies there to prepare positions on the issues of air traffic. They also include positions on projected legislation and political initiatives (<i>for further information see table "Stakeholder Dialogue"</i>).</p>

Stakeholder groups	Our principal stakeholder groups are: finance and capital market, Supervisory Board, passengers and visitors, airline companies, employees and employee representatives, neighbors, community, business partners, politicians and government agencies.
Selection of stakeholders	The stakeholder groups relevant to us were defined in the Sustainability Board. We seek a dialogue with our business partners, our customers and with politicians. We also seek dialogue with our critics, particularly those people who live their lives near the airport and experience the negative impacts of aircraft noise. Last but not least, we are also dedicated to looking after more than 70,000 employees at the biggest workplace in Germany. As a large company, we bear direct social responsibility for some of these people and we have indirect responsibility for the other people working here.
Inclusion of stakeholders	Fraport has a broad network of institutionalized, structured communication media to promote dialogue and a regular exchange of views with our stakeholder groups (<i>for further information see table "Stakeholder Dialogue"</i>). The central functions of the two sustainability bodies Sustainability Board and Sustainability Working Group involves collating the information relating to specific areas and integrating the data systematically within the strategic process.
Issues and concerns of stakeholders	The Stakeholder Dialogues give rise to concrete measures and fundamental aspects of strategic direction. In 2010, we used these findings to develop a materiality matrix. This forms the platform for a strategy or a program that empowers the executive management to focus on those areas which are particularly important for the stakeholders and for the development of the company. The priority issues identified here include noise abatement, air traffic safety and security, climate protection, customer satisfaction, appeal as an employer, and profitability of investments (<i>for further information see section "Challenges and strategy", p. 6–8</i>). Fraport defines targets for these issues and all other issues that have been identified as strategically important. Fraport also defines the measures necessary to achieve these goals. They were grouped together for the Frankfurt site and for the largest Group company Fraport AG in 2010 for the first time in the form of a sustainability program and they were adopted by the Executive Board in January 2011. Attainment of these targets is reviewed regularly, the targets are developed and they will also be gradually defined for the subsidiary companies over the next few years (<i>for further information see section "Challenges and strategy", p. 9–11</i>). They also form the platform for our sustainability reporting in accordance with the principles materiality, stakeholder inclusion and sustainability context.

Financials

Management approach

Apart from our key function within the national traffic network, the interests of our owners are directed toward safeguarding value and profit over the long term. This involves sustainable corporate development. Our aim is to continuously increase the worth of Fraport, i.e. create value, achieve a reasonable return on equity and generate the financial resources that are required to finance future development. The attainment of the objective is measured by an array of indicators such as value added, ROFRA (Return on Fraport Assets), revenue and earnings. Fraport has planned and managed the development of the Group in line with the principles of value-based management since 2001. The objective has been to generate a sustainable increase in "corporate value". The central business and controlling parameter for this strategy is "Fraport value added". This is calculated as the earnings parameter representing the difference between the cost of capital for the company (Fraport Assets x Average Cost of Capital) and EBIT (Earnings Before Interest and Taxes) (*for further information see section "Owners", p. 17*).

As formulated in our vision, we want to create sustainable value. This involves safeguarding and enhancing the opportunities of future generations and retaining the natural conditions for life through sustainable and profitable success. Agenda 2015 defines the strategy with which we want to achieve these goals. From 2007 to 2015, we will invest some € 7 billion in the modernization and expansion of the Frankfurt site. The focus of the investment program is on constructing the new landing runway. Further investment projects for expanding terminal capacities, for adapting piers to new wide-bodied aircraft and for upgrading the existing terminals and airside installations are also being driven forward. An investment volume of € 1 billion increases the associated depreciation and interest in each subsequent year by approximately € 100 million. We therefore need to improve our profitability on the revenue and cost side in order to be in a position to retain today's earnings level or improve it over the medium term. We want to expand capacities in Frankfurt rapidly with value added. In addition, we perceive three key engines for growth at the Group. Firstly, the retail business at Frankfurt Airport remains on a growth trajectory despite the economic crisis. Fraport know-how also offers opportunities in external business. Today, this is being deployed on four continents and there are additional marketing opportunities through airport investments and management contracts. Ultimately, we are working toward having a greater share in the value added of real estate development in selected projects when transforming hub airports into Airport Citys. We will continually improve the quality of infrastructure and services for airline companies, passengers, lessees and other airport users in order to meet the challenge of being one of the leading European airports (*for further information see Fraport vision on www.fraport.com and goals and strategy on www.fraport.com*).

The airport is an important economic factor for the Rhine-Main Region. Thanks to its central location and the link with the airport, this region has been transformed into one of the most dynamic and most highly integrated international economic zones in Europe. Our economic value added benefits the various stakeholder groups in the company, for example employees and shareholders. It is therefore a good benchmark for the community benefit of our business activities. 65 % of our value added and the biggest share goes to our employees in the form of wages, salaries and social benefits, around 10 % each goes to our lenders and shareholders in the form of interest and dividends respectively. We support a wide variety of sports, social, cultural and ecological activities in the area surrounding Frankfurt Airport (*for further information see section "Region and community", p. 45 – 47*). Our employees and our Group companies abroad make important contributions, generally in social activities to their local communities (*for further information see section "Region and community", p. 48*).

Information on the economic performance of the Group:

Section "Owners", p. 16, "Fraport share and shareholders",

Section "Owners", p. 17, "Value-based controlling" and "Development of value added 2010

The section "Business development 2010" in the Group management report of our Annual Report 2010 presents information about business development in the year 2010 (*for further information see Annual Report 2010, section Business development, p. 54ff*).

Information on corporate risks and opportunities are explained in the *Opportunity and risk report in the Annual Report 2010, p. 71ff*.

Economic performance

Directly generated and distributed economic value, including operating costs, employee salaries, donations and other investments in the community, profit carried forward and payments to shareholders and government

<i>Revenue and earnings</i>	Unit	Comment	2008	2009	2010
<i>Group</i>					
Income statement					
Revenue	€ million		2,101.6	2,010.3	2,194.6
Change in work-in-progress	€ million		0.4	0.9	0.4
Other internal work capitalized	€ million		33.8	39.1	36.9
Other operating income	€ million		66.1	45.3	52.1
Total revenue	€ million		2,201.9	2,095.6	2,284.0
Cost of materials	€ million		– 471.1	– 471.6	– 491.1
Personnel expenses	€ million		– 925.6	– 866.9	– 880.4
Other operating expenses	€ million		– 204.5	– 187.4	– 201.9
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	€ million		600.7	569.7	710.6
Depreciation and amortization	€ million		– 241.5	– 268.8	– 279.7
Operating result (EBIT)	€ million		359.2	300.9	430.9
Financial result	€ million		– 61.8	– 106.4	– 152.2
Result from ordinary operations (EBT)	€ million		297.4	194.5	278.7
Taxes on income	€ million		– 100.5	– 42.5	– 7.2
Group result	€ million		196.9	152.0	271.5
Profit attributable to non-controlling interests	€ million		7.2	5.6	8.6
Profit attributable to shareholders of Fraport AG	€ million		189.7	146.4	262.9
Segments share					
Revenue					
Aviation	Share in Group revenue in %		33.9	34.1	31.6
Retail & Real Estate	Share in Group revenue in %		17.6	18.0	18.4
Ground Handling	Share in Group revenue in %		30.6	30.8	30.0
External Activities & Services	Share in Group revenue in %		17.9	17.1	20.0
Earnings Before Interest Taxes, Amortization and Depreciation (EBITDA)					
Aviation	Share in Group EBITDA in %		26.9	20.6	18.5
Retail & Real Estate	Share in Group EBITDA in %		47.7	49.6	41.5
Ground Handling	Share in Group EBITDA in %		8.7	2.5	6.2
External Activities & Services	Share in Group EBITDA in %		16.7	27.3	33.8
Operating result (EBIT)					
Aviation	Share in Group EBIT in %		25.8	13.7	13.1
Retail & Real Estate	Share in Group EBIT in %		63.5	74.8	52.9
Ground Handling	Share in Group EBIT in %		5.2	– 13.3	2.5
External Activities & Services	Share in Group EBIT in %		5.5	24.8	31.5

Cash flow and investments	Unit	Comment	2008	2009	2010
Group					
Operating cash flow	€ million		492.5	426.5	567.5
Capital expenditure	€ million		759.7	1,438.3	1,033.9
Free cash flow	€ million		– 370.7	– 711.4	– 291.1
Statement of financial position	Unit	Comment	2008	2009	2010
Group					
Shareholders' equity	€ million		2,568.2	2,557.8	2,739.3
Liabilities	€ million		4,010.2	6,307.4	6,431.2
Fraport assets	€ million		3,419.1	3,820.2	4,019.7
Profitability	Unit	Comment	2008	2009	2010
Group					
Return on revenue	EBT in % of revenue		14.2	9.7	12.7
EBITDA margin	EBITDA in % of revenue		28.6	28.3	32.4
EBIT margin	EBIT in % of revenue		17.1	15.0	19.6
Return on Fraport assets (ROFRA)	EBIT in % of Fraport assets		10.5	7.9	10.7
Value added statement	Unit	Comment	2008	2009	2010
Group		1			
Generation of value added					
Corporate performance	€ million		2,201.9	2,095.6	2,284.0
Advance payments	€ million		– 601.9	– 609.8	– 644.7
Cost of materials	€ million		– 471.1	– 471.6	– 491.1
Other expenses	€ million		– 130.8	– 138.2	– 153.6
Gross value added	€ million		1,600.0	1,485.8	1,639.3
Depreciation and amortization	€ million		– 241.5	– 268.8	– 279.7
Net value added	€ million		1,358.5	1,217.0	1,359.6
Distribution of value added according to stakeholder group					
Employees (wages, salaries, social security deductions)	€ million		925.6	866.9	880.4
Lenders (interest expense)	€ million		120.2	140.3	182.5
State (deductions, taxes)	€ million		107.8	49.1	16.4
Expenses for the community (donations, sponsoring etc.)	€ million	2	8.0	8.7	8.8
Shareholders (dividend)	€ million		105.6	106.2	115.6
Profit attributable to non-controlling interests	€ million		7.2	5.6	8.6
Company (retained earnings)	€ million		84.1	40.2	147.3

1 The figures are not presented separately by countries, regions or specific markets, because the Group sites other than Frankfurt should not be regarded as significant in relation to their share in the total workforce (90 % of the Group employees work at the Frankfurt site) but also in regard to their total income, costs and payments.

2 Adjusted value in 2009.

Financial effects of climate change on the activity of the organization and other risks and opportunities associated with climate change

Fraport AG has implemented a Management and Controlling System in order to identify risks for business activity at an early stage, assess the risks, monitor them continuously and take consistent actions. The system is directed toward limiting risks to an acceptable level within the scope of the options available. The Executive Board maintains a total overview of key Group risks and reports to the Supervisory Board on that basis. Extensive information on this area is provided in the Annual Reports and Interim Reports of Fraport AG.

Physical risks at the airport associated with climate change are identified within the scope of EMAS (Eco-Management and Audit Scheme). The changes in weather conditions incurred by climate change, such as heavy rainfall and severe winds/storms could restrict capacities at the airport in certain cases.

The shortage of resources entailed by climate change will be increasingly important for the efficiency of managing air traffic. Frankfurt Airport is a very efficient hub in many ways. One of the factors for efficiency is the high volume of air traffic that is managed in a comparatively small area. Among the hub airports with a comparable traffic volume, Frankfurt Airport ranks among the smallest and this is an important issue in relation to protection of biodiversity in an urban conurbation like the Rhine-Main Region.

Another efficiency benefit of air-traffic hubs like Frankfurt is seamless coordination of flight connections delivering numerous ecological advantages. Fewer point-to-point connections are required and this enhances capacity utilization of aircraft. More wide-bodied aircraft can be used and the balance between performance/emissions/noise is significantly better than in small aircraft. Another advantage is the possibility of combining passenger and airfreight transport. Around half of the airfreight in Frankfurt is transported as co-loaded freight on passenger flights. Continuous optimization of ground processes and the use of energy-saving equipment and vehicles also contribute to increasing efficiency.

Fraport is joining forces with partners to develop Frankfurt Airport into "Frankfurt Airport City" – an outstanding mobility and real-estate location. Our real-estate and floor-space development is based on erecting energy-efficient buildings and enhancing the energy efficiency of existing buildings. The companies based here benefit from short routes within the Airport City as well as being connected to an excellent traffic infrastructure network. The intermodal traffic hub in Frankfurt is connected to all transport systems: rail, road and even waterways on which a large proportion of the fuel required can be transported. The direct connection to the high-speed rail network and regional transport allows short-haul flights within Germany to be transferred to rail. A large proportion of passengers (39 %) already go by rail when traveling to and from the airport.

Our main customers, the airline companies, will be integrated within the emissions trading system from 2012, and kerosene prices will also rise. This will undoubtedly raise costs and may change demand in the market overall.

A statement on the financial effects of climate change is not possible.

Scope of the company's social benefits

	Unit	Comment	2008	2009	2010
Social security and welfare expenses	€ million		138.0	127.0	133.0
Pension expenses	€ million		33.3	40.0	39.9

Collectively agreed pension provision is provided as a mandatory insurance for all staff members employed under payscale agreements. The Zusatzversorgungskasse Wiesbaden (ZVK, supplementary pension scheme) is the pension provider. The supplementary pension is financed by contributions. The level of contributions amounts to 5.7 % for the employer and 0.5 % for the employee. Depending on income and age, the insured person acquires provision points in each calendar year which are transferred to the provision account managed by the supplementary pension scheme (ZVK). When an employee reaches retirement age, the company pension payable is calculated from the total number of provision points acquired at the beginning of the pension period. This company pension is then paid in addition to the pension payable from the social insurance and is independent of the level of the state pension.

In addition to the statutory pension and the retirement pension agreed under the collective agreement, employees can also take out a voluntary insurance with a pension scheme to provide top-up provision for their retirement. Since 2003, employees at Fraport have been able to defer part of their pay and convert it into benefits for retirement provision (gross deferred compensation). This retirement provision financed by employees is possible through Zusatzversorgungskasse Wiesbaden and/or the pension scheme managed by Allianz Pensionskasse.

Fraport also provides employees with a series of non-payscale benefits, ranging from the Job Ticket for free public transport between home and work, through the family service, to company health management ([for further information see section Employees, page 27](#)).

Significant financial government grants and subsidies

	Unit	Comment	2008	2009	2010
Subsidies received	€ million		0	0	0

Fraport has not received government grants and subsidies. Fraport AG is a joint-stock company under German law. The share is quoted on the Frankfurt Stock Exchange and is listed in the MDAX, the index for mid-sized German companies. The stakes held by the State of Hesse and Stadtwerke Frankfurt am Main Holding GmbH, and the consortium agreement between these two stakeholders mean that Fraport AG is controlled by these two entities ([for further information see section "Owners", p. 16](#)).

Market presence

Scope of relation between standard entry salaries and minimum local wage at significant business sites

Frankfurt Airport is defined as a significant business site, since 90 % of the employees in the Group work at this site. There are collective payscale agreements in virtually 100 % of all the Group companies. These agreements exceed local minimum wage standards.

Business policy, practices and share of the outgoings which are attributable to locally-based suppliers at significant business sites

Frankfurt Airport is defined as the significant business site and the Rhine-Main Region is defined as local. In 2010, Fraport AG awarded orders to companies with a total volume amounting to some € 950 million. 64 % of all purchase orders amounting to a volume of more than € 605 million were awarded to contractors in the Rhine-Main Region. More than 90 % of all orders were below an order volume of € 10,000 and were therefore to the particular advantage of small and medium-sized companies. On account of the legal requirements for the airport operator as a sector contracting entity, it is not possible for Fraport AG to show preference to companies located in the immediate vicinity or within the area when awarding contracts.

Significant factors for selection of suppliers include the following principles for awarding orders based on Article § 97 Act against Restraints on Competition (GWB):

- Competitive principle (The maximum number of bidders should be given the opportunity to offer their services in a formalized procedure)
- Transparency principle (All bidders should be provided with the same information. The selected procedure must not be changed in an ongoing commissioning procedure)
- Equality principle/Prohibition on discrimination (All bidders should be treated equally)
- Offer based on batch allocation (Major orders should be allotted in specialist batches and sub-batches, in order to give small and medium-sized companies the opportunity to submit bids within the scope of their capacity)
- Principle of profitability (The contract should be awarded to the most cost-effective offer)

In 2003, Fraport AG introduced a Values Management System to safeguard the integrity of business conduct (*for further information see section “Organization and governance”, page 13*). Fraport expects the defined moral standards to be maintained by its own managers and employees, and by its business partners. Compliance is ensured through an integrity clause in the contractual conditions, the possibility of an order embargo if breaches of values management occur, and a guideline for correct business conduct defined with important business partners to ensure correct business conduct between the airport company and its suppliers.

Fraport has signed the Business Conduct Rules of the biggest European purchasing association, the German Association of Materials Management, Purchasing and Logistics (AMMPL). The guideline is based on the principles of the UN Global Compact and includes fundamental anti-corruption rules, antitrust agreements, rules on child labor and forced labor, and compliance with human rights, environmental protection and health promotion, and fair working conditions. The companies signing up to the agreement have made a commitment to promoting the Business Conduct Rules with their suppliers (*for further information see www.bme.de*).

Procedures for recruitment of local personnel and the proportion of local personnel in posts for executive employees at significant business sites

Frankfurt Airport is the significant business site with 90 % of all employees. Fraport has no corporate policy covering the entire organization and does not implement a procedure for preferring local residents in recruitment. In foreign subsidiary companies, employees from within the country are generally employed on account of the specifics of the business. Only a small number of managers are seconded from the parent company.

Direct economic effects

Development and effects of investments in the infrastructure and services which are primarily in the public interest, whether in the form of commercial involvement, non-cash benefits or through work provided free of charge

As an operator of the German airport with the biggest volume of traffic, we have a particular commitment to the Rhine-Main region. We have a strong track record over many years of contributing to a wide variety of sporting, social, cultural and ecological activities. These include donations and sponsoring for numerous clubs, cultural activities, charitable organizations and educational institutions. Under the motto “Proactive in the Region”, we helped more than 400 small sponsored projects in the neighborhood of the airport in 2010 (*for further information see section “Region and community”, p. 46*).

Fraport uses its Environment Fund to sponsor nature and environmental projects, ecological research and education projects about the environment in the Rhine-Main region. Since the Environment Fund was established in 1997, it has provided a total of € 28 million in support of various projects. Fraport is also involved in the sustainability strategy for the State of Hesse (*for further information see section “Region and community”, p. 45*). In the year 2010, Fraport provided a total of € 8.8 million for the benefit of the community in the form of donations, sponsorships and through the Environment Fund.

After an intensive stakeholder dialogue, a new strategic direction for 2010 was developed for promotion of nature conservation and environmental protection projects, ecological research work, and environmental education projects through the Environment Fund in the region. We review each application for donations and sponsoring on the basis of the following criteria:

- a) Proximity of the applicant institution to the airport – The neighborhood framework defines the area within which we make a commitment. We have selected this approach in order to permit the region which is most significantly affected by the negative impacts of air traffic to enjoy the benefit of our sponsorship.
- b) Promotion in previous years or in the current year – We review whether and to what extent Fraport has already made a commitment, in order to avoid disproportionately high levels of sponsorship or duplication of funding.
- c) Content and objective of the institutions/projects – Priority is given to social, charitable and sustainable projects, work with children and teenagers, and projects fostering social integration. Important factors are the educational content, the support for voluntary commitment and the maintenance of a diverse landscape of associations which make a big contribution to the leisure value of our region.

Fraport fulfills its social responsibility by training teenagers and young adults and enabling them to obtain qualifications. As one of the biggest companies carrying out training in the region, we structure a differentiated package of training places, designed to appeal to young people with a range of different starting points: students with the standard school leaving certificate or university entrance qualifications. We also cater for unemployed young people with integration deficits. Since 1999, our ProRegion Foundation with an endowed capital of € 6.11 million and the “Mobile Youth” program have been dedicated to integrating teenagers and young adults into the world of work. This concept helps disadvantaged young men to make the transition into the world of work and secure their financial future, although it cannot be assessed using the conventional benchmarks of a cost-benefit calculation. Fraport has cooperation agreements on vocational training with seven schools in the region. We sponsor academic work and research through the Erich-Becker Foundation by providing grants and prizes. In 2010, total funds amounting to € 110,950 were approved for sponsorship (*for further information see section “Region and community”, p. 46–47*).

Our employees and our Group sites abroad also get involved in their local community (*for further information see section “Region and community”, p. 48*).

Social commitment

	Unit	Comment	2008	2009	2010
Fraport AG					
Social commitment	€ million	1	8.0	8.7	8.8
Sponsoring	€ million	1	5.6	5.8	5.7
Environment fund	€ million		1.5	2.0	2.0
Donations	€ million		0.9	0.9	1.2

1 Adjusted value in 2009.

Understanding and description of the type and scope of significant indirect economic effects

The airport is an important economic factor for the Rhine-Main Region. Thanks to its central location and the link with the airport, this region has been transformed into one of the most dynamic and most highly integrated international economic zones in Europe. A workforce of some 71,000 employees makes the airport Germany’s biggest workplace. Analyses assume that each workplace generates more than twice as many workplaces in the surrounding region. The number of jobs at the airport has doubled in the last two and a half decades. 10,000 jobs have been added in the last decade alone. We also generate additional employment in the region. In 2010, we awarded orders to companies with a total volume of € 946.4 million, to the particular advantage of smaller companies mostly based in the Rhine-Main region. These orders enable Fraport to indirectly support an estimated 25,000 jobs in the commissioned companies. In 2011, the orders to companies in the region will remain at a similar high level. This is complemented by the economic power of some 500 companies based at the airport. The tax volume generated by the “Airport corporate complex” contributed to financing public services such as schools, sports facilities, hospitals, universities and social services.

The airport is also important for the entire Federal Republic of Germany because the German economy is mainly dependent on exports. Many companies rely on short delivery times and fast turnover of goods, in order to be in a position to operate successfully in global markets for sourcing and sales. Frankfurt Airport plays a pivotal role for Germany

From 2007 to 2015, Fraport will invest some € 7 billion in the modernization and expansion of the Frankfurt site. The focus of the investment program is on constructing the new landing runway. Further investment projects for expanding terminal capacities, for adapting piers to new wide-bodied aircraft and for upgrading existing terminals and airside installations are also being driven forward. Expansion of the airport means that the number of people working directly at the airport is likely to rise to around 95,000. In the Rhine-Main Region and beyond, a further 75,000 jobs are likely to be indirectly associated with the airport. Investments in expanding the airport are necessary to grow further and be in a position to offer long-term perspectives to prevent growth in air traffic from bypassing Frankfurt and airline companies from turning away from the site and consequently the Rhine-Main Region.

Environment

Management approach

The success of our company is measured by a number of factors including how we comply with our environmental responsibility in the air traffic industry. This is why protecting the environment and the environmental compatibility of our activities are top priorities for us. The focus of our actions is provided by measures to avoid, reduce and mitigate environmental impacts that arise or could arise as a result of the operation of the airport. The Executive Board of Fraport AG adopted an environmental policy for the entire Group in spring 2008. This policy is based on the principles of the UN Global Compact. The policy commits Fraport to take an environmental approach in conducting its business activities at all the sites it operates. Fraport AG strives to protect the environment and guarantee safe and healthy working conditions for its employees. Our environmental management activities guarantee compliance with statutory legislation and regulations. It also fosters continuous progress on all environmental issues. As we strive to meet our responsibilities concerning the environment, we motivate our employees to take a responsible approach to natural resources at all our sites. Appropriate training measures support their actions. The long track record of experience enjoyed by Frankfurt Airport in environmental protection over many years provides a tangible benefit for all Group sites, for example in the form of training courses and technical support, including assistance on the ground. Our business model fosters a caring approach to environmental problems while also taking account of aspects such as the cost efficiency, economic feasibility and sustainability of our environmental programs. We work toward developing and disseminating environmental technologies by applying ecological criteria to the selection of products and services. We publish an annual Environmental Report on our environmental activities and achievements. We make the Environmental Report accessible to all our employees and other stakeholders.

Our comprehensive system of environmental management focuses on the issues of aircraft noise, conservation of resources and energy efficiency, climate protection, local air quality, biodiversity, water and waste management at the airport. Environmental management at Frankfurt Airport has been validated in conformity with the European Eco-Management and Audit Scheme (EMAS) since 1999. Our airport was the second in Germany to open its doors to the critical scrutiny of independent experts – and this validation process has been repeated each year. Since 2002, we have also received certification under the international environmental standard ISO 14001. The regular and comprehensive review expresses our conviction that an airport of our size can only be competitive and successful in the long term, if it transforms sustainable environmental policy into reality and makes this transparent in the public domain ([for further information see www.fraport.com](#)).

For further information see section “Challenges and strategy”, p. 7–11; section “Environment”, page 35–41; section “Region and community”, p. 42–44

The consolidated companies in the “Group” comprise Fraport AG, the fully consolidated subsidiaries at the Frankfurt site with relevant environmental impacts and the significant Group airports (2008: Hahn, Varna, Burgas, Lima, Antalya; 2009 and 2010: Varna, Burgas, Lima, Antalya).

Materials

Materials used

	Unit	Comment	2008	2009	2010
<i>Group</i>					
Operating materials and supplies		1			
Airfield surfaces deicing agents	m ³	2	1,101	3,400	3,485
Aircraft deicing agents	m ³ active ingredient	2	951	1,229	4,511
<i>Fraport AG</i>					
Operating materials and supplies					
Airfield surfaces deicing agents	m ³		1,085	3,271	3,307

1 Fraport as an airport operator is a service provider, the product is the “traffic unit”, defined as a passenger with baggage or 100 kg of cargo. Other materials used can be found under “direct energy consumption” and “water”.

2 The quantities are specified for the relevant winter. The winter is generally attributed to the following calendar year, for example 2009/2010 to the year 2010.

Recycling material

Fraport is a service provider, not a manufacturing company. The materials listed do not contain any recycling material. No recycled consumables are currently supplied which would be useful for Fraport.

Energy

Direct energy consumption

	Unit	Comment	2008	2009	2010
Group					
Purchased direct energy sources	TJ		599.47	528.24	601.20
of which renewable energy sources	%		<< 1	<< 1	<< 1
of which non-renewable energy sources	%		100	100	100
Purchased direct energy sources	TJ per million traffic units	1	5.8	5.6	5.3
Natural gas	TJ		30.0	14.5	13.9
Liquid gas (LPG)	TJ		0.9	1.0	1.1
Liquid gas (LNG)	TJ		4.3	18.8	25.1
Biogas	TJ		0.2	0.2	0.2
Heating oil	TJ		114.1	78.4	98.2
Heating oil	Million liters		3.161	2.172	2.720
Diesel	TJ	2	424.8	393.6	439.6
Diesel	Million liters	2	11.932	11.055	12.349
Gasoline	TJ	2	25.3	22.0	23.2
Gasoline	Million liters	2	0.781	0.678	0.717
Fraport AG					
Purchased direct energy sources	TJ		457.64	452.86	510.16
of which renewable energy sources	%		<< 1	<< 1	<< 1
of which non-renewable energy sources	%		100	100	100
Purchased direct energy sources	TJ per million traffic units	1	6.2	6.5	6.8
Natural gas	TJ		8.6	8.2	8.4
Liquid gas (LPG)	TJ		0.02	0.01	0.02
Biogas	TJ		0.20	0.20	0.20
Heating oil	TJ		62.2	62.7	85.8
Heating oil	Million liters		1.722	1.737	2.377
Diesel	TJ	2	369.4	363.0	395.5
Diesel	Million liters	2	10.375	10.196	11.109
Gasoline	TJ	2	17.4	18.7	20.2
Gasoline	Million liters	2	0.536	0.578	0.625

1 A traffic unit is equivalent to one passenger with baggage or 100 kg of air cargo or airmail.

2 Fuel consumption of mobile machinery and automobiles on the apron and roadways.

Indirect energy consumption

	Unit	Comment	2008	2009	2010
Group					
Purchased energy	TJ	1	2,608.4	2,649.9	2,848.5
Purchased energy	TJ per million traffic units	1, 2	25.4	28.0	25.0
Electricity	TJ	1	1,408.8	1,472.9	1,497.0
Electricity	Million kWh	1	391.3	409.1	415.8
District heating	TJ	1	745.9	740.1	901.3
District heating	Million kWh	1	207.2	205.6	250.4
District cooling	TJ	1	453.7	437.0	450.3
District cooling	Million kWh	1	126.1	121.5	125.1
Fraport AG					
Purchased energy	TJ	1	2,248.4	2,305.1	2,483.1
Purchased energy	TJ per million traffic units	1, 2	30.2	33.2	32.9
Electricity	TJ	1	1,137.1	1,179.9	1,189.2
Electricity	Million kWh	1	315.9	327.8	330.3
of which renewable energy sources	%	3	24	25	19
of which non-renewable energy sources	%	4	76	75	81
District heating	TJ	1	711.8	719.9	875.3
District heating	Million kWh	1	197.7	200.0	243.1
District cooling	TJ	1	399.5	405.3	418.6
District cooling	Million kWh	1	111.1	112.7	116.3

1 All data including technical losses.

2 A traffic unit is equivalent to one passenger with baggage or 100 kg of air cargo or airmail.

3 The share of renewable energy sources is only possible for Fraport AG, but not for all Group airports on account of lack of appropriate data.

4 RECS certificates ("Renewable Energy certificates System") were purchased from hydropower for the appropriate quantity of CO₂ emissions.

Energy savings as a result of environmentally conscious use and efficiency enhancement

In 2008, Fraport grouped all activities related to climate protection in a single project concentrating on three fields: energy savings for the existing portfolio of buildings and infrastructure, efficient energy use in new buildings, and reduction of energy consumption in the company's vehicle fleet (*for further information see section "Environment" p. 35–37*).

Fraport AG	Unit	Comment	2008	2009	2010
Saved energy	Million kWh	1, 2	0	0.567	0.518

1 Based on the year 2008, accumulated effects from the year 2008, to the extent effective in subsequent years.

2 Calculation of energy which could be saved for reasons of improved procedures, replacement and upgrading of systems and equipment, and modified employee behavior. Covered in the report on page 35 "Climate protection".

Initiatives to provide energy-efficient products and services for reduced energy requirements

Fraport supports a range of industry-wide initiatives (*for further information see section “Environment”, p. 35*).

Furthermore, significant measures are taken to improve efficiency: energy savings for the existing portfolio of buildings and infrastructure, efficient energy use in new buildings, and reduction of energy consumption in the company's vehicle fleet (*for further information see section “Environment”, p. 35–37*). The absolute quantity of energy saved under “Energy savings as a result of environmentally conscious use and efficiency enhancement” should also be taken into account.

Initiatives for reducing indirect energy consumption and savings achieved

The strategic networking of the airport with other forms of transport – known as intermodality – has a long track record at Fraport extending back to the 1970s. In 2010, 35 % of all passengers used the train (ICE, long-distance and regional trains, and metropolitan railway) to travel to and from the airport. If other means of public transport are included, the proportion was 39.2 %. The environmental program of Fraport AG currently projects a target value of 38.9 % for the year 2020. The challenge is to retain this value despite the growing volume of passengers. Fraport is working together with German Rail and Deutsche Lufthansa AG to maintain this target. The projected measures included integrated travel packages and integration of air traffic in the network planning of German Rail (DB). Fraport employees are motivated to use public transport with the Job Ticket provided free of charge. This package was taken up by 31 % of the workforce in 2010. The objective is not simply to put passengers and employees on rails for their travel to and from the airport but to move airfreight onto rails as well. In 2008, Fraport joined forces with the Fraunhofer Institute to launch a research project for materials flow and logistics designed to analyze whether an existing rail connection on the airport complex could be used to transfer airfreight traffic to rail when it is transported to and from the airport. According to the results of the study, this would not be profitable for airfreight alone. Fraport AG is now looking into whether a rail connection on the former Ticona site can be used for a different pioneering project for the future. The objective would be to transfer land cargo and airfreight traffic forwarded on truck trailers onto an innovative “rolling highway”.

Water

Total water consumption

For further information see section "Environment", p. 40

	Unit	Comment	2008	2009	2010
Group					
Total water consumption	Million m ³		2.017	1.824	2.083
Total water consumption	Liters per traffic unit	1	19.6	19.3	18.3
Drinking water	Million m ³	2	1.581	1.343	1.476
Service water	Million m ³	3	0.436	0.480	0.607
Fraport AG					
Total water consumption	Million m ³		1.445	1.000	1.184
Total water consumption	Liters per traffic unit	1	15.4	14.4	15.7
Drinking water	Million m ³	2	0.988	0.833	0.905
Service water	Million m ³	3	0.157	0.167	0.279

1 A traffic unit is equivalent to one passenger with baggage or 100 kg of air cargo or airmail.

2 From local-authority water supply.

3 The service water is treated from surface water, rainwater and ground water. Differentiation into surface water and rainwater has been possible at Frankfurt Airport.

Water sources significantly impacted by water intake

The issue is irrelevant for Fraport AG and its subsidiaries in Germany because of the favorable supply conditions for drinking water and the water-saving technologies deployed universally.

Share of recycled and reused water

There are no production processes at the airport where process water has to be recycled. Service water is included under "Total water consumption".

Biodiversity

Areas of land in or adjacent to conservation areas or areas with a high biodiversity value

Frankfurt Airport covers an area of some 1,900 hectares. According to an external analysis, around 60 % of the area is of minor biological value because it has been developed or has been sealed under road surfaces. One third is classified as medium-value and the rest is classed as high-quality biotope landscape. These areas have become a refuge for many animals and plants which are classified as endangered species elsewhere.

Group

Lima Airport

Distance from the airport	m	1	100
Biodiversity value	Description	2	Peregrine falcons, migrating birds like seagulls, owls, etc.
Burgas Airport		1	
Distance from the airport	m		1,000
Land area	ha		1,075
Biodiversity value	Description	2	Atanasovsko Lake is a "defensive area"

Fraport AG

Frankfurt Airport

Distance from the airport		1	Neighboring
Land area	ha		3,228.7
Biodiversity value	Description	2	Five conservation areas under the FFH Directive
Distance from the airport			Neighboring
Land area	ha		4,283
Biodiversity value	Description	2	Two conservation areas under the Birds Directive Directive of the EU

- 1 Business facilities are relevant for the survey if they are located in a conservation area, border on such an area or include conservation areas.
 2 The biodiversity value is determined by the quality attributed to the conservation area and the listed conservation status.

Land use

Fraport AG at Frankfurt Airport

	Unit	Comment	2008	2009	2010
Owned land	ha	1	1,907	1,907	1,914
of which surfaced area	ha		no data	891	891

- 1 Continuous owned land.

Effects on biodiversity

Fraport AG

The environmental impact assessment carried out at Frankfurt Airport verified that the operation of the airport exerts no sustainable negative effects on directly adjacent conservation areas.

Protected, reinstated natural habitats

When construction work is carried out at the airport strenuous efforts are made to minimize the negative impact on the natural environment and landscape. However, if some natural areas have to be developed, mitigation measures are necessary. The exceptional and comprehensive ecological measures more than compensate for the impairment (*for further information see section “Environment”, p. 39 and “Areas with measures”*).

Strategies, current measures and future plans for managing the effects on biodiversity

Our business activities and the protection of natural biodiversity can be reconciled. Natural and semi-natural areas and their inherent biodiversity are conserved and supported to the extent possible within the operational guidelines, and operational disruptions are kept to a minimum. If significant interventions are made in the natural environment, equivalent compensation or substitution must be provided and we guarantee the long-term maintenance of purpose. Fraport has defined preservation of natural biodiversity at Frankfurt Airport as an objective and has also decided to use its Environment Fund to sponsor projects outside the airport complex which promote preservation of biological diversity in the Rhine-Main region and in Hesse. Our “Fraport Biodiversity Strategy” set out here explains our principles on these important and complex issues and documents the diversity projects that we are carrying out or financing at the airport and in the region (*for further information see section “Environment”, p. 39*).

Number of species on the Red List of IUCN and on national lists which have their habitat in land areas where the organization carries out business activities

Under normal circumstances, the activities of Fraport AG and its subsidiary companies do not present a hazard for endangered plants and animal species. Hazards of this nature can only occur when the operational site is expanded. In the European Union, an environmental impact assessment has to be carried out in situations like this and appropriate compensation or substitution measures have to be instituted.

Species on Germany’s “Red List” of endangered species live at Frankfurt Airport. Plants and animals, which are endangered species elsewhere, have settled in the areas between runways and the taxiways on account of the non-intensive (extensive) grassland use of these areas. Very few people come to these areas of the operational site and there is no visitor impact here comparable with the volume of visitors in conservation areas that are open to the general public.

The Group airports outside Germany are usually financed by international banks. An Environmental Management Plan has to be submitted which is generally based on an environmental impact assessment. It defines how the impact of intervention can be minimized. No species on the relevant red lists have been reported by the Group airports.

Emissions, wastewater and waste

Greenhouse gas emissions

For a description of the development of energy consumption and CO₂ emissions *see section "Environment", p. 35–37.*

Group

	Unit	Comment	2008	2009	2010
CO ₂ emissions	1,000 t CO ₂	1, 2	276.6	277.6	270.9
direct CO ₂ emissions	1,000 t CO ₂	1	44.4	39.4	43.3
indirect CO ₂ emissions	1,000 t CO ₂	2	232.2	238.2	227.6
Climate intensity of the service delivered	kg CO ₂ per traffic unit	1, 2, 3	2.69	2.94	2.38
direct CO ₂ emissions	kg CO ₂ per traffic unit	1	0.43	0.42	0.38
indirect CO ₂ emissions	kg CO ₂ per traffic unit	2	2.26	2.52	2.00
compensated CO ₂ emissions (certificates)	1,000 t CO ₂	4	133.2	133.2	137.8

Fraport AG

CO ₂ emissions	1,000 t CO ₂	1, 2	212.5	234.2	226.1
direct CO ₂ emissions	1,000 t CO ₂	1	34.4	33.9	38.5
indirect CO ₂ emissions	1,000 t CO ₂	2	178.1	200.3	187.7
Climate intensity of the service delivered	kg CO ₂ per traffic unit	1, 2, 3	2.86	3.37	3.00
direct CO ₂ emissions	kg CO ₂ per traffic unit	1	0.46	0.49	0.51
indirect CO ₂ emissions	kg CO ₂ per traffic unit	2	2.40	2.88	2.49
compensated CO ₂ emissions (certificates)	1,000 t CO ₂	4	133.2	133.2	137.8

- 1 Direct emissions in conformity with Scope 1 GHG Protocol Standard: fuels, fuels for combustion plants, here heating oil, natural gas, propane gas.
- 2 Indirect emissions in conformity with Scope 2 GHG Protocol Standard: sourcing of electricity (Group), district heating, district cooling (Fraport at the Frankfurt site).
- 3 A traffic unit is equivalent to one passenger with baggage or 100 kg of airfreight or airmail.
- 4 RECS certificates (www.recs.org).

Other greenhouse gas emissions

Fraport AG (Scope 3 in conformity with GHG)

	Unit	Comment	2008	2009	2010
Air traffic	1,000 t CO ₂	1	902.3	863.5	895.8
Employee traffic at Fraport AG and third parties at the airport	1,000 t CO ₂	2	116.2	125.5	122.3
Passenger traffic (passengers originating here)	1,000 t CO ₂	3	262.5	241.8	272.7
Business trips of employees of Fraport AG	1,000 t CO ₂	4	1.00	0.90	0.97
Energy consumption of third parties (infrastructure and vehicles)	1,000 t CO ₂	5	158.5	170.5	158.1
Other relevant greenhouse gas emissions	t CO ₂ equivalent	6	<2	<2	<2

- 1 Air traffic up to 914 m (LTO cycle) of all aircraft landing and taking off at Frankfurt Airport.
- 2 Travel by employees to and from the workplace, for percentage share *see "Significant environmental effects of transport and traffic"*.
- 3 Travel to and from the airport by passengers, travel in private vehicles and public transport, for percentage share *see "Significant environmental effects of transport and traffic"*.
- 4 Includes cars, rail and air travel.
- 5 Electricity, heat, cooling, fuels.
- 6 Subsequent investigations were conducted in 2005, the emissions of other greenhouse gases at the airport were negligible.

Initiatives for reducing greenhouse gas emissions and results achieved

Climate protection is one of the key challenges for the airline industry. As an airport operator, we support the four-pillar strategy for the air traffic industry by instituting measures for climate protection in air traffic. We focus our activities on areas that we are in a position to influence directly. These primarily relate to technical improvements to buildings and systems, process optimizations and economic tools like landing fees dependent on noise and emissions (*for further information see section "Environment", p. 35–38*). As one of the most important fields of action identified by Fraport, climate protection is a top priority in the sustainability program (*for further information see section "Challenges and strategy", p. 10*). Fraport also supports a range of industry-wide initiatives that are directed toward reducing CO₂ emissions (*for further information see section "Environment" p. 35*).

Emissions of ozone-depleting substances

Ozone-depleting substances are neither produced nor exported in the Fraport Group. The main application is in refrigerating machines for air-conditioning systems where the substances are contained in a closed system. If maintenance operations have to be carried out, the coolants are captured and disposed of as waste. The substances are not intentionally released. The possibility of losses due to leakages cannot be excluded, but the amounts cannot be quantified for reporting.

NO₂, SO₂ and other pollutants

For further information see section "Environment", p. 38

	Unit	Comment	2008	2009	2010
Fraport AG					
NO ₂	µg/m ³	1, 2	49	45	44
SO ₂	µg/m ³	1, 2	5	5	4
Fine dust, PM10	µg/m ³	1, 2	21	22	26
Benzene	µg/m ³	1, 2, 3	0.9	1.0	0.8
at Lima Airport					
NO ₂	µg/m ³	4	–	6.8	10.5
SO ₂	µg/m ³	4	–	8.6	4.2
Fine dust, PM10	µg/m ³	4	52.5	44.6	49.7

1 Annual average of the measured values at the SOMMI1 Station. These values give the aggregated result of all emissions from different source groups, i.e. apart from pollutants contributed by the airport they also include emissions from third parties (road traffic, trade and industry, house fires, large-scale background pollution). The proportion of the airport depends on the location and model calculations indicate that the proportion here is between approx. 10 % and 30 %.

2 Values from the year 2010 are preliminary.

3 Value from the year 2009 on account of small size of database only for orientation.

4 Annual average values at Lima Airport. These values represent a total for different emitters and, apart from emissions generated by the airport, also include emissions from third parties (road traffic, trade and industry, house fires).

Wastewater discharged

For further information see section "Environment", p. 40

	Unit	Comment	2008	2009	2010
Group					
Wastewater	Million m ³		2.208	2.025	2.322
Wastewater	Liters per traffic unit	1	21.5	21.4	20.4
Fraport AG					
Wastewater	Million m ³	2, 3	1.548	1.351	1.590
Wastewater	Liters per traffic unit	1, 3	20.8	19.4	21.1

1 A traffic unit is equivalent to one passenger with baggage or 100 kg of air cargo or airmail.

2 Wastewater is treated in the fully biological water treatment plant at Fraport AG (12 %) and fully biological local-authority water treatments plants in Frankfurt-Niederrad (75 %) and Frankfurt-Sindlingen (13 %).

3 Wastewater from Fraport AG and from 580 other companies at Frankfurt Airport.

Waste by type and disposal method

For further information see section "Environment", p. 40

	Unit	Comment	2008	2009	2010
Group					
Amount of waste	1,000 t	1, 3	32.62	33.91	36.09
Amount of waste	kg per traffic unit	2, 3	0.32	0.36	0.32
hazardous waste	1,000 t	3	2.19	1.37	1.78
non-hazardous waste	1,000 t	3	30.42	32.54	34.31
Recycling	in % of amount of waste		66.9	62.5	63.9
Fraport AG					
Amount of waste	1,000 t	3	24.11	22.27	23.54
Amount of waste	kg per traffic unit	2, 3	0.23	0.24	0.21
hazardous waste	1,000 t	3	1.97	1.24	1.78
non-hazardous waste	1,000 t	3	22.15	21.02	21.76
Total recycling	1,000 t	3, 4	20.02	19.04	19.83
Total recycling rate	in % of amount of waste	3	83.0	85.5	84.3

1 64 % of waste is recycled, detailed disposal methods cannot currently be shown for all Group airports.

2 A traffic unit is equivalent to one passenger with baggage or 100 kg of air cargo or airmail.

3 Including waste from third parties without soil and building rubble.

4 According to the Closed Substance Cycle Waste Management, Appendix II B R 01, R 03, R 04, R 05, R 07, R 09, R 12, R 13 and voluntary returns (for batteries, solvents, cold cleaning agents, coolants).

Significant spills

	Unit	Comment	2008	2009	2010
Fraport AG					
Total number and volume of significant spills		1			
Number of spills	Number		566	483	482
Volume of spills	m ³		11.00	11.60	10.33
Frequency of spills	Number per 1,000 aircraft movements		1.17	1.04	1.04
Effects		2	none	none	none

1 Spills primarily by third parties.

2 No environmental hazard because spills are generally on surfaced areas with comprehensive safety equipment implemented downstream. Spills on unsurfaced areas are a very rare exception and cleaned up immediately.

Weight of the transported, imported, exported or treated hazardous waste

Waste that is covered by the regulations in the Basel Agreement is primarily generated in companies of the producing sector or occurs at the waste disposal companies; service providers such as Fraport AG or its subsidiaries have virtually no processes where such waste occurs. Examples of exceptions are clinical wastes (Y1; A4030; Fraport AG), waste from herbicides and pesticides (Y4; A4030), used oil (Y8), oil-water mixtures or hydrocarbon-water mixtures (Y9; A4060). The disposal of this waste is carried out in conformity with the relevant national laws. We have no information on cross-border transfer of such waste.

Water and natural habitats that are significantly impacted by wastewater discharges from the company

Discharge into surface waters that meet the conditions of the indicator only occur to a very limited extent. If the discharge relates to former polluted water, this was treated prior to discharge so that there is no risk of significantly negative impacts on rivers and lakes. The same is applicable for the run-off of water from surfaced areas.

Products and services

Initiatives to minimize environmental impacts

Our commitment to protection of the environment and environmental compatibility is directed toward preserving the natural conditions necessary for the maintenance of life. The focus of our actions is provided by measures to avoid, reduce and mitigate environmental impacts that arise or could arise as a result of the operation of the airport. Our environmental management is focused on the areas of noise abatement, climate protection, and biodiversity. We have defined strategic goals in our sustainability program (*for further information see section “Challenges and strategy”, p. 10–11*) and pursue them with a range of different measures and projects, for example for climate protection (*for further information see section “Environment”, p. 35–38*), with our biodiversity strategy (*for further information see section “Environment”, p. 39*) and within the scope of our global environmental management (*for further information see section “Environment”, p. 41*). We are also continuing our efforts to avoid aircraft noise (*for further information see section “Region and community”, p. 42–44*).

Packaging material

Indicator not applicable because Fraport does not sell any “products” in the course of its ordinary business operations where the packaging could be or has to be taken back after use.

Compliance with statutory regulations

Sanctions for environmental non-compliance

There are currently no breaches of statutory regulations which have been punished by the government authorities with fines or non-monetary sanctions. In one case, an investigation is currently being conducted out into an alleged breach of legal regulations and the outcome is still open.

Transport

Effects of transport and traffic

The strategic networking of the airport with other forms of transport – known as intermodality – has a long track record at Fraport extending back to the 1970s (*for further information see section “Environment”, p. 38*).

Group

	Unit	Comment	2008	2009	2010
Employee traffic					
Travel to and from work by public transport	Share in %	1	37.4	33.0	33.0
Travel to and from work by car pooling	Share in %	1	15.1	16.6	17.3
Passenger traffic					
Travel of originating passengers to and from the airport by public transport	Share in %	1	39.8	53.7	56.3

Fraport AG

Employee traffic		2			
Travel to and from work by public transport	Share in %	1	42.9	31.2	31.0
Travel to and from work by car pooling	Share in %	1	11.0	14.3	15.5
Passenger traffic Frankfurt Airport		2			
Travel of originating passengers to and from the airport by public transport	Share in %	1	36.4	37.4	39.2

1 The values are based on a survey.

2 The significant environmental effects are shown under “Other greenhouse gas emissions”.

Total

Total expenditure and investment for environmental protection

The total expenditure and investment for environmental protection cannot be satisfactorily reported at the present time because there is no method of calculation for investment projects which separates the costs incurred exclusively for environmental protection from the total costs.

Personnel

Management approach

Fraport is one of the biggest employers in the Rhine-Main region. The company also has 16 sites on four continents. We are committed to ethical principles and values when we structure the relationship with our employees. Our entrepreneurial action should be in line with internationally acknowledged standards, guidelines, and principles, in particular the ILO core employment standards, the OECD principles for multinational companies, and the principles of the UN Global Compact. We require and promote responsible conduct at all Group sites where we have majority holdings. Our commitment to values and principles is complemented by a proactive approach to company co-determination (*for further information see section “Employees”, p. 27–28*).

Fraport has a long tradition as a company with a social perspective and a partner-centered approach. Our aim is not simply to be a big employer in quantitative terms. We also want to be just and fair by rewarding our employees for performance and commitment. This involves giving them fair wages and salaries, and a package of benefits that goes beyond pay. We offer a high level of job security, good working conditions based on collective pay scale agreements, career and personal development options, and a highly developed corporate ethic defining the management style (*for further information see section “Employees”, p. 27–29*).

Fraport has defined the objective of looking after the physical, emotional, and psychosocial well-being of its employees by a range of comprehensive measures directed toward promoting preventive healthcare and safety over the long term. Another function relates to developing holistic health concepts that are tailored to the specific needs of an aging workforce (*for further information see section “Employees”, p. 32–33*).

Equal opportunity, diversity and good work-life balance between career and family are key elements of our employment policy. We are continually working to create a balance between the commercial interests of the Group and employees' individual life styles. Flexible working times within the framework of operational constraints, an employment policy based on partnership, and a broad range of training and career development packages also play a role, in common with a wide range of support packages designed to get the work-life balance right and enable people to combine a career with family life, such as our extensive childcare facilities (*for further information see section “Employees”, p. 30–32*).

Unless otherwise specified, all details relate to year-end figures as at 31 December.

On an average over the year (according to IFRS), the Fraport Group employed 19,792 employees (permanent employees and temporary staff).

Employment

Total workforce

Group	Unit	Comment	2008	2009	2010
Employees	Number of persons	1, 2	–	20,488	21,124
Permanent employees	Number of persons	2, 3	–	18,552	18,905
Apprentices	Number of persons	2	–	321	336
Temporary staff	Number of persons	2, 4	–	820	1,052
Employees on leave	Number of persons	2	–	795	832
Aviation	acc. to IFRS (Annual average for permanent staff and temporary staff)	6	6,674	6,337	6,074
Ground Handling	acc. to IFRS (Annual average for permanent staff and temporary staff)	6	8,443	8,254	8,564
Retail & Real Estate	acc. to IFRS (Annual average for permanent staff and temporary staff)	6	594	603	606
External Activities & Services	acc. to IFRS (Annual average for permanent staff and temporary staff)	6	7,368	4,776	4,548
Regional distribution					
Europe	in % of staff		95.0	95.7	94.9
Germany	in % of staff		90.4	91.2	90.2
Rest of Europe	in % of staff		4.6	4.5	4.7
Asia	in % of staff		2.8	1.9	2.2
America	in % of staff		2.2	2.4	2.8
Part-time employment	in % of staff	2, 5	–	14.0	11.1
Fixed-term employment contracts	in % of staff	2	–	12.4	17.5

Fraport AG

Employees	Number of persons	1	12,363	12,083	11,967
Permanent employees	Number of persons	3	10,722	10,519	10,446
Apprentices	Number of persons		329	316	331
Temporary staff	Number of persons	4	750	681	618
Employees on leave	Number of persons		562	567	572
Aviation	Number of persons		3,378	3,313	3,285
Ground Handling	Number of persons		6,604	6,389	6,259
Retail & Real Estate	Number of persons		644	652	650
External Activities & Services	Number of persons		1,737	1,729	1,772
Part-time employment	in % of staff	5	13.3	16.2	15.5
Fixed-term employment contracts	in % of staff	2	–	9.9	9.2

1 Employees = permanent staff + temporary staff (see 4.) + apprentices + employees on leave.

2 Data only collected from 2009.

3 The permanent staff does **not** include any temporary staff (see 4.), employees on leave and apprentices.

4 Temporary staff = school students, university students, interns, diploma students, part-time employees and trainees.

5 Including phase-in retirement.

6 Adjustment of reporting data for 2009 to reorganization.

Employee turnover

	Unit	Comment	2008	2009	2010
Group					
Total employee turnover	Number of permanent employees leaving the company	1	–	1,945	1,877
	in % of permanent staff	1, 2	–	10.5	9.9
Reasons for leaving the company		1			
Employee notice	Number among permanent staff		–	846	627
Employer notice	Number among permanent staff		–	283	365
Retirement	Number among permanent staff		–	68	53
Other reasons	Number among permanent staff	3	–	748	832
Employees leaving the company by gender		1			
Men	Number among permanent staff		–	1,373	1,442
	in % of permanent staff who have left the company		–	70.6	76.8
Women	Number among permanent staff		–	572	435
	in % of permanent staff who have left the company		–	29.4	23.2
Employees leaving the company by age		1			
Age group to 30 years	Number among permanent staff		–	1,023	900
	in % of permanent staff who have left the company		–	52.6	47.9
Age group 31 – 50 years	Number among permanent staff		–	724	792
	in % of permanent staff who have left the company		–	37.2	42.2
Age group above 50 years	Number among permanent staff		–	198	185
	in % of permanent staff who have left the company		–	10.2	9.9
Fraport AG					
Total employee turnover	Number of permanent employees leaving the company		263	209	196
	in % of permanent staff	2	2.5	2.0	1.9
Reasons for leaving the company					
Employee notice	Number among permanent staff		91	49	33
Employer notice	Number among permanent staff		11	8	15
Retirement	Number among permanent staff		41	32	27
Other reasons	Number among permanent staff	1, 3	–	120	121
Employees leaving the company by gender		1			
Men	Number among permanent staff		–	168	165
	in % of permanent staff who have left the company		–	80.4	84.2
Women	Number among permanent staff		–	41	31
	in % of permanent staff who have left the company		–	19.6	15.8
Employees leaving the company by age		1			
Age group to 30 years	Number among permanent staff		–	41	57
	in % of permanent staff who have left the company		–	19.6	29.1
Age group 31 – 50 years	Number among permanent staff		–	99	76
	in % of permanent staff who have left the company		–	47.4	38.8
Age group above 50 years	Number among permanent staff		–	69	63
	in % of permanent staff who have left the company		–	33.0	32.1

1 Data only collected from 2009.

2 Modified calculation formula compared with reporting in 2009.

3 Other reasons: Termination of agreement, end of fixed-term employment contract, deaths while employed.

Company benefits for full-time employees

Fraport provides employees with a series of non-pay scale benefits, ranging from the Job Ticket for free public transport between home and work, through the family service, to company health management. [\(for further information see section "Employees", p. 27\)](#). Company social benefits are granted in the same way to all employees (as appropriate, pro rata with the scope of employment). This applies – provided a specific length of service is not required for entitlement – independently of whether the employment contract is for a fixed or unlimited term.

Relationship between employee and employer

Percentage of employees with collective wage agreements

	Unit	Comment	2008	2009	2010
95 % of employees in the Fraport Group have collective wage agreements.					
Group					
Employees with collective wage agreement	in % of staff	1, 2	–	95	95
Fraport AG					
Employees with collective wage agreement	in % of staff		100	100	100

1 Data only collected from 2009.

2 Value adjusted to 2009.

Minimum notice periods

Fraport works closely with employee representatives in a spirit of mutual trust [\(for further information see section "Employees", p. 27 – 28\)](#). The Works Council should be informed punctually and in detail about any operational changes. This has not been precisely defined or restricted in collective payroll agreements. A mandatory notice period of three months is standard best practice.

Occupational health and safety

Percentage of employees in job safety committees

The Job Safety Committee (ASA) is a committee pursuant to Article § 11 Occupational Health and Safety Act. The main functions of the ASA relate to dealing with all the key issues of health, safety and corporate environmental protection, and accident prevention. The statutory requirement is to hold at least four meetings a year and the discussion mainly focuses on company-wide problems, and hazards and accidents of particular significance. Resolutions on measures are adopted and recommendations are made for additional work. The Traffic Safety Committee addresses the issue of how traffic safety can be further enhanced at the company site. The committee has equal representation and is based on a Group agreement. The focus is on prevention within the scope of damage analyses and hazard assessments for improvement of traffic safety. The technical departments and the Works Council assist in analyzing accident events and specific traffic problems, and development recommendations for improving the relevant situation. Executive management is in the area of job safety.

Group

Percentage of employees in job safety committees

Fraport AG

Employees represented in job safety committees

Unit	Comment	2008	2009	2010
in % of staff	1	–	100	100
in % of staff		100	100	100

1 Data only collected from 2009.

Occupational diseases and absences

A comprehensive range of measures directed toward promoting preventive healthcare and safety are designed to avoid the physical, psychological and social forms of stress that employees experience at work as far as possible. If such stress cannot be avoided altogether, the preventive measures are intended to reduce or compensate for it (for further information see section "Employees", p. 32–33). Accidents at work are recorded and investigated in accordance with the German Health and Safety Act.

Group

Accidents

1,000-person rate

with fatal consequences

reportable

Days of absence

Illness rate

illness-related

caused by work-related accident (not including sports, travel to and from work, and private accidents)

Occupational diseases

Unit	Comment	2008	2009	2010
	1			
Number	2	–	1,362	1,602
Number of reportable days of absence per 1000 employees	2, 3, 4	–	24.11	31.7
Number		–	0	0
Number	3	–	513	669
Number of reportable days of absence	3, 5	–	7,543	11,826
Absence in %	6	–	4.21	6.33
Absence in %	6	–	4.13	6.09
Absence in %	6	–	0.08	0.24
Number of accredited cases		–	4	1

1 Data only collected from 2009.

2 Minor injuries (level of first-aid measures) and not included.

3 Reportable = A work-related accident is deemed to be reportable if more than three days of absence are involved.

4 With respect to the average number of employees. The average number of employees is obtained by adding together the monthly staff figures and dividing by the number of months.

5 Days of absence = planned working days.

6 With respect to scheduled working hours.

Occupational diseases and absences (continued)

	Unit	Comment	2008	2009	2010
Fraport AG					
Accidents	Number	2	846	723	863
1,000-person rate	Number of reportable days of absence per 1000 employees	2, 3, 4	26.67	24.78	30.16
with fatal consequences	Number		0	0	0
reportable	Number	3	330	301	361
Days of absence	Number of reportable days of absence	3, 5	5,634	4,991	7,960
Illness rate	Absence in %	6	5.49	6.23	6.49
illness-related	Absence in %	6	5.28	6.05	6.19
caused by work-related accident (not including sports, travel to and from work, and private accidents)	Absence in %	6	0.21	0.18	0.30
Occupational diseases	Number of accredited cases		0	0	1

2 Minor injuries (level of first-aid measures) and not included.

3 Reportable = A work-related accident is deemed to be reportable if more than three days of absence are involved.

4 With respect to the average number of employees. The average number of employees is obtained by adding together the monthly staff figures and dividing by the number of months.

5 Days of absence = planned working days.

6 With respect to scheduled working hours.

Further training on serious diseases

Preserving and promoting the health of all employees is a top priority at Fraport. The company health management team at Fraport AG has therefore developed a package of prevention programs and information packs to support this aim (*for further information see section "Employees", p. 33*). An overview of the measures implemented can be accessed in the document *"Overview of Measures for Health Management 2010"*. Apart from regular check-ups by the company medical team, our employees benefit from flu vaccinations and tailor-made prevention programs. They learn about measures for protection against noise and receive valuable advice on a variety of health-related subjects including ergonomic design of computer workstations. The health prevention program also addresses other health risks related to personal lifestyle. General information is provided on leading a healthy life and on the health hazards presented by HIV/AIDS or noroviruses. Programs for giving up smoking are also available. They have been a big success with more than 700 smokers already having been turned into non-smokers.

Work and safety agreements with unions

The consistent implementation of corporate goals for job safety and health promotion is a top priority for Fraport AG and its subsidiary companies. The Executive Board, Group Works Council, and Works Council of Fraport AG support and promote preventive strategies for occupational health and safety. The common objective is to avoid disadvantages for employees and costs. They have therefore made a commitment to create all the prerequisites so that management and employee implement these principles in their routine work everyday and are able to develop them further. On the basis of the principle "prevention is better than cure", the Executive Board and employee representatives have drawn up a declaration of principle on occupational health and safety and included the declaration in the Group Guidelines (*for further information see www.fraport.com*).

Training and career development

Training and education time per employee

We are among the biggest training companies in the Rhine-Main region with around 340 trainees. Our in-house vocational training makes a significant contribution to recruiting the next generation of employees. Our varied range of training schemes is primarily based on the needs of the company. It takes into account the different school-leaving qualifications of the applicants and is firmly established as the first stage in the development of human resources within the Group. After starting in the world of work or after commencing a job at Fraport, we focus on a continuous process of career training. Fraport has a series of programs for development and further training of specialists and managers. (for further information see section "Employees", p. 28–29).

Group

	Unit	Comment	2008	2009	2010
Apprentices	Number of persons	1	–	321	336
Interns/university students/diploma students/trainees/school students on work experience	Number of persons		–	710	723
Further training	Days per permanent employee	2, 3	–	4.09	4.36

Fraport AG

Apprentices	Number of persons		329	316	331
Men	in % of apprentices		70.2	72.5	73.4
Women	in % of apprentices		29.8	27.5	26.6
Interns/university students/diploma students/trainees/school students on work experience	Number of persons		738	679	616
Further training	Days per permanent employee	2, 3	2.90	2.90	2.70

1 Data only collected from 2009.

2 Not including apprentices.

3 7 h = 1 day.

Programs for life-long learning, knowledge management

We want to equip our employees for life-long, continuous adaptation of their technical and personal areas of expertise to a complex life and working environment. We therefore bundle technical and interdisciplinary training with preparation for certified qualifications in the Fraport College and Fraport Academy. As far as individual qualification beyond the immediate job function is concerned, we also offer a wide range of seminars for all employees (budget per employee 600 euros each year). Since the start of 2001, 11,000 employees have taken part in such seminars (*for further information see section “Employees”, p. 29*).

Apart from access to new knowledge, it is also important for a dynamic company to ensure the collective know-how of its employees. The change from specialist to manager, whether on age grounds or because of taking on a new function always presents a major challenge. In order to limit loss of knowledge and experience, knowledge mentors are used – processes of moderated transfer of knowledge. Other building blocks in Fraport knowledge management are the so-called Golden Pages, an expert network and an internal company “Skywiki”.

Percentage of employees with regular performance assessment

Fraport AG introduced a performance-based compensation system as early as 2001. This supplements remuneration in accordance with the pay scale for public service jobs. The basis for the annual performance based single payment is a systematic performance assessment for each employee – partly including the attainment of individually agreed targets. The performance-based bonus based on the commercial result of the Group varies from year to year.

	Unit	Comment	2008	2009	2010
Group					
Employees with regular performance assessment	Number of permanent staff	1	–	–	11,701
Employees with regular performance assessment	in % of permanent staff	1	–	–	61.9
Fraport AG					
Employees with regular performance assessment	Number of permanent staff		10,722	10,519	10,446
Employees with regular performance assessment	in % of permanent staff		100	100	100

1 Data only collected from 2010.

Diversity and equal opportunities

Composition of employees

As a company with an international focus, Fraport values the diversity and individuality of its employees. Our approach to managing diversity makes the individuality of our employees an integral element of our human resource strategy and organizational development. The basis for this is the Group company agreement entitled “The Conduct of Partnership, Diversity and Equality at the Workplace”, which defines the principles for antidiscrimination, equal opportunity, the advancement of women into management positions and diversity for Fraport. *(for further information see section “Employees”, p. 29–31).*

Diversity	Unit	Comment	2008	2009	2010
Group		1			
Average age	Years		–	40.5	40.2
Age group up to 30 years	Number of persons		–	3,899	4,622
	in % of staff		–	20.9	21.9
Age group 31 – 50 years	Number of persons		–	11,280	12,640
	in % of staff		–	60.4	59.8
Age group above 50 years	Number of persons		–	3,500	3,863
	in % of staff		–	18.7	18.3
Fraport AG					
Average age	Years		42.3	42.8	42.7
Age group up to 30 years	Number of persons		1,965	1,819	1,774
	in % of staff		15.9	15.1	14.8
Age group 31 – 50 years	Number of persons		7,827	7,588	7,386
	in % of staff		63.3	62.8	61.7
Age group above 50 years	Number of persons		2,571	2,676	2,807
	in % of staff		20.8	22.1	23.5
Group		1, 3			
Foreign employees	Number		–	3,826	4,097
	in % of staff		–	20.5	21.5
Fraport AG					
Foreign employees	Number		2,043	1,983	1,914
	in % of staff		16.5	16.4	16.0
Group		1			
Disabled employees	Number	4	–	1,297	1,392
	in % of eligible jobs	5	–	6.6	7.1
Fraport AG					
Disabled employees	Number	4	1,063	1,127	1,192
	in % of eligible jobs	5	9.3	10.0	10.7

1 Data only collected from 2009.

2 Data only collected from 2010.

3 In Germany.

4 Disabled employees, employees with equal status to disabled employees, and employees with multiple credits disability.

5 Eligible jobs = Employees – School students – University students – Apprentices.

Diversity (continued)

	Unit	Comment	2008	2009	2010
Group					
Gender					
Women	in % of staff	1	–	23.0	23.2
Men	in % of staff	1	–	77.0	76.8
Women in management positions	in % of managers	1, 2	–	25.8	28.7
Women in management positions Level 1	in % of managers Level 1	2, 3	–	–	20.0
Women in management positions Level 2	in % of managers Level 2	2, 3	–	–	21.2
Women in management positions Level 3	in % of managers Level 3	2, 3	–	–	29.8
Women in management positions Level 4	in % of managers Level 4	2, 3	–	–	24.3
Women in management positions Level 5	in % of managers Level 5	2, 3	–	–	37.4
Fraport AG					
Gender					
Women	in % of staff		18.8	18.7	18.8
Men	in % of staff		81.2	81.3	81.2
Women in management positions	in % of managers	2	17.8	17.6	20.5
Women in management positions Level 1	in % of managers Level 1	1, 2	–	0.0	20.0
Women in management positions Level 2	in % of managers Level 2	1, 2	–	16.1	13.3
Women in management positions Level 3	in % of managers Level 3	1, 2	–	18.1	24.2
Women in management positions Level 4	in % of managers Level 4	1, 2	–	18.7	19.4
Women in management positions Level 5	in % of managers Level 5	1, 2	–	14.8	14.3
Persons in management bodies	Number of persons in management bodies (total)	3, 4, 5	–	–	24
of which women	in % of persons in management bodies	3, 4	–	–	12.5
Age group up to 30 years	in % of persons in management bodies	3, 4	–	–	0.0
31 to 50 years	in % of persons in management bodies	3, 4	–	–	25.0
Age group above 50 years	in % of persons in management bodies	3, 4	–	–	75.0

1 Data only collected from 2009.

2 Management position = Management level 1 to 5. The term management level (or Level 1 to 5) relates exclusively to managers of an organizational unit, i.e. persons whose employees are subject to their disciplinary and technical supervision (Management level 1: Business/Service Unit Manager, Management Level 2: Section Manager/Central Unit Manager, Management Level 3–5: Manager).

3 Data only collected from 2010.

4 Management bodies = The bodies or management boards that are responsible for the strategic direction of the organization, the efficient supervision of the executive management, and the liability of the management to the organization and its stakeholders.

5 Provision of information in the management bodies according to gender is not yet possible for the Group because the data are not available in the subsidiary companies.

Relationship between basic pay for men and basic pay for women

In accordance with the collective agreement for public service employees, gender-specific criteria are not used for the assessment of activities. Criteria such as knowledge and skills, responsibility, difficulty of activity or management responsibility are used. The job rather than the person doing the job is evaluated. A survey and analysis of structural data is used to review the actual salary data of male and female employees over the long term.

Human rights

Management approach

Safeguarding international human rights is a top priority for the Fraport Group within its sphere of influence. This is why we are committed to responsible corporate governance at all our Group sites and compliance with internationally recognized codes of conduct – the principles of the UN Global Compact, the OECD guidelines, and the ILO core labour standards. Quality management reviews compliance with the commitments made.

In 2009, we signed the Business Conduct Rules of the biggest European purchasing association, the German Association of Materials Management, Purchasing and Logistics (AMMPL) in order to firmly establish human rights in our investment and procurement practices. The guideline is based on the principles of the UN Global Compact and includes fundamental anti-corruption rules, antitrust agreements, rules on child labor and forced labor, and compliance with human rights, environmental protection and health promotion, and fair working conditions.

Fraport respects the cultural, ethical, social, political and legal diversity of all nations and communities. Our approach to managing diversity deliberately makes the individuality of our employees an integral part of our human resources strategy and organizational development. The basis for this is the Group company agreement entitled “The Conduct of Partnership, Diversity and Equality at the workplace”, which defines the principles for antidiscrimination, equal opportunities, the advancement of women into management positions and diversity for Fraport ([for further information see section “Employees”, p. 29](#)).

Fraport respects the basic right of freedom of association and the right to collective bargaining negotiations under national agreements. We also recognize the right to open cooperation in a spirit of mutual trust with democratically elected employee representative bodies directed toward a fair settlement of interests. 95 % of the employees in the Fraport Group are covered by collective pay agreements ([for further information see section “Employees” p. 27–28](#)).

The Fraport Group rejects any form of forced labor and is committed to the abolition of child labor. The minimum age permitting full-time employment in compliance with the relevant national regulations is observed within the Fraport Group.

The highest level in the organization with responsibility for human rights aspects is the Chairman of the Executive Board, Dr. Stefan Schulte.

Investment and procurement practices

Percentage/number of significant investment agreements with human rights clauses

When services are put out to tender, compliance with national and international laws and agreements is guaranteed. This is also confirmed with legally binding effect when the contract is signed. Furthermore, Fraport has signed the Business Conduct Rules of the biggest European purchasing association, the German Association of Materials Management, Purchasing and Logistics (AMMPL). The guideline is based on the principles of the UN Global Compact and includes fundamental anti-corruption rules, antitrust agreements, rules on child labor and forced labor, and compliance with human rights, environmental protection and health promotion, and fair working conditions. This guideline forms the basis for all procurement and investments (= 100 %). The signing companies are also committed to require compliance by their suppliers with the "Business Conduct Rules".

Percentage of suppliers subject to human rights screening

Unlike a manufacturing company, Fraport AG has a heterogeneous requirement structure for personnel. The needs of Fraport AG range from architectural services, through erection of complete buildings, to their repair and maintenance. Their requirements further cover provision of office material, through computer center services, to aircraft tow trucks. When putting individual services out to tender, Fraport ensures compliance with national and international laws and agreements. This is also confirmed with legally binding effect when the contract is closed. In 2009, we also signed the Business Conduct Rules of the biggest European purchasing association, the German Association of Materials Management, Purchasing and Logistics (AMMPL) in order to firmly establish human rights in our investment and procurement practices. The guideline is based on the principles of the UN Global Compact and includes fundamental anti-corruption rules, antitrust agreements, rules on child labor and forced labor, and compliance with human rights, environmental protection and health promotion, and fair working conditions. The signing companies are also committed to require compliance by their suppliers with the "Business Conduct Rules".

A supplier structure analysis is planned for 2011 with the aim of reviewing significant suppliers on the basis of human rights using a procedure involving voluntary disclosure of information.

Fraport is taking part in the project "Hesse – pioneer for sustainable and fair procurement" in order to gain further expertise in the area of sustainable and fair procurement. This project is managed by the State and is part of its sustainability strategy (*for further information see www.hessen-nachhaltig.de*).

Number of training sessions on human rights, percentage of employees

The aim of the General Act on Equal Treatment (AGG) is to prevent or eliminate disadvantages being suffered by people including employees for reasons of race, or on account of ethnic origin, gender, religion or philosophy of life, disability, age, or sex. The managers of levels 1–4 and the employees working in human resources therefore receive training on the requirements of this legislation every five years. Apprentices and trainees will also receive comprehensive information about the AGG.

Non-discrimination

Number of incidents of discrimination and actions taken

During the reporting period, no lawsuits were filed under the German Act on Equal Treatment (AGG). For more information on diversity and equal opportunity *see section "Employees", p. 29–30*.

Freedom of association and collective bargaining

Freedom of association and collective bargaining

At all Group sites we are committed to compliance with the most important internationally recognized codes of conduct – the principles of the UN Global Compact, the OECD guidelines and the ILO core labour standards. Quality management reviews compliance with the commitments made.

Our commitments to values and principles are complemented by a proactive approach to company co-determination. Fraport works closely together with employee representatives in a spirit of mutual trust. Central bodies involved in this work are the Fraport Works Council and the Group Works Council. They represent some 18,000 employees in the German subsidiaries on matters which relate to the Group or several Group companies. At company level, the interests of the workforce are represented on the Supervisory Board pursuant to the Co-Determination Act by ten members of the Supervisory Board. 95 % of the employees in the Fraport Group are covered by collective pay agreements.

The "Pact for the Future 2018" between the executive management and the employee representative body succeeded in avoiding the outsourcing or loss of jobs in ground handling services at the end of 2009. A company agreement was made specifically for crisis situations. This agreement provides for all meaningful and necessary measures to be taken in order to avoid both economic losses for the Group and impairment of corporate development, and to secure the jobs and incomes of the employees in the Group.

Child labor

Principles and measures for prevention of child labor

The Fraport Group is committed to the abolition of child labor. The minimum age permitting full-time employment in compliance with the relevant national regulations is observed within the Fraport Group. At all Group sites, Fraport is committed to compliance with the most important internationally recognized codes of conduct – the principles of the UN Global Compact, the OECD guidelines and the ILO core labour standards. Quality management reviews compliance with the commitments made. Furthermore, Fraport has signed the Business Conduct Rules of the biggest European purchasing association, the German Association of Materials Management, Purchasing and Logistics (AMMPL). The guideline includes fundamental rules including guidelines on combating child labor. The signing companies are also committed to require compliance by their suppliers with the “Business Conduct Rules”.

Forced and compulsory labor

Principles and measures for prevention of child labor

The Fraport Group rejects any form of forced labor and is committed to compliance with the most important internationally recognized codes of conduct – the principles of the UN Global Compact, the OECD guidelines and the ILO core labour standards. Quality management reviews compliance with the commitments made.

Furthermore, Fraport has signed the Business Conduct Rules of the biggest European purchasing association, the German association of Materials Management, Purchasing and Logistics (AMMPL). The guideline includes fundamental rules including guidelines on combating child labor. The signing companies are also committed to require compliance by their suppliers with the “Business Conduct Rules”.

Security practices

Percentage of trained security personnel

The training and career development of all security personnel is carried out in conformity with statutory regulations and internal rules. It also covers the statutory regulations on dealing with persons and property. The training requirements apply to the security personnel of Fraport AG and the subsidiary company Fraport Security Services (FraSec) GmbH.

Rights of indigenous people

Number of violations against rights of indigenous people and the actions taken

In our opinion, this is not relevant for Fraport.

Society

Management approach

The Supervisory Board of Fraport AG adopted the Corporate Governance Code of Fraport AG as early as 2002. The code describes the essential principles for the management and monitoring of the company and includes internationally and nationally recognized standards for good and responsible corporate management. The Fraport Code also includes the essential rights of the shareholders who provide the company with the necessary equity capital and bear the entrepreneurial risk. The Fraport Code is firmly based on the German Corporate Governance Code and is regularly reviewed and revised to meet the recommendations and ideas of the government committee. The last revision was carried out on 27 September 2010. On behalf of and acting for the Supervisory Board, the Executive Board of Fraport AG submits a declaration on corporate governance pursuant to Article 289a German Commercial Code (HGB) and publishes it in the Annual Report. The Annual Report also contains the detailed Corporate Governance Report of the company and the report of the Supervisory Board together with other statements on corporate governance (*for further information see www.fraport.com*).

We expect the applicable legislation and regulations to be observed and require compliance in all aspects of the business. Our global actions are based on the relevant applicable framework conditions defined by statutory regulations. Introduction of the Values Management System in 2003 gave a clear indication of our aspirations for the values that Fraport AG would like to comply with when conducting its business. The economic concept of value and the moral concept of values are not contradictory within this conceptual framework. Economic success and moral convictions should not be contradictory, rather they are both conditions for sustainable corporate governance. Sustainability not only represents a declaration on taking responsibility for ecological and social issues but also represents the actions of an enterprise that wants to comply with the laws and regulations without any compromises as an accepted member of a community. Apart from continuous development of increasingly sophisticated controlling systems, we believe that clearly agreed and systematically implemented moral standards are required to meet these requirements. These are intended to serve a preventive function and provide our employees and business partners with clear guidelines for action. We expect the basic values of probity, integrity, trustworthiness, responsibility, transparency and fairness from ourselves and from our business partners. These basic values are binding for all our employees and at all levels of our company. We want an approach centered on values to be a fixed element of our corporate culture. Measures adopted to implement the Values Management System include numerous training and communication measures for different areas and target groups, sector-specific information and communication tools, discussion groups, brochures, online surveys with derivation of recommendations for action, and determination of changes, and intensive external and internal reporting. The dialogue with our business partners on this matter covers inclusion of an anti-corruption clause in consultancy contracts, an integrity declaration in the supplementary contractual conditions for construction, architectural and engineering services, a procedural instruction on order embargo for contractors carrying out building work, delivering supplies and providing services, and an Internet-based self-assessment system for suppliers (*for further information see www.fraport.com*).

Since 2009, Fraport has had an electronic whistleblower system (BKMS) for recording and preventing conduct that is prejudicial to the interests of the company. Employees of Fraport AG, business partners and customers can use the certified electronic whistleblower system to submit information online relating to any perceived irregularities. Confidential information on corruption and business crime can be forwarded directly or anonymously worldwide and 24/7. The electronic whistleblower system guarantees the anonymity of the whistleblower by the system. The facts in each report are subject to intensive analysis and scrutiny, and steps may be taken under employment law as necessary.

For further information see section "Organization and governance", p. 12–13, section "Region and community", p. 42–47, www.aktivfuerrdieregion.fraport.de

Community

Impacts on the community

The airport is an important economic factor for the Rhine-Main region. Thanks to its central location and the link with the airport this region has been transformed into one of the most dynamic and most highly integrated international economic zones in Europe. A workforce of some 71,000 employees makes the airport Germany's biggest workplace. Analyses assume that each workplace generates more than twice as many workplaces in the surrounding region. The number of jobs at the airport has doubled in the last two and a half decades. 10,000 jobs have been added in the last decade alone. We also generate additional employment in the region. In 2010, we awarded orders to companies with a total volume of € 946.4 million, to the particular advantage of smaller companies mostly based in the Rhine-Main region. These orders enable Fraport to indirectly support an estimated 25,000 jobs in the commissioned companies. In 2011, the orders to companies in the region will remain at a similar high level. This is complemented by the economic power of some 500 companies based at the airport. The tax volume generated by the "Airport corporate complex" contributes to financing public services such as schools, sports facilities, hospitals, universities and social services.

The net value added, i.e. our overall corporate performance less advance payments and impairments, benefits a variety of stakeholders. It is a good benchmark for the community benefit of our business activities. 65 % of our value added and the biggest share goes to our employees in the form of wages, salaries and social benefits, around 10 % each goes to our lenders and shareholders in the form of interest and dividends respectively. We support people and the natural environment with sponsorship and donations, particularly in the Rhine-Main region (*for further information see section "Region and community", p. 45*).

Aircraft noise is a key issue for residents in the communities near Frankfurt Airport – and one that engages the emotions. The undoubted negative impact for many airport neighbors is our motivation to continue our efforts to avoid and reduce aircraft noise. This is all the more critical since the traffic volume will increase with expansion of the airport and the new north-west runway. Active noise abatement is an effective tool for reducing the negative impacts experienced by neighbors of the airport from aircraft noise (*for further information see section "Region and community", p. 42–43*). The first package of measures was submitted by the Expert Committee on Active Noise Abatement within the framework of the Forum Airport and Region in summer of 2010. The effectiveness of the measures is reviewed on the basis of the Frankfurt Noise Index. Other programs and procedures relating to negative noise impacts in the region are noise monitoring, active noise abatement on the ground, noise-related airport charges, the noise impact study and the passive noise abatement program (*for further information see section "Region and community", p. 44*).

Fraport holds regular and open stakeholder dialogues (*for further information see table "Stakeholder Dialogue"*).

Corruption

Percentage/number of departments analyzed for corruptions risks

All significant business units and subsidiaries are analyzed 100 % for corruption risks. All the audits conducted out by the Group Audit Department in the business units and subsidiaries also include a review of the effectiveness of the Internal Controlling System (ICS) for the relevant audited business processes and subsidiary companies, also with a focus on the potential risks relating to corruption. An average of 25 audits are done each year.

Percentage of employees trained in anti-corruption

By 2010, a total of some 1349 employees had taken courses in the training programs of which 332 were managers. The percentage of managers undergoing training at Fraport AG is therefore around nearly 100 %. Since 2007, a growing number of events have been organized by the Group Audit Department and delivered at the Values Management training and information events in the German and foreign subsidiary companies on values management and the introduction of the electronic whistleblower system. All the managing directors in the German and foreign subsidiaries and their management teams received training on issues relating to integrity and anti-corruption (*for further information see section "Organization and governance", p. 13*).

Corruption incidents and actions taken

In 2010, four allegations of corruption were made against Fraport AG and 0 cases were registered in the Fraport subsidiary companies. These cases were investigated. After the facts relating to the allegations had been investigated, none of the cases of alleged corruption could be confirmed. The investigations by the State prosecutor's office into allegations of corruption in relation to the granting of permits to government officials for use of the CC/CD car park in the year 2009 were discontinued in 2010.

Public policy

Public policy positions and lobbying

Fraport has a broad network of institutionalized, structured communication media to promote dialogue and a regular exchange of views with our stakeholder groups (*for further information see section “Challenges and strategy”, p. 6 and table “Stakeholder Dialogue”*).

Fraport pursues its interests through membership of the trade organizations German Airports Association (ADV, *for further information see www.adv.aero*), Airports Council International (ACI *for further information see www.airports.org*) Europe and World. Fraport is also a founding member of the new Federation of the German Air Traffic Industry (BDL), which started up work on 1 January 2011 (*for further information see www.bdl.aero*). BDL focuses on the importance of air traffic as an economic factor for Germany and has defined its target as highlighting its contribution to safe mobility, climate and environmental protection. Until the BDL structures are fully operational, thematic communication is done by the associations ADV, BDF and the DFS. We are working together with the bodies there to prepare positions on the issues of air traffic. They also include positions on projected legislation and political initiatives. Working with trade organizations is a high priority for Fraport. Involvement in the trade organizations promotes exchange of information and cooperation with other airports on current issues relating to traffic policy and sector specific matters. ADV focuses on Germany's importance as a traffic hub. ACI EUROPE and ACI WORLD address issues relating to European and international air traffic. In Europe, exchange of ideas between hub airports is particularly important because this enables mutual positions, strategies and initiatives for solutions to be agreed. Work with trade organizations involves a range of different specific issues (e.g. environmental policy, safety and security measures, passenger rights, Single European Sky, etc.). The Fraport Executive Board plays an active role in the management bodies of the trade associations.

Contributions to political parties or politicians by country

The company makes no financial donations to political parties or institutions.

Anti-competitive behavior

Number of legal actions for anti-competitive behavior and their outcomes

In 2010, no significant legal actions were pending and no significant legal actions were brought to a conclusion which related to anti-competitive conduct and breaches against antitrust law.

Compliance

Fines for non-compliance with laws and regulations

Fraport was not subject to any significant fines for breaches of legal regulations in 2010.

Product responsibility

Management approach

We always focus on the responsibility for our product when analyzing all the development options and growth plans. The obligation to our customers, the community and the environment does not come to an end when we complete a new terminal, build a new runway or the passenger goes through the gate and gets onto a plane. Our quality-management and control systems, security and safety management and many of our services are directed toward ensuring that airlines, passengers, lessees or visitors can look back on an enjoyable and streamlined stay in the environment of Frankfurt Airport at the end of the day.

Security and safety are the key condition for air traffic. This principle applies equally to passenger traffic and airfreight. This is why security and safety management has always been a top priority at Fraport. The processes relevant to security and safety are continually being reviewed and the employees deployed by us are constantly undergoing training. We have also implemented a safety management system.

However, the restrictions for passengers, employees and suppliers resulting from the necessary checks need to be limited as much as possible so that the airport continues to operate as smoothly as possible. We tackle these and other factors that are important for our customers – passengers and airlines, lessees and concessionaires – under the challenge of “customer satisfaction”. It is one of the central success factors for the future capability of an airport (*for further information see section “Challenges and strategy”, p. 7–11, section “Customers”, p. 21–25*).

The ongoing economic success of our company depends on the satisfaction of our customers and employees. Competitive prices, quality of services and the reliability of procedures and workflows are key factors for this. Fraport has introduced an Integrated Management System to guarantee a process of continuous improvement for customer satisfaction. This serves as a platform for maintaining and developing a legally compliant and process-oriented organization and is intended to assist in implementing the vision and goals (value added, strong performance and sustainability) of our company. Fraport AG ranks among the leaders in the airport-management sector with an Integrated Management System certified by the German Technical Inspectorate (TÜV). This certificate confirms the quality of our services and the dependability and customer-focused approach of our company. You can access further information on the Integrated Management System at Fraport AG in our Management System Manual (*for further information see www.fraport.com*) – including our company-wide minimum requirements for the fields of action covering quality, occupational health and safety, environmental protection, and values management.

Customers health and safety

Health and safety impacts along the product life-cycle

The key issue for air traffic above all others is safety. We want to retain the high standard of safety and security at Frankfurt Airport. A continuous review of all processes governing safety, training of personnel deployed and a safety management system enable us to make a significant contribution to safety and security. Increasingly advanced technologies and more and more personnel are being deployed to guarantee the safety and security of passengers, baggage and cargo. The safety and security of people working at the airport is also a top priority (*for further information see section “Challenges and strategy”, p. 7–10, section “Customers”, p. 24–25*).

Noise abatement is one of our central fields of action (*for further information see section “Challenges and strategy”, p. 7–10*). In Germany, the issue of “Noise and health” is an issue that is currently subject to intense discussion by politicians and in the media. Fraport AG is not in a position to influence aircraft noise directly, but it would like to play a proactive role in reducing the negative impacts of aircraft noise. Fraport therefore played a particularly proactive role in the issue of aircraft noise during the course of 2010, especially in the context of “Airport and Region Forum”. In the summer of 2010, the results of the long-standing and constructive debate about noise abatement in the public domain were presented (*for further information see section “Region and community”, p. 42–44*). Our efforts to avoid and reduce aircraft noise also include noise monitoring, active noise abatement on the ground, noise-related airport charges, the noise impact study, and the passive noise abatement program (*for further information see section “Region and community”, p. 44*).

Breaches of health and safety standards by type and consequences

No incidents were investigated for 2010.

Labeling of products and services

Statutory prescribed information on products and services

Numerous international and national guidelines regulate air traffic. The Airport Users Guidelines is also applicable (*for further information see www.fraport.com*). The EU “Rights of Passengers” directive is also applicable (*for further information see www.eu-info.de*). Fundamental principles are also defined in extensive ICAO regulations governing air traffic and ground handling services (*for further information see www.icao.int*). The Air Security Act came into force in 2005 and regulates the checks carried out on air passengers and their baggage (Article 5). It also defines the security measures that have to be taken by airport operators and the airline companies (Article 8–9) (*for further information see “Customers”, p. 24–25*).

The organizational responsibility for a management system that is intended to guarantee compliance with statutory regulations is with the central unit “Sustainability Management and Corporate Compliance”. It is based on a series of systems that were grouped together conceptually to form an integrated Fraport Risk and Compliance Management System in 2010. Implementation will be rolled out gradually starting 2011 (*for further information see section “Organization and governance”, p. 13*).

Incidents involving breaches of rules of conduct on labeling information about products and services

No incidents were investigated in 2010.

Customer satisfaction and appropriate surveys

We carry out monthly passenger satisfaction surveys. These are supplemented every quarter by comparative values from other airports, the “Airport Service Quality Index” (ASQ), an initiative of the Airport Council International (ACI). Once a year, we also receive the satisfaction report from Skytrax. Frankfurt Airport was given a ranking of 16 globally – this represents another step forward since we came 21st in 2009 and 44th in 2008. Fraport also has a comprehensive feedback and complaints system so that our customers can tell us about their experience. We are totally accessible to our customers. They can contact us by email, phone, letter, in person, or using our feedback terminals. The aim is to ensure that every complaint is answered within the space of one week. And at least 20 % of complaints should be answered by means of a personal phone call. In 2010, 3,872 complaints were received. Nearly one third of them concerned security procedures, and a particular focus of attention was the removal of hazardous items from travel baggage. The complaints are dealt with by the relevant departments and provide ideas for improvements. We are also in continuous dialog with our business customers and partners. Our monthly customer advisory councils and quarterly taskforces meet with the airlines on a monthly or quarterly basis in an ongoing process of dialogue within a structured schedule and framework. Additionally, numerous ad-hoc meetings take place to discuss specific topics. We also have a continual exchange of ideas with government agencies (*for further information see section “Customers”, p. 20–21*).

Advertising

Programs for compliance with legislation and standards in advertising

Fraport is committed to self-regulation on advertising when making promotional statements and complies with the regulations laid down by the German Advertising Council. Accordingly, Fraport avoids any form of discrimination, anticompetitive behavior and misrepresentation in the advertising material it publishes. Fraport takes particular account of the rules of conduct promulgated by the German Advertising Council for promotion with children and in front of them, and operates within the prevailing standards of convention, decency and morality.

Incidents involving breaches of advertising regulations and the consequences

There were no sanctions, fines or warnings due to breaches of advertising regulations in the reporting period.

Protection of customer data

Number of justified complaints relating to protection of customer data

Fraport investigated no justified complaints in 2010.

Compliance with statutory regulations

Level of fines relating to breaches of product and service regulations

No breaches are known to Fraport AG.