

Combined non-financial Statement

About this combined statement

The combined non-financial statement complies with Sections 315b and 315c in connection with Sections 289b to 289e of the German Commercial Code (HGB). This combined non-financial statement has been audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft according to ISAE 3000 (revised) with limited assurance. The unqualified auditor's opinion can be found at the end of the Annual Report.

The "Control" and "Non-financial Performance Indicators" chapters describe the most important non-financial performance indicators and their development. Their concepts and measures are used as the basis for this combined non-financial statement. The target values set for the Fraport Group and Fraport AG can also be found in these two chapters. The forecast figures for the 2021 fiscal year can be found in the "Business Outlook" chapter.

A significant proportion of the events described in this statement was affected by the Covid-19 pandemic in the 2020 fiscal year. The statement addresses the impact on the Fraport Group and its concrete measures for operational protection against infection in the affected aspects (see also the "Impact of the Coronavirus Pandemic on the Fraport Group" chapter).

Use of frameworks

For a structured presentation of the contents in accordance with Section 289c of the HGB in the combined non-financial statement, Fraport applies the standards of the Global Reporting Initiative (GRI). The concepts for the aspects are based on the structure of the GRI management approaches. This refers to the materiality matrix (GRI 101 - Management Approach) and the explanations relating to "Anti-corruption and bribery matters", "Respect for human rights", "Customer satisfaction and security", "Employee-related matters", "Social matters", "Environmental matters" (GRI 103 - Management Approach). In addition, for a detailed overview of the complete GRI indicators, see the Fraport Group's "GRI and UN Global Compact Index 2020" for the 2020 fiscal year. This will be available in May 2021 at www.fraport.com/responsibility. References to information beyond the scope of the combined management report and consolidated financial statements are additional information and do not form part of this combined non-financial statement.

Description of business model

The Fraport Group is among the leading global airport operators with its international portfolio. Fraport provides all operational and administrative services for airport and terminal operation as well as other associated services. The range of services also includes planning and consulting services. The Fraport business model, competitive position, and the Group structure can be found in the "Situation of the Group" chapter.

Derivation of materiality

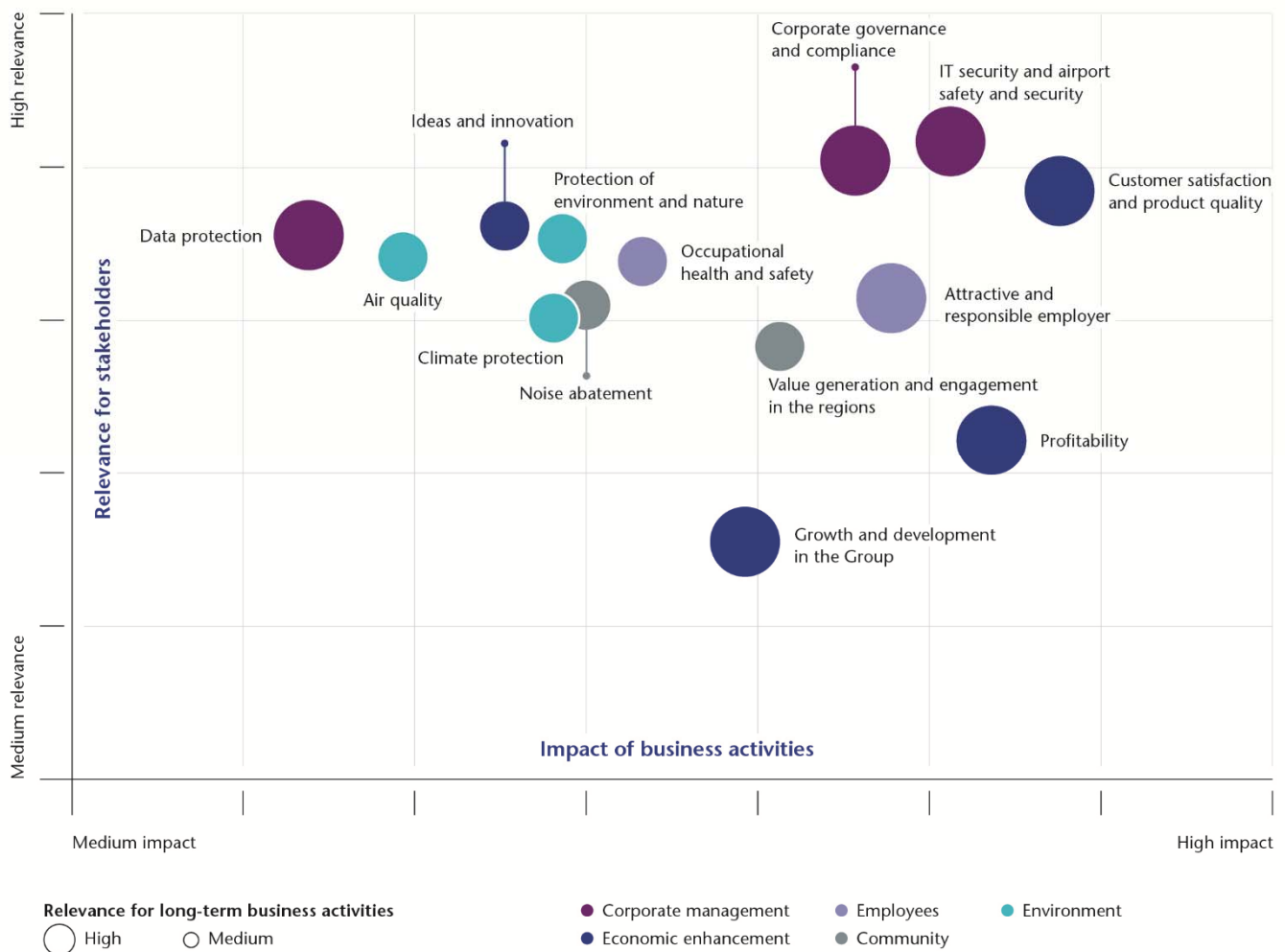
The mission statement continues to be the basis of the Group strategy in times of the Covid-19 pandemic. It encompasses the Group goals "Growth in Frankfurt and internationally", "Service-oriented airport provider", "Economically successful through optimal cooperation", "Learning organization and digitalization", and "Fairness and recognition for partners and neighbors". The vision of establishing Fraport as Europe's top airport operator and also to set global standards forms the basis of the mission statement.

Based on these Group goals, the Executive Board has defined six key non-financial performance indicators in accordance with Section 315 (3) of the HGB in conjunction with Section 289 (3) of the HGB. Global passenger satisfaction and baggage connectivity, employee satisfaction, women in management positions, sickness rate, and CO₂ emissions. Due to significantly lower traffic volumes, some of the non-financial performance indicators were not used for Group management control in 2020 (see also the "Control" and "Non-financial Performance Indicators" chapters).

The basis for the selection of the aspects reported in this combined non-financial statement is the materiality matrix. Material aspects are those that, according to Section 289c (3) of the HGB, are relevant to the business development, business result, and situation of Fraport, as well as the effects of the business activities of Fraport on non-financial aspects. The materiality matrix is the result of a systematic exchange with internal and external stakeholders from year 2018. Fraport AG has conducted an elaborate assessment of the selected topics. Fraport management and representatives of the most important stakeholders (analysts, shareholders, employee representatives, banks, employees, airlines, local residents living near airports, business partners, investors, media, NGOs, passengers, politicians and authorities, economic associations, and science) confirmed the relevance of the current topics in an online survey. Both groups also prioritized the topics. The materiality matrix shows the impact of direct and

indirect business activities on the corresponding aspect, its relevance for stakeholders and for the long-term business activities of Fraport.

Materiality matrix



The key topics identified have been attributed to the non-financial aspects in accordance with Section 289c (2) of the HGB as follows: The aspects “Respect for human rights” and “Anti-corruption and bribery matters” are combined in the aspect “Corporate governance and compliance” in the materiality matrix. The aspect of “Employee-related matters” corresponds to the “Employees” dimension in the materiality matrix and is divided into “Attractive and responsible employer” and “Occupational health and safety”. The aspect of “Social matters” corresponds to the dimension “Community” with the issues of “Noise abatement” as well as “Engagement in the regions”, and the aspect of “Environmental matters” corresponds to the “Environment” dimension with the issues of “Climate protection”, “Protection of environment and nature”, and “Air quality”.

Beyond these reportable non-financial aspects, Fraport has also identified “Customer satisfaction and security” as an additional aspect. This includes “Customer satisfaction and product quality”, “IT security and airport safety and security”, and “Data protection”. The crossover aspect “Supply and subcontracting chain” is not an individual aspect but deals with all reportable information in connection with the non-financial aspects in a separate chapter.

Financial matters are not part of this statement but can be found in the “Economic Report” chapter. This concerns the topics of “Profitability”, “Growth and development in the Group”, and “Ideas and innovation”.

For 2020, the Strategy department expects that the impact of the Covid-19 pandemic has led to shifts on the materiality matrix. The Covid-19 pandemic has affected the axis "Impact of business activities" and its topics "Occupational health and safety", "Profitability", "Growth and development in the Group", "Engagement in the regions", and environmental matters such as "Climate protection", "Protection of environment and nature", "Air quality" and also "Noise abatement". Regarding the "Relevance to long-term business development", the issues "Ideas and innovation", "Occupational health and safety", "Climate protection" and "Protection of environment and nature" will be more relevant in the future. Concerning the axis "Relevance for stakeholders", the Covid-19 pandemic has led to shifts on the issues "Occupational health and safety", "Profitability", "Growth and development in the Group", "Ideas and innovation" and "Attractive and responsible employer". This assumption is based on internal analyses of the Strategy department. In order to validate this assumption and confirm the changes, a new stakeholder survey will be conducted as soon as the ongoing situation allows it. The Executive Board has released these shifts.

On May 26, 2020, the Annual General Meeting approved the Supervisory Board's proposal to adjust the remuneration system for the Executive Board. It now takes into account the changes in connection with the implementation of the Second Shareholders' Rights Directive in the German Stock Corporation Act (AktG). As a result, the remuneration system includes non-financial elements in addition to the financial objectives for the long-term variable remuneration. Since the Annual General Meeting did not approve the remuneration system until May, the non-financial criteria and ESG targets for the variable remuneration were only defined for 2021 (see also the "Remuneration Report" chapter).

Identification of risks

Fraport defines risks as future developments or events that may negatively affect non-financial aspects. The risk evaluation is conservative, i.e., the most unfavorable impact for Fraport is assessed. A distinction is made between a gross risk and net risk. The gross risk is the greatest possible negative impact of the risk prior to countermeasures. The net risk includes the remaining expected impact after countermeasures have been initiated or implemented. The risk assessment in this non-financial statement reflects the net risk.

The risk management system described in the "Risk and Opportunities Report" chapter in the combined management report contains the analysis of the risks that may have potential negative effects on the non-financial aspects.

For fiscal year 2020, there were no additional reportable risks for the Fraport Group and Fraport AG of their activities on the non-financial aspects, beyond the material risks already listed in the Risk and Opportunities Report.

Consideration of the supply and subcontracting chain specific to the business model

The crossover "Supply and subcontracting chain" topic is not an individual aspect but deals with all reportable information in connection with the non-financial aspects in this separate chapter. Unlike manufacturing companies, Fraport management does not focus on the supply chain. Instead, the focus is placed on the quality of the services offered and the functionality of the infrastructure required for this purpose. It is crucial, however, that business partners and suppliers are selected carefully.

Fraport compels business partners and suppliers to comply with its Supplier Code of Conduct as part of its General Terms and Conditions (GTC), depending on the local conditions. The code details the correct treatment of employees, respecting human rights, environmental and climate protection, integrity in the course of business, as well as the prohibition of corruption and bribery. A violation of this code may result in the termination of the business relationship. A contractual penalty may be imposed and a claim for lump-sum damages may be raised in the event of antitrust violations and serious misconduct. Business partners and suppliers must also undertake to require and ensure these principles are adhered to when dealing with their own suppliers.

Fraport AG undertakes to generally focus on sustainability criteria when purchasing products and services and has signed a target agreement initiated by the Hessian Ministry for the Environment, Climate Protection, Agriculture, and Consumer Protection. The "Environmental Management" department of Fraport AG receives an annual evaluation of which framework contracts will be tendered in the following year. Within the scope of a declaration of understanding between the "Central Purchasing, Construction Contracts", and "Corporate Development, Environment and Sustainability" central units, the "Environmental Management" department informs the relevant stakeholders about possible ecological procurement criteria and certificates (e.g., the OEKO-TEX 100 standard for pollutant-free textiles).

Fraport has a heterogeneous demand structure. It ranges from architectural services to the maintenance and expansion of airport infrastructure, from office materials to IT services and aircraft tugs. At Fraport AG (incl. the Airport Expansion South project), more

than 54% of order volume went to companies in the Rhine-Main region. Around 95% of Fraport AG's order volume, amounting to approximately €1,047 million, was awarded to suppliers and service providers based in Germany, approximately 4% to those based in the EU and about 1% to those based in the United States, Canada, and Switzerland. As there are comparable legal standards in these countries, in particular regarding anti-corruption and bribery matters, and respect for human rights, the first level of the supply chain is not deemed critical. In the year under review, Fraport AG's orders (excluding Expansion South) awarded to third parties noticeably collapsed both in number (–42%) and value (–36%) due to the Covid-19 pandemic. The five largest suppliers of Fraport AG (incl. the Expansion South project) are the companies Karl Lausser GmbH, Adam Hörnig Baugesellschaft mbH, Haslinger Stahlbau GmbH, Bombardier Transportation, and STRABAG Großprojekte GmbH. Fraport Ausbau Süd GmbH carried out an extensive business partner screening for these companies before awarding the contracts.

If Fraport AG tenders and awards contracts for product groups that include suppliers or service providers from risk countries as pertains to labor and social standards, the contractors will be reviewed depending on the order value. This also applies to orders for work clothes, for example. Fraport regularly checks in which countries production sites are located. Irrespective of this, all suppliers and service providers of Fraport AG are audited on a daily basis regarding the relevant sanction lists of the EU and the United States. Sanction lists are official lists of people, groups, or organizations subject to economic or legal restrictions. If there are irregularities, further checks are planned which may result in the withdrawal of an order. An examination of the first level of the supply chain by contractors' country of origin is an essential part of regular reporting for the "Central Purchasing, Construction Contracts" central unit.

Fraport AG has fulfilled the legally compliant assignment of external personnel based on independent service and work contracts, as opposed to temporary work. It has implemented external staff compliance as part of a policy to hire external staff. The policy includes a mandatory audit process and reduces the risk of false service or work contracts or covert contracts for temporary work. External staff assignments provided by Group companies to Fraport AG are also subject to this audit process. The Group companies independently ensure the legally compliant assignment of external personnel by implementing suitable processes.

The fully consolidated Group companies each have their own procurement management and are required to comply with the Group Compliance Management System (CMS). An important part of the Group policy is the Code of Conduct for Employees, which is obligatory in the Fraport Group. The policy also includes instructions to make the Supplier Code of Conduct part of the General Terms and Conditions insofar as this is possible for the Group companies pursuant to the applicable national law. This is particularly relevant for major construction projects such as the new terminal at Lima Airport, the modernization of the Greek regional airports, and the construction activities by the Brazilian Group companies Fortaleza and Porto Alegre. For this projects, compliance with the Fraport Supplier Code of Conduct is agreed. If such inclusion in the General Terms and Conditions is not possible or is only possible if the Supplier Code of Conduct is modified, local management informs the section dealing with compliance at Fraport AG. Between 80 and 100% of the order volume at Group airports has been awarded to domestic companies.

The Group company Fraport Ausbau Süd defined a separate procurement process for the Expansion South project, in particular Terminal 3 at Frankfurt Airport, due to the size and complexity of the project. When submitting a bid in this procurement process, construction companies are obliged to comply with all requirements in the German Posted Workers Act (AEntG) and the German Minimum Wage Act (MiLoG). In addition, they must make contributions to the collective bargaining parties' joint facilities (e.g., wage compensation and vacation pay), and also only engage subcontractors or other third parties that meet these requirements. The Fraport Supplier Code of Conduct also forms part of any agreement. A due diligence review process was defined for the construction of Terminal 3, which has since been carried out depending on the order value. In addition to mandatory checking of sanction lists and company information, this includes extensive research online on potential business partners before new business relationships are initiated.

Correlations with the financial statements

The reportable correlations with the Fraport AG combined management report, the Fraport AG consolidated financial statements, and the Fraport AG annual financial statements are explained at the end of each respective non-financial aspect.

Anti-corruption and bribery matters and respect for human rights

Anti-corruption and bribery matters

Fraport strives to lead the Group responsibly and transparently. Fraport does not tolerate any form of corruption or other unfair business practices. In addition, the Fraport Group is committed to internationally recognized standards, guidelines, and principles, in particular, the principles of the UN Global Compact, the Universal Declaration of Human Rights, the United Nations (UN) conventions, and the Core Labour Standards of the International Labour Organization, and the OECD Guidelines for Multinational Enterprises.

Within the scope of its management responsibilities, the Executive Board determines the values and codes of conduct of the Fraport Group and draws up the framework conditions for legally compliant and ethical behavior of its executives and employees.

The anti-corruption and bribery matters are therefore an essential part of the Fraport Code of Conduct for Employees, which is applicable worldwide. The Executive Board is expressly committed to the fundamental values set out in the Code of Conduct for Employees and takes a clear stand against corruption with a “zero tolerance principle”.

The individual measures to combat corruption and bribery are based on the Group-wide Compliance Management System (CMS), according to which the Group companies develop their own specific CMS based on certain minimum requirements. The responsibility for the CMS of each respective Group company lies with its local management. The CMS of Fraport AG sets the relevant standards for the Group companies.

The CMS of Fraport AG is based on and starts with a compliance risk analysis, which is carried out regularly and whose main areas of focus include the fight against corruption. With its Compliance Helpdesk, the Compliance department of Fraport AG supports and advises employees of all positions and hierarchy levels. Many of the requests in 2020 related to preventing corruption.

In the role of Chief Compliance Officer, the head of the “Legal Affairs and Compliance” central unit is responsible for the content, organization, upkeep, and further development of the CMS of Fraport AG. This officer answers directly to the Executive Director Retail and Real Estate. The Compliance department informs the Executive Board in a semi-annual report on the status of the anti-corruption measures. The Executive Board receives information on material compliance violations immediately after they become known.

The Compliance Board of Fraport AG supports and promotes the cooperation of the Compliance Management (CMS), Risk Management (RMS), and Internal Control System (ICS) subsystems. It is the central body that brings together topics specific to the departments and segments as well as generally applicable issues with a view to further developing the CMS consistently.

Guidelines on receiving invitations and gifts have been defined for the employees of Fraport AG in a separate policy. This regulates, among other things, the electronic documentation of the approval of received gifts and invitations. An internal policy on how to deal with conflicts of interest also exists. The employees of Fraport AG are obliged to report any events in which they find themselves in situations where personal interests do not coincide with the business interests of Fraport. This allows reportable facts to be disclosed electronically, and countermeasures can be initiated. The guideline supports employees in complying with existing laws and internal regulations.

Adherence to the compliance principles of Fraport is examined as part of the internal auditing. This department provides independent and objective audit and consulting services in all major business units of Fraport AG, its subsidiaries and joint ventures, and Group companies and carries out compliance audits. A standardized and risk-oriented planning process is the foundation for the focus points of the audit.

Measures to combat corruption and bribery, as well as information and instructions on how individual employees can contribute to this, are regularly communicated to the employees of the Fraport Group. Employees must complete training on anti-corruption matters.

Fraport has set up a whistleblowing system that is available to all Group companies. The whistleblowing system is an essential tool for preventing and detecting potential compliance violations and thus combating corruption and bribery. In addition, Fraport

AG has an ombudswoman, an external, independent lawyer, at its disposal. Employees at the Frankfurt site can also contact an internal representative.

A risk-based compliance due diligence conducted by the "Global Investments and Management" strategic business unit is in place to examine the integrity of Fraport AG business partners' activities in foreign-related investment projects – integrity of potential business partners is taken into account as part of standard processes.

As part of their CMS, the Group companies implement their own measures to combat corruption and bribery. Particularly with regards to financing projects, additional measures against corruption and bribery are implemented, in part also as stipulated by external lenders. Within the context of the tender offer for the expansion of the airport, the Group company Lima has obliged all bidders to sign an anti-corruption agreement.

The Group companies partially have their own guidelines regarding bribery and corruption. Fraport USA, for example, has established guidelines that set out rules on compliance, legally compliant business practices, and safeguarding corporate interests. The Group companies Fortaleza and Porto Alegre have their own anti-corruption guidelines. Compliance issues and information received on violations of the Code of Conduct for Employees are handled within the Group company Fraport Slovenija by the Ethical and Compliance Committee.

Respect for human rights

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

The "Legal Affairs and Compliance" central unit of Fraport AG deals with, among other things, Group-wide adherence to human rights. Employees can use the electronic whistleblower system, which is implemented across the globe and readily available on the internet, to report violations. In addition, employees in Germany can also contact an external ombudsperson contracted by Fraport AG or their internal representative, as needed. This ensures that violations are identified, reported, and documented and that the Executive Board gains direct knowledge of any cases of human rights violations or any other relevant information in that regard.

Respect for human rights is enshrined in the Group-wide binding Code of Conduct for Employees: Fraport undertakes to respect the fundamental right to freedom of association and the right to collective bargaining that governs the general working conditions within the Group. In addition, the Code of Conduct establishes an open and trusting cooperation for legitimate employee representatives and strives for a fair Group-wide balance of interests. Fraport rejects any form of forced or child labor and advocates for the rights of children and adolescents.

As an international company, Fraport encourages diversity in its workforce and pursues the objective of rejecting any form of discrimination. Fraport undertakes not to distinguish, exclude, or favor people on the basis of their ethnic, national and social origin, race, color, gender, age, religion, or belief. Fraport also prohibits any discrimination based on political activity, membership in a union organization, disability, or sexual orientation. The principle of mutual appreciation and respect is an essential part of the Fraport value culture: Fraport stands for fair, respectful, and cooperative relationships.

Fraport has the same expectations regarding respect for human rights towards its business partners; these requirements are set out in the Supplier Code of Conduct. In this code, Fraport business partners are obliged to work towards ensuring that all other companies, like subcontractors, involved in the provision of services, consistently comply with these standards.

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

The Group company Lima complies with the standards of the Environmental Health & Safety Guidelines of the International Finance Corporation (IFC) and is required to comply with the requirements of the Environmental Impact Study for the Expansion Program of the AIJCH of Peru. In addition, the company is committed to respecting the “Equator Principles”, a set of rules set forth by banks to comply with environmental and social standards in the area of project financing. The principles are a prerequisite for financing and are also an integral part of contractual agreements.

In addition to an electronic whistleblower system, the Group companies Fortaleza and Porto Alegre have set up meetings that are convened as required and provide an opportunity to discuss reports of potential violations and the subsequent steps to be taken. Within the scope of the expansion program, the Group company Porto Alegre is committed under the concession contract to relocate over 1,100 families. Under the Brazilian Constitution, resettlement is an obligation of the state and very heavily regulated in order to safeguard the rights of local residents and to create a decent standard of living for them. The local social welfare office manages the relocation of the residents and it is controlled by a federal judge. When allocating new apartments and houses, the competent authorities take social aspects into account. Older people or people with reduced mobility can choose accommodations suitable for them. Families should live as close to each other as possible.

According to the concession agreement, the responsibility of Fraport in the relocation process lies in registering the affected families. For this purpose, Fraport Brasil has built a registration center, which avoids administrative burdens and lengthy administrative processes for those affected. In addition, Fraport has made progress with the expansion of infrastructure in the new settlements, including water supply, sewer systems, shopping facilities, and kindergartens. Thus far, over 90% of the families affected in Vila Nazaré have moved into new homes.

Customer satisfaction and security

Customer satisfaction and product quality

The customer comes first at Fraport, both in Frankfurt as well as at all international Group airports. Passenger satisfaction and baggage connectivity are considered the most important criteria for service quality (see the “Control” and “Non-financial Performance Indicators” chapters). The focus on customers and service at Group airports will be continuously improved. Protecting the health of employees, passengers, and customers is always a top priority. In 2020, in particular, the risk of infection at Group airports had to be reduced given the extent of the Covid-19 pandemic. Therefore, Fraport also collected data on passenger satisfaction with health and infection protection in the face of the Covid-19 pandemic. Due to the effects of the Covid-19 pandemic, the Executive Board did not issue any quarterly reports on the key figures on passenger satisfaction until the end of 2020.

In response to the effects of the Covid-19 pandemic, Fraport closed Terminal 2 on April 7, 2020. Of the nearly 290 shops, restaurants, and service facilities, around 50 remain open in Terminal 1 to ensure a basic level of services. Other regular passenger services, such as the airport information desk, have been temporarily closed or reduced. At the same time, existing service level agreements with service providers, for example regarding the friendliness of mobile terminal staff and employees at airport information desks, were suspended. The collection of corresponding indicators relevant for controlling within the scope of the long-term passenger survey Fraport-MONITOR was neither possible nor useful. Under these circumstances, the Executive Board temporarily suspended Fraport-MONITOR on March 21, 2020.

Between the end of April and the end of July 2020, Fraport conducted a total of four short survey periods at the Frankfurt site, each with around 600 interviews, on the topic of “Traveling during the Covid-19 pandemic”, while also surveying global satisfaction. The deviations from the long-term passenger survey were not only reflected in a lower case number but also in the fact that all four surveys were completed within up to eight consecutive calendar days in Piers A/Z and B. In particular, the results of the first two surveys, which were conducted at the end of April/early May and the end of May/early June 2020, revealed fundamental differences compared to the same period the previous year. These are mainly due to the drastic international travel restrictions and bans to curb the spread of Covid-19, and in particular concerned passenger structures, user behavior, and length of stay at Frankfurt Airport. Global satisfaction rose to 94% during the first surveys, an increase of 6 percentage points compared to April 2019. This example shows that the results relevant to the satisfaction levels of the four short survey periods are also only partially comparable with data from the corresponding months of the previous year.

At the beginning of August, the long-term passenger survey was resumed in view of the increasing number of passengers in the course of summer travel, but it had a greatly reduced range of questions and a number of adjustments compared to the first

quarter of 2020. The case number was 1,500 interviews. In August 2020, there was also a higher number of departures between 5:00 a.m. and 1:59 p.m., while the departures between 2 p.m. and 11 p.m. flattened greatly. As a result, since September 2020, the teams have been conducting interviews all day every fourth calendar day, instead of every other calendar day for half a day (alternating early and late shifts). The questionnaire had to be adapted to the new circumstances resulting from the Covid-19 pandemic. The extensive reduction in passenger services, the high number of closed shops and eateries/restaurants, as well as the low occupancy of parking garages and public transport facilities led to a reduction in the number of satisfaction criteria from 47 to 11. As part of this selection process, satisfaction with the health and infection protection at Frankfurt Airport was recorded for the first time. When studying customer satisfaction, satisfaction with health and infection protection has become enormously important. It will continue to be an integral part of the survey. Further additions are four questions concerning business and private travel planning for 2020 and 2021, provided the Covid-19 pandemic can be successfully contained.

In 2020, a comprehensive program of measures was implemented in the Group companies and at the Frankfurt site in order to ensure safe flight and terminal operations after the lockdown and to prevent the spread of Covid-19 among employees and passengers.

Fraport has implemented the safeguards at Frankfurt Airport in consultation with the relevant health authorities and in accordance with all regulatory requirements. The objective is, among other things, to implement the EASA "COVID-19 Aviation Health Safety Protocol" recommendations (Version 1.1 from May 21, 2020) at Frankfurt Airport. Since then, floor markings in waiting areas and at baggage claim have indicated the minimum distance to be maintained. A minimum distance of 5 feet (1.5 meters) should be observed wherever possible. Plexiglas panes and mouth-nose protective masks are used wherever it is not possible to maintain a distance. In addition, monitors and multilingual terminal announcements explain the applicable distancing and hygiene rules. If, however, people start to congregate in an area, Fraport employees ensure orderly lines are made. Mouth and nose protection must be worn in all terminals by anyone over six years of age. Fraport also reminds everyone to regularly wash and disinfect their hands. In addition, Fraport has expanded the contactless "Terminal Information via Infogates" (8 new devices), informing all passengers at an early stage about current travel regulations, precautionary measures, and code of conduct at Frankfurt Airport.

In July 2020, TÜV Hessen examined the implemented measures for protecting the health of passengers and employees and awarded them the TÜV seal "Safe from Covid-19". Detailed testing was carried out, for example, on cleaning and disinfection procedures, social distancing measures and controls, wearing protective masks, the availability of disinfectants, the use of standard personal protective equipment by airport staff, and internal protection and precautionary measures for employees. Frankfurt Airport was the first airport in Germany to be awarded the TÜV quality seal.

Moreover, the reliable loading of luggage for departing flights and the fast delivery of luggage to the baggage claim for arriving flights have a major impact on customer satisfaction. Fraport AG measures this performance for departure baggage based on the non-financial performance indicator "Baggage Connectivity" (see also the "Strategy", "Control", and "Non-Financial Performance Indicators" chapters).

Baggage connectivity provides information about the percentage of departure baggage at Frankfurt Airport that is loaded on time in relation to the total departing baggage. It measures, among other things, the performance of the airport in its role as a hub with a transfer share of around 50% and thus a high proportion of transfer baggage. A high and stable connectivity proves the good quality of baggage processes.

The Executive Board is informed about the development of baggage connectivity on a monthly basis. Management receives information on a daily basis so that measures can be taken at any time. Fraport regularly discusses the values with the airlines and ensures improvements are made. For example, Deutsche Lufthansa frequently receives a detailed monitoring report, and optimization measures are managed jointly with Fraport within the scope of regular meetings.

Passenger satisfaction is also a relevant non-financial performance indicator at the Group's foreign airports. In order to guarantee service quality, and to meet passengers' and airlines' requirements, Fraport is conducting extensive modernization measures at the Group airports. Fraport is expanding a terminal at the airport in Ljubljana. The scheduled completion in 2021 has not been changed due to the effects of the Covid-19 pandemic. A new terminal will also be built at Lima Airport in the coming years. However, the investment program is currently being reviewed in the medium term due to the impact of the Covid-19 pandemic on passenger development. The Greek airports are being extensively expanded and modernized. In Greece, Fraport has further improved the check-in process to avoid long waiting times. Fraport has created more parking spaces and improved the transfer

processes at the Brazilian airports. More attention has also been placed on the cleanliness of the terminals and the comfort of the passengers.

In 2020, Fraport greatly reduced passenger surveys at the Group's foreign airports due to the low passenger numbers: the surveys were conducted over a shorter period of time and with a smaller number of respondents. At the Greek airports, the survey for 2020 was completely suspended.

IT security and airport safety and security

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

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

IT Security

All important business and operating processes at Fraport AG are supported by IT systems and IT components. Due to the ongoing development of new technologies and the increasing global threat of cyberattacks generally, there is an underlying risk potential for IT systems. Fraport protects its IT systems and data against failure, manipulation, and unwanted publication with active and preventive IT security management. These systems are configured redundantly and are housed at separate sites. The risks in the area of IT security are included in the risk management system. The requirements for IT security are specified in the IT security policy and security guidelines that must be followed throughout the Group, and compliance with these requirements is checked regularly by the internal auditing department, by IT security management, or external advisors (see also the "Risk and Opportunities Report" chapter).

The IT Security Officer at Fraport AG reports weekly to the Chief Information Officer, and a report is submitted to the IT Management Board every two months. The level of IT security is also part of the annual management report for the ISO 9001 quality management certification. A specific KPI system can provide information about the status of IT security measures, divided into security and compliance aspects, at any time. The resulting overall score is regularly reported to the Executive Board.

In 2020, Fraport AG once again implemented a variety of projects to adequately respond to the growing risks arising from information technology. In addition, the potential for improvements identified in the 2019 audits has been put into effect, and the Information Security Management System (ISMS) has been further developed.

Within the scope of a working group in the German Aviation Association, Fraport AG along with other airport operators, Deutsche Lufthansa and the German Air Traffic Control has developed the security standards of the industry. These are based on the new requirements laid out by the IT Security in Critical Infrastructures Act (KRITIS). The objective is to establish a high safety standard within the aviation industry through close cooperation and reciprocal verification of compliance with regulatory requirements.

The Group companies outside of Frankfurt use their own IT infrastructure, that they protect according to the Group's IT security guidelines. As a rule, the IT systems of the Group companies at the Frankfurt site as well as the SAP systems of Fraport Greece are integrated into the technology of Fraport AG and managed from Frankfurt. Using other IT systems is only possible with the consent of the Executive Board. At Fraport AG, a separate section is responsible for IT security within the "Information and Telecommunication" service unit. Its tasks are, among other things, the ongoing identification and implementation of measures to meet high security standards.

Airport safety

This area encompasses both security and safety: Safety refers to the operational safety of the overall airport as well as the safety within the airport site. Security is understood in terms of defending against terrorist threats and protecting civil aviation. This particularly focuses on safeguarding the security of everyone at the airports of Fraport. The measures include passenger, baggage, and cargo inspections, as well as the access control points for airport employees and suppliers. Regular weekly or monthly meetings are held with airlines, security service providers, and authorities to exchange current information.

At the international Group airports, the security requirements of each respective country as well as international standards for safety and security management are in effect. It is the responsibility of the local Group companies to implement and comply with these requirements. They include, among other things, a safety management system and access controls outside the security area.

Fraport AG supports the Group companies in planning and implementing security measures. It also provides needs-based training for employees online, for example within the context of safety and security workshops. Within the scope of specialist exchange events, there is also a regular exchange between the Group companies.

Safety

Based on European statutory regulations, Fraport AG is obliged to operate a Safety Management System (SMS) at Frankfurt Airport. The EASA Safety Manager follows the guidelines of the European Aviation Safety Agency (EASA) and enjoys a direct reporting right to the Executive Board.

The SMS focuses on the safety of airport operations. The SMS takes into account all the risks – technical, organizational, or human – that may affect them. The SMS coordinates security measures in daily operations. It records safety-related events and is able to detect vulnerabilities. The objective is for all parties involved in air traffic to implement the requirements contained in the Safety Policy of Fraport AG. Airport employees can submit safety-related reports to the SMS. In addition, anyone with access to the airside areas (apron and runway) must complete safety training.

As a central reporting and alarm point for security matters, Fraport AG operates a security control center at Frankfurt Airport, which activates the emergency and crisis management, if required. The airport fire department, medical services, ambulance service, and the security services then coordinate operations in the field. A crisis unit commences operation in the “Emergency Response and Information Center” (ERIC). It coordinates and executes all measures that require a concerted approach at the site beyond any routine damage and risk prevention. If necessary, the “Fraport Emergency Team” (F.E.T.), consisting of volunteer employees of Fraport AG and the Group companies at the Frankfurt site, is deployed, which interacts with passengers, greeters, and relatives on site. It also supports the crisis unit or operates the “emergency information center” to handle telephone inquiries.

The contingency plan for Frankfurt Airport “FRA Not” documents which preparations have been made for various emergency scenarios and defines procedures to minimize the impact. ICAO and EASA prescribe regular exercises to be carried out by the respective airport operating company at the Group airports to train for the handling of emergencies and other security-related scenarios. Such exercises have no impact on flight operations. The results are used for further education and training.

Security

Both international and European regulations contain guidelines on the structural design of airport infrastructure to prevent attacks such as sabotage or terrorist activities.

In Germany, the Air Security Act (LuftSiG) regulates passenger and baggage checks as well as access controls in the airside areas, which are the direct responsibility of the airport operator. At Frankfurt Airport, Fraport employees as well as employees of the Group company FraSec and other private security providers currently carry out airport security checks on behalf of the German Federal Police.

Fraport AG develops measures to maintain high security standards independently and in agreement with the competent authorities. In 2020, this included responding to the developments of the Covid-19 pandemic: Fraport AG adapted control processes to further ensure security and, at the same time, minimize the risk of infection. Personal contacts, for example with regular suppliers for airport deliveries, were reduced to an absolute minimum. Their documents were first examined via video conference. Control quantities were adjusted to the actual number of passengers and personnel, and the personal checks were carried out with as little contact as possible while observing protective measures, for example with protective masks.

After a test run was carried out in 2019, secure access with a mechanical locking technology (key) was switched to an electronic locking system in 2020. In May 2020, an e-vignette in the form of plastic cards also replaced the previous driving permits for

driving on the apron. These are affixed to the vehicle and can be read electronically. The exchange began in 2020 and will continue successively whenever new driving permits are issued or previous ones are renewed.

Data protection

Ever since the General Data Protection Regulation came into effect, new and sometimes stricter legal standards have been in place. In addition, supervisory authorities have enhanced powers to review and sanction compliance with the standards of protection. This is why the Executive Board of Fraport AG has adopted a new data protection policy. The policy lays out the principles, procedures, and obligations to be observed by all employees when they collect, disclose, transmit, modify, store, or delete personal data such as names, addresses, personnel numbers, or IP addresses in the course of their business activities.

The objective is to ensure the handling of personal data in compliance with the data protection laws and to safeguard the rights of the data subjects, irrespective of whether the data is from passengers, customers, employees, or external companies.

The Executive Board of Fraport AG works towards ensuring that Group companies in Europe comply with the European General Data Protection Regulation (GDPR). The respective Group companies are responsible for the implementation. In addition to training employees, they have also created technical prerequisites to always take data protection into account. For the Group companies outside the EU, the laws on data protection must be complied with in accordance with national regulations.

The Data Protection Officer of Fraport AG monitors whether all data protection regulations are complied with at the company. This officer reports directly to the Executive Board and is independent. Violations of the GDPR are reported directly to this officer – anonymously if so desired. In 2020, Fraport AG did not record any violations of data protection that were reportable according to the GDPR.

Fraport AG has a notification process for data protection and data security incidents in place. To consolidate the processes and rules at Fraport AG, it has implemented existing processes in a data protection management system and implemented a data protection policy. Appropriate training concepts such as an e-learning tool and video training have been established, which can be accessed on the intranet.

As a result of the Covid-19 pandemic, Fraport AG collects personal data at the eateries and restaurants in the terminals in order to be able to trace possible infection chains. In accordance with the Hessian Ordinance on Infection Protection Measures, as amended, this data is destroyed after four weeks. The majority of the personal data processed by Fraport is due to the issue of airport ID cards and is thus compulsory for security reasons. Fraport AG has implemented both technical and organizational measures to protect data against misuse. Access to this system is allowed to only a limited group of people for a specifically defined task.

Fraport AG collects personal data of passengers primarily for the use of parking garages and for baggage handling. The travel data is processed exclusively by the airlines.

There are clear guidelines for the use of video technology at the Frankfurt site in order to ensure the personal rights of passengers, visitors, and employees. It also regulates the extent to which authorities are allowed to use Fraport video technology.

Employee-related Matters

Group-wide, Fraport aims to remain competitive at all sites and in all sections and thereby secure jobs with fair and just working conditions and guarantee appropriate salaries and wages.

The Fraport policy forms the overarching structure for all commitments and the codes of the Group based on specific topic areas. Pursuant to responsible corporate governance, Fraport has made a commitment to comply with internationally recognized standards of conduct, such as those defined in the principles of the UN Global Compact, the OECD guidelines, and the ILO Core Labor Standards. They are published in the Code of Conduct for Employees, which commits employees to comply with these fundamental principles.

The fundamental importance of the human resources strategy is normally taken into account by the three key non-financial performance indicators of employee satisfaction, women in management positions, and sickness rate, all in Germany. In fiscal year 2020, however, the focus was on addressing the impact of the Covid-19 pandemic from a human resource perspective.

International air traffic has been particularly affected by the effects of the Covid-19 pandemic. In order to reduce the economic consequences of the traffic slump at Frankfurt Airport, Fraport introduced short-time work schedules for large parts of the company as early as the end of March 2020. From April to December 2020, around 80% of the permanent employees of the Fraport AG and the main Group companies at the Frankfurt site had been on short-time schedules. On average, short-time work accounted around 35% of target hours. Measured in terms of available hours after deducting vacation, sick leave and other absences, the short-time work rate for affected employees reached an average of around 50%.

In order to remain competitive in the medium term and to survive in the market, Fraport plans to cut around 4,000 jobs at Fraport AG and in the Group companies at the Frankfurt site. The reduction in staff should be as socially acceptable as possible, which is why in autumn 2020 employees were offered to take part in a voluntary program to leave the company (prematurely) in return for a severance payment or through the use of part-time retirement models and other measures. Therefore Fraport Group held provisions in the amount of €299 million as at the balance sheet date December 31, 2020 (see Group Notes, note 9, and Fraport AG's Notes, note 9).

Even before the Covid-19 pandemic, the "Future FRA" program was set up for the Frankfurt site in order to ensure its future viability. Due to the current tense economic situation and the persistently low level of air traffic, the Executive Board has started the "Relaunch 50" program. The two programs have been merged into one: They address structural and cultural challenges. Fraport intends to become more efficient and leaner through the measures contained in the programs.

Attractive and responsible employer

A high level of employee satisfaction, among other things, is a sign of a good working environment (see also the "Control" and "Non-financial Performance Indicators" chapters). Due to the impact of the Covid-19 pandemic on operations at all locations of the Fraport Group, in 2020 data on employee satisfaction was not collected by the normal instrument of an employee survey. Given the significant changes in the content and framework conditions of all employees' tasks due to the pandemic and its impact on operations, a true assessment of satisfaction values and a meaningful comparison with the previous year's figures would not have been possible. Instead of the methodically sound but elaborate instrument that is the Group-wide employee survey, so-called pulse checks were initially introduced at Fraport AG. The short online surveys aim to provide an insight into the current mood and satisfaction of the workforce in order to adjust internal communication and derive measures if necessary.

In principle, the results of regular employee surveys serve to encourage all international Group airports to continuously increase employee satisfaction. For example, Fraport Slovenija has used the results from recent years to revise its intranet, implement an annual survey, and develop the "Best Leader Program" to further promote leaders. In Lima and at the Greek airports, Fraport has provided its employees with numerous webinars for further training free of charge.

The Group agreement "Conduct of Partnership, Diversity and Equality in the Workplace" forms the platform for principles such as freedom from discrimination and equal opportunities. The company agreement includes explicit definitions of values as well as specific internal regulations and structures. As far back as 2007, Fraport committed itself to the "Charta der Vielfalt" (Diversity Charter) – an initiative to promote diversity in companies and institutions. From an organizational perspective, responsibility for diversity is assigned to the Executive Director Labor Relations with corresponding resources.

As a responsible employer, Fraport respects and promotes personal diversity and attaches great importance to ensuring that this is reflected in the way employees interact with each other. Diversity is a key goal for Fraport, which the Group systematically tackles as part of its diversity management. Diverse cultural backgrounds, international experience and gender aspects enrich the collaboration and promote innovation and creativity. This enables Fraport to flexibly respond to the changing requirements in the international markets and benefit from them. Fraport is sending a clear signal throughout the Group with its campaign "Respect for Diversity – I, You, We", which was launched in June 2019. The Diversity Team continued the campaign in 2020, for example, by making a film on the topic of "everyday racism" and making it available to the group employees online. The objective of the campaign is to draw attention to the diversity of Fraport employees and thus express appreciation for this.

Fraport AG employs many workers from abroad who have often obtained only a low language qualification. The Fraport Group therefore uses language trainers and explains the safety regulations of the work areas with forms in easy language and with many illustrations, thus ensuring continuing language education.

Due to the Covid-19 pandemic, a large proportion of workers have increasingly worked from home. A survey planned for the year 2021 aims to show the impact of new forms of work on the work-life balance and future forms of work at Fraport. The short-time work schedules introduced in connection with the effects of the Covid-19 pandemic have caused economic hardship for some Group employees. In the short term, the Executive Board decided to set up a fund of €500,000 to provide financial support to those affected with a one-off aid payment. 1,207 people received an aid payment of €450 (applicants with family obligations) or €300 (applicants without family obligations). In order to ensure an improved work-life balance during the lockdown, Fraport AG has set up emergency childcare services.

The measures for strategic succession planning and the supervision of executives are carried out organizationally by the "HR Top Executives" central unit, which is assigned to the Executive Director Retail and Real Estate. Talent management, which is primarily concerned with developing potential executives, is assigned to the Executive Director Labor Relations within the "Human Resources" central unit of Fraport AG.

Fraport AG has been pursuing its goal of increasing the proportion of women in management positions for many years (see also the "Control" and "Non-Financial Performance Indicators" chapters), and this year it has placed the topic on the Human Resources Committee of the Supervisory Board and boosted measures to achieve this goal. In addition to systematic talent management and the potential assessment center, the long-term measures include the Cross Mentoring Program, coaching measures within the context of the continuous development of female executives, as well as individual support within the scope of the "GROW" initiative. In addition, there are offers such as the possibility of working part-time. For job vacancies, suitable female candidates are also actively approached. The economic situation and the resulting Group-wide restructuring program in order to ensure economic sustainability have had a major impact on the projects and objectives in the current year under review. In the year under review, standardized reporting of the relevant figures for the percentage of women was used in order to be able to closely monitor and forecast developments. Due to the effects of the Covid-19 pandemic, further planned measures had to be postponed until next year. These include an unconscious bias training for executives (training to reflect stereotypes, among other things), an internal mentoring program, and the activation of a network for female executives and potential candidates.

Occupational health and safety

Preventive measures in occupational health and safety in the Fraport Group focus on preserving and strengthening the health, performance, motivation, and thus productivity of employees in the long term.

The key principles for Fraport AG and the Group companies can be found in the Group "Occupational Health and Safety" policy. Drawing on the requirements of ISO 45001, the Group policy ensures accountability. The defined guidelines are to be implemented independently by the Managing Directors and supplemented by company-specific rules in internal regulations. This requirement is valid effective immediately for Fraport AG and German Group companies. Taking into account the national laws, the regulation is also an option for desired action for the international Group companies.

In accordance with the Occupational Safety Act, Fraport AG has implemented an occupational safety unit and an occupational health services unit under the Executive Director Labor Relations, which advises and supports corporate sections in the continued development of occupational health and safety. Measures to promote occupational health are controlled by Occupational Health Management. The Occupational Safety Board (OSB) represents the Executive Board's efforts for the effective and efficient organization of preventive health and safety for the Fraport Group worldwide. The cooperation and the exchange of experiences is organized in the Occupational Health and Safety Management System Board (OH&S-MS), which meets once a year across the Group. The Group companies based at the Frankfurt site also participate regularly in an OH&S-MS Sub-Board. Group-wide tasks are promoted together in order to work efficiently and conserve resources. In addition, there is a steering committee for Fraport health management, where Group and sector-related health measures are discussed, and decisions are made.

The effects of Covid-19 were omnipresent from March in the 2020 fiscal year, both in private and professional surroundings. Fraport reacted quickly to this at its international Group airports as well as at the Frankfurt site and was able to evaluate and implement the various regulatory requirements for safe operations in a timely manner. Extensive sanitation measures were implemented, and employees were called upon to adhere to the hygiene guidelines. The airports in Bulgaria and Brazil measured

the temperatures of all employees before they started work. Many employees still work out of their home office to help to interrupt the infection chains. In addition, all foreign Group companies developed a detailed communication package on the topic of the Covid-19 pandemic in order to inform employees and answer their questions.

At the Frankfurt site, the medical services and occupational health services of Fraport AG, in cooperation with the relevant local health authorities, organized an infection chain tracking measure as part of the planned measures to tackle the pandemic. In the event of suspected cases or regarding contact tracing and health questions on the subject of SARS-CoV-2/Covid-19, the occupational health department was available to help and provide information.

With the implementation of SARS-CoV-2 work protection regulations in August, the German Federal Ministry of Labor and Social Affairs (BMAS) specified the necessary measures for occupational infection protection. In order to further facilitate the implementation of the occupational health and safety regulations, the occupational safety and occupational health services units developed a guideline for action for the organization of operations during the Covid-19 pandemic. This provides managers and employees with concrete recommendations and protective measures to make everyday work safer, and it includes advice on the correct ventilation of meeting rooms and office spaces, or on correct conduct when using company vehicles.

The "Covid-19 Pandemic Protection Measures" instructions for all employees have been regularly updated and provide an overview of current recommendations. Due to the Covid-19 pandemic, many employees worked from home in 2020. In order to ensure secure and safe working practices for all employees from their homes, the Occupational Safety and Health Protection created a "SafetyCard". It provides an overview of precautions, important information, and emergency numbers for home office activities.

As many facilities such as gyms had to close due to the pandemic and many employees were working on short-time work schedules and increasingly working from home, Fraport Health Management expanded its digital health services offering. These included virtual fitness and nutrition classes, apps, and a number of newsletters.

Additional risk assessments have been carried out for operational and administrative activities as well as for the handling of aircraft loaded and unloaded by hand (manually loaded flights). In cooperation with the occupational health services and occupational safety units, guidelines were issued defining how distance markers, protection shields or partition walls, and the mandatory protective masks are used.

It is important that a high level of occupational safety standards is maintained when handling dangerous goods, in Ground Services' operations, in maintenance, in internal transport and traffic, and during infrastructure construction activities. In addition to basic and recurring training programs focusing on various workplaces for all employees and executives, special driver safety training is offered to employees whose work involves driving. Targeted and temporary measures and projects are intended above all to raise employee awareness of safe conduct in operational sections. Due to the effects of the Covid-19 pandemic, these measures were only advanced as needed.

By regularly analyzing the sickness rate and correlating it with internal and external influencing factors, Fraport evaluates the effectiveness of occupational health promotion measures (see also the "Control" and "Non-financial performance indicators" chapters).

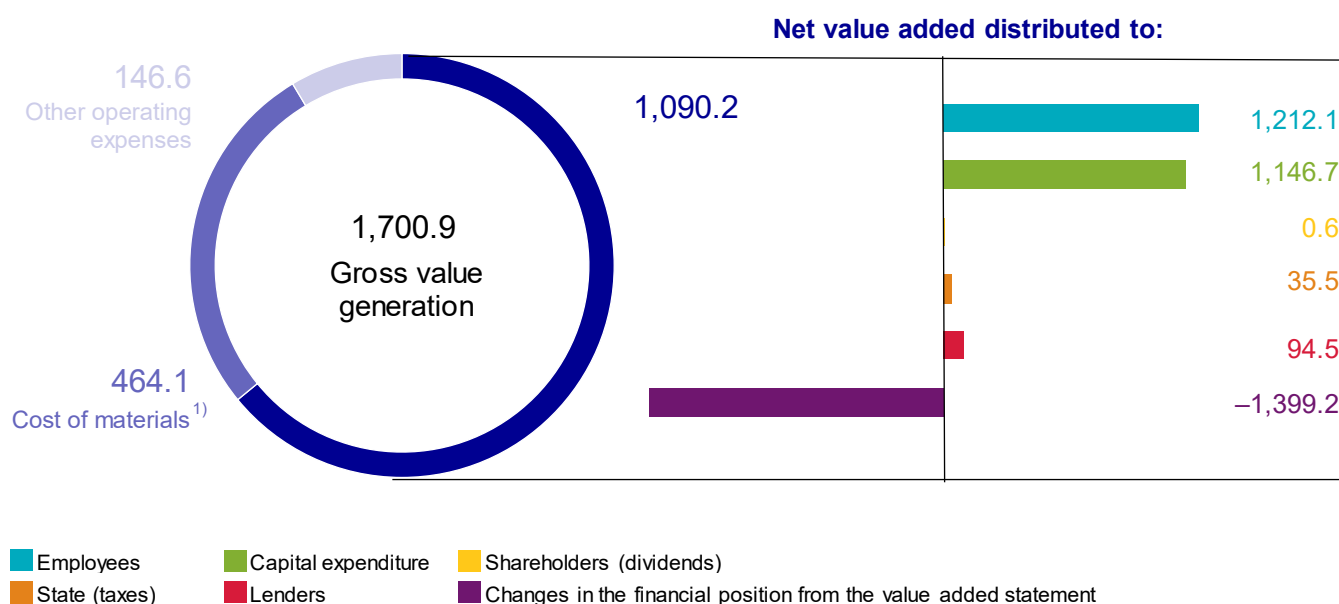
To monitor the development of the number of accidents and with the increasing internationalization of the Fraport Group, the rate per 1,000 employees used thus far almost exclusively in the German-speaking region was replaced by an international standard, the so-called LTIF (Lost Time Injury Frequency). This is calculated based on the number of accidents at work (from the first day of absence) in relation to the hours worked (in millions). The target is a Group LTIF value of no more than 22.5 by 2025. For 2020, the LTIF was 13.5 compared to 23.7 in 2019 (previous year's value compared to the originally reported value from 2019 has changed due to subsequently reported working hours). This was due to the decline in traffic and the associated reduction in work resulting from the Covid-19 pandemic.

Social Matters

Frankfurt Airport is one of the largest local workplaces in Germany. Additional employment effects are also created in enterprises that are contracted by Fraport for the construction and modernization of airport infrastructures.

Corporate performance

€ million



1) Excluding capacitive capital expenditure (IFRIC 12) and leases (IFRS 16).

The goal is to make a positive contribution to the economic and social development of the region and increase the corporate performance (gross value added) each year. Due to the Covid-19 pandemic, the gross value added decreased greatly in 2020 and is expected to increase greatly in 2021 compared to the year under review. In the medium term, the company's performance should steadily increase by at least 2% per year.

The Group's direct value creation includes expenses, among other things, for personnel, capital expenditure, taxes, interest, and dividend distribution to shareholders. Over the past fiscal year, corporate performance amounted to approximately €1.7 billion (-50.7%). The net value added amounted to around €1.1 billion (previous year: approximately €2.5 billion). The Fraport Group's indirect value creation includes consumption by airport employees and companies located at each airport, which also have their own value chain and employment effects and thus directly and indirectly make a contribution to the positive economic development of their respective regions.

Noise abatement

Airports located in the vicinity of metropolitan areas are a burden for many local residents. In addition to the legal requirements, the Fraport Group is constantly working towards measures that reduce aircraft noise pollution. The aircraft noise pollution in the area around the airport is continuously monitored.

Fraport also wants to grow at its main location in Frankfurt with as little increase in noise pollution as possible. Fraport AG collaborates with the region affected by aircraft noise, representatives of the state government, and other members of the aviation industry in two committees. The Aircraft Noise Commission (FLK) is a legally appointed body that advises the Hessian Ministry of Economics, Energy, Transport and Regional Development (HMWEVW), the German Air Traffic Control (Deutsche Flugsicherung, DFS), and the Federal Supervisory Office for Air Traffic Control on noise abatement measures due to flights and air pollution resulting from aircraft exhaust gases. Fraport AG regularly reports the evaluations of the measurement and the results of simulation calculations to the supervisory authority and the FLK and publishes the values on its website www.fraport.com/en.

The Airport and Region Forum (FFR) is a body of the Hessian State Chancellery. The key task of the FFR is to foster dialog between the region and the aviation industry and to discuss the effects of air traffic, with a particular focus on the Rhine-Main region. The FFR includes the "Active Noise Abatement" expert group, which advises on measures to reduce aircraft noise. The most recent result of the cooperation is a modified departure route from Runway 18 to the southwest. Due to a more curved route compared to the previous route to the northeast, the effects on the densely populated area north of Darmstadt are reduced. The first test flights on the new route were flown in 2020. The FFR is monitoring the noise caused by these test flights.

The Fraport Noise Monitoring, FRA.NoM, records the values measured at stationary measuring stations and indicates the aircraft noise in the last three months. At the same time, it also reports the approaches and takeoffs at Frankfurt Airport as well as their effect on the noise levels in real time. The information system for aircraft noise issues, FRA.Map, available online allows interested parties to find information for their location or place of residence on an interactive map. The system also displays the areas that are targeted by noise abatement measures or entitled to compensation payments.

Fraport implements noise abatement measures at the Group airports according to the national and local requirements on noise protection. The airports comply with the relevant national laws and have implemented corresponding monitoring systems. At the Group airport in Ljubljana, the local authority in charge of air traffic control introduced a ban on departures between 12:00 a.m. and 6:00 a.m. in the direction of the towns of Šenčur and Kranj. Permanent aircraft noise monitoring will be implemented at the Greek airports in Thessaloniki, Corfu, and Rhodes from 2021. In addition, in future, aircraft noise complaints will be submitted and dealt with directly via the corporate websites in Greece.

Active noise abatement

As a general rule, a distinction is made between active and passive noise abatement. Active noise abatement directly reduces noise at the source or by implementing noise-reducing operating concepts and takeoff or landing procedures. These measures include establishing a "Ground Based Augmentation System" (GBAS) navigation system, which enables a steeper angle of approach of 3.2 degrees for all runways. With the so-called noise abatement model in both off-peak periods at night, individual takeoff and landing runways are alternately not used, enabling the local nighttime six-hour quiet period to be increased by one hour.

Fraport AG charges noise-related charges for takeoffs and landings. A noise surcharge of 65% is currently payable for aircraft movements during night hours. In the middle of the night starting at 11:00 p.m., the surcharge is 300% to penalize delayed aircraft movements. Beginning in 2020, noise-related charges were increased in general, with charges being raised more in the higher noise categories than in the lower noise categories.

The voluntary alliance for a noise emissions ceiling created in 2017 helps to ensure that the noise exposure at Frankfurt Airport during the day does not increase as much as would be permitted under the zoning decision, despite growth in aircraft movements. The traffic volume and traffic structure of the zoning approval for the expansion result in noise contours with continuous sound levels of 55 dB(A) and 60 dB(A). These contours have been reduced by 1.8 dB(A) across the board. The total areas within the reduced contours define the noise emission ceiling. If these are exceeded, Fraport AG and airlines will examine how they can further reduce noise levels. The monitoring report, jointly prepared by corporate partners in 2020, shows that the levels did not exceed the noise emission ceiling in the 2019 fiscal year. The values of the previous year are always checked.

Passive noise abatement

Passive noise abatement measures are intended to reduce the noise level inside buildings by way of structural modifications. Around Frankfurt Airport, Fraport AG has legal obligations to take noise abatement measures for around 86,000 households. A noise protection area defines which households are entitled to support by Fraport.

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

In the area of passive noise abatement, the Fraport Group held provisions in the amount of €39.2 million as at the balance sheet date of December 31, 2020 (see Group Notes, note 39, and Fraport AG's Notes, note 30).

Engagement in the regions

For Fraport, social responsibility has been a corporate principle for many years. Fraport AG's funding concept for its community, cultural, and social engagement is "Active for the region". It primarily serves to boost clubs and support volunteer work in the region around Frankfurt Airport. All activities are combined into an independent department within the "Corporate Communications" central unit and assigned to the Chairman of the Executive Board.

The so-called “neighborhood framework” describes the geographical boundary for these support activities. The area is based on district and state borders taking into account the most important approach and takeoff routes. If these change, the neighborhood framework will also be modified – as was most recently the case when Runway Northwest was inaugurated in 2011.

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

The effects of the Covid-19 pandemic forced Fraport AG to reduce expenses that are not directly related to its core business. In March 2020, Fraport announced that it would not provide any financial support in the areas of sponsorships and donations until further notice. Since then, only existing contracts and already promised sponsoring was fulfilled in 2020. These are as explained below.

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

In the areas of culture and education, Fraport is involved in longstanding partnerships with the Rheingau Music Festival and the Frankfurt cultural institutions Städel Museum, Schirn Kunsthalle, and Liebieghaus Sculpture Collection.

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

As one of the largest employers in Hesse, Fraport AG is also focused on helping young people integrate into the workplace with two career preparation programs. The “Startklar” (Ready to Takeoff) and “BIFF” (Berufliche Integration von Flüchtlingen in Frankfurt Rhein-Main or Professional Integration of Refugees in Frankfurt Rhine-Main) programs are aimed at young people without formal training or young refugees. Around 60% of the participants have successfully completed the annual programs thus far and started vocational training.

Due to the massive economic consequences of the Covid-19 pandemic, Fraport AG has dissolved its environmental fund. Since 1997, the Group has invested over €39 million in more than 1,150 projects for nature and environmental protection as well as environmental research and education in the Rhine/Main region. One of its most well-known projects is the RhineMain Regional Park, which extends between Rüdelsheim, Wetterau, the Kinzig Valley, and the Hessian Ried. A bicycle and pedestrian path over 340 miles long spans the entire park.

Even at the sites of the international Group companies, regions close to the airport also benefit from the economic performance, the donations made, and sponsorship activities undertaken by each Group company independently. The focus of the donations and sponsorships is on the areas of child support, environmental protection, and sports. Due to the Covid-19 pandemic, a large part of the measures for the international group companies had to be postponed in 2020 until there is a significant recovery in traffic volume and thus the economic situation.

Environmental Matters

Airport operations and air traffic have a major effect on the environment. Fraport is committed to fulfilling the environmental requirements associated with this effect.

It is particularly important to deal intensively with environmental concerns, especially when planning to expand facilities. The company's growth targets must be pursued in line with environmental protection. The expansion activities at the Brazilian airports Fortaleza and Porto Alegre as well as at Lima Airport and in Frankfurt are subject to environmental requirements. For the financing of Terminal 3 at the Frankfurt site, the European Investment Bank (EIB) requires a project progress report every year that also includes all significant environmental aspects.

Fraport is committed to issuing a report each year on its environmental activities and performance (see also www.fraport.com/re-sponsibility). To this end, the Group companies report to Fraport AG once a year on a comprehensive catalog of standardized environmental indicators and projects as well as associated improvements, and Fraport AG compiles the information on these indicators for reporting purposes (see also the GRI and UN Global Compact Index 2020 and Environmental Statement).

Climate protection

The Executive Board has identified CO₂ emissions as the most important metric for measuring the environmental impact. The objective is to reduce this impact Group-wide (see also the "Control" and "Non-Financial Performance Indicators" chapters).

Fraport has used its own monitoring instrument, the CO₂ and energy consumption monitoring system, since 2013 to present, analyze, and manage energy consumption at the Frankfurt site. It creates transparency about consumption and consumers, helps to improve energy efficiency and reduce energy costs. It also allows qualified statements to be made in a timely manner about the current CO₂ emissions at Fraport AG and allows any undesirable developments with respect to the strategic CO₂ targets for Fraport AG to be detected at an early stage. The monthly energy consumption of buildings, plants, and equipment serves as the basis for the data. All energy sources, such as electricity, district cooling, district heating, gas, fuel for vehicles, and other fuels, are taken into account.

CO₂ emissions of Fraport AG and the Fraport Group are measured and monitored by the department of Environmental Management within the "Corporate Development, Environment, and Sustainability" central unit. The Executive Board is informed quarterly about the developments at the Frankfurt site and usually semi-annually concerning Group-wide issues. In addition, the development of CO₂ emissions is reported to the Executive Board every six months via detailed monitoring for each building at Fraport AG. Due to the effects of the Covid-19 pandemic, the semi-annual report was not issued in 2020. The monitoring report to the Executive Board for the full year 2020 was drafted as usual.

Since 2014, there has been a separate body, known as the Energiezirkel, which is chaired by the Executive Director Controlling and Finance. It meets twice a year and reports all decisions regarding the energy management of Fraport AG at Frankfurt Airport to the Executive Board. The previously set target to reduce energy consumption by 20% until 2022 compared to the year 2013 is temporarily suspended due to the effects of the Covid-19 pandemic. However, the monitoring of the current long-term energy savings measures as well as a continuous examination for further possible measures are carried out in order to uncover levers to improve the energy efficiency of buildings, plants, and processes even during the pandemic.

Fraport is gradually switching to emission-free alternatives for its vehicles on the apron. To this end, the airport operator tested two electric buses for transporting passengers in 2020. In September 2020, Fraport handed over a new air freight hangar in CargoCity Süd to the future operating company Swissport Cargo Services Deutschland GmbH. The first large photovoltaic system at Frankfurt Airport is also scheduled to go into operation on the hangar in January 2021. It will generate approximately 1.5 million kilowatt hours of climate-neutral electricity per year. This would supply more than 450 households with four people with electricity for one year.

Fraport also intends to invest in wind and solar energy. The aim is to use renewable energies to meet our own electricity needs at the Frankfurt site as far as possible.

Proof of the successful CO₂ management is the participation of Fraport in the Airport Carbon Accreditation program of the ACI (Airports Council International). Since 2010, it has evolved into the world standard for CO₂ reporting and management at airports. Participation at level 2 ("reduction") or higher requires proof of both a CO₂ reduction target, a CO₂ management program in accordance with international requirements, and of annual emission reductions verified by external auditors. Frankfurt Airport reached level 3 ("Optimization") back in 2012. Ljubljana Airport achieved level 2 in 2015 and is aiming for level 3+ ("neutrality") in the medium term. In the past fiscal year, the Group airports in Varna and Burgas in Bulgaria, as well as those in Kefalonia, Mytilene, Rhodes, and Thessaloniki – and Chania und Samos for the first time – participated in the Airport Carbon Accreditation

and reached level 1 ("Mapping"). Lima Airport participated in the Airport Carbon Accreditation for the first time and successfully received a Level 1 certificate. The other Group airports have yet to participate; however, they are normally obligated to have their CO₂ footprint assessed by way of an external audit. Due to the effects of the Covid-19 pandemic, the Executive Board suspended the requirement for external audit for 2020.

CO₂ emissions in 2020 significantly decreased Group-wide due to the effects of the Covid-19 pandemic. However, there were also effects from ongoing energy saving programs to improve energy efficiency (see also the "Control" and "Non-Financial Performance Indicators" chapters).

Protection of environment and nature

The Fraport environmental policy obliges all Group companies to make use of natural resources and the environment in a sustainable, conserving, and preventive manner. As part of this effort, environmental management systems have been implemented at Fraport AG as well as in all fully consolidated Group companies that are classified as "fundamentally environmentally relevant" based on their business activities. These systems are, almost without exception, certified or validated in accordance with the relevant standard ISO 14001 or the European EMAS Regulation. The "Eco Management and Audit Scheme" is a voluntary environmental management and audit scheme developed by the European Union. This is carried out by state-authorized environmental experts. EMAS is considered to be the world's most demanding environmental management system. Fraport AG has been validated by EMAS for 20 years.

Environmental management systems serve to systematically organize, manage, and monitor corporate environmental protection within the company. The environmental management systems cover all environmental factors relevant to the company such as energy consumption, CO₂ emissions, air pollutant emissions, effects of business activities on nature and biodiversity, water consumption, and waste. The Coordinator for the Environmental Management System at Fraport AG reports to the Chairman of the Executive Board in management reviews. Fraport AG's employees' many years of experience in environmental management benefit all Group airports and Group companies, for example in the form of technical support, including on site. Companies that join the Fraport Group and do not yet have an environmental management system are obliged to introduce such a system in the course of the acquisition. At the end of the past fiscal year, 85.9% of fully consolidated, environmentally relevant Group companies, weighted according to revenue, had such a system.

Wherever possible, Fraport AG extends the green areas at the Frankfurt site. Fraport AG will upgrade some 2,300 hectares of land in the immediate and wider vicinity of the airport from a nature conservation perspective to fulfill a legal requirement under the zoning decision for the airport expansion: deciduous forests, orchards, marshes, and nutrient-poor grassland. Measures to counterbalance the Expansion South project, in particular Terminal 3, are already included in this extensive package of measures.

The implementation and evaluation of the measures are subject to continuous monitoring. For ecological compensation measures, Fraport Group held provisions in the amount of €15.1 million as at the balance sheet date December 31, 2020 (see Group Notes, note 39, and Fraport AG's Notes, note 30).

Biological aviation safety is the responsibility of Wildlife Hazard Management. Wildlife Hazard Management at the international Group airports is implemented according to international regulations as well as, where appropriate, based on more rigorous national and local targets. Corresponding monitoring systems are implemented. Wildlife Hazard Management at Group airports is concerned, among other things, with the monitoring of birds in order to ensure safe operations. In addition to biotope design and standardized animal observations at and around the airport, this also includes aversive conditioning through acoustic and visual stimuli. Maintaining the green spaces is a prerequisite for reducing the number of potential animals on the airport grounds which are relevant to air traffic safety. This is also ensured by Wildlife Hazard Management.

Air quality

Fraport AG has been focusing on the issue of air quality at the Frankfurt site for many years. There is no legal obligation to monitor air quality at airports, yet Fraport has set the objective of gaining a deeper understanding of the emission of air pollutants (emissions) by the airport and their effect on people and the environment (immissions). At Frankfurt Airport, air quality has been monitored at several locations since 2002.

From an organizational standpoint, the "Environmental Impact, Noise and Air Quality" department of the "Airside and Terminal Management, Corporate Safety and Security" strategic business unit is responsible for the topic of air quality. In an annual report,

it informs the Executive Board about the measured annual average and annual indicators of air pollutants on the airport grounds. Fraport AG regularly publishes the results of the measurements on its website in the "Air quality annual report". The measurements show that the air quality on the airport site have remained unchanged at an urban level since the beginning of monitoring by Fraport.

Fraport AG cooperates with the German Aviation Association and the Airports Council International. In addition, there are collaborations with the Hessian Agency for Nature Conservation, Environment and Geology (HLNUG) and the Umwelt- und Nachbarschaftshaus in Kelsterbach to study so-called ultra-fine particulates (UFP). Unlike conventional, limit-controlled pollutants, airports have proven to be a significant source of UFP. There are no reliable statements yet on possible health effects. In order to gain further knowledge, the FFR has taken up the subject area in its work program at the request of the state government. A "UFP" working group has been set up at UNH, in which Fraport AG is also involved. The working group first gathered information in an expert hearing on UFP from 2019 and on this basis developed a study design for the performance description of a UFP stress study. A call for applications for the study design was issued at the end of 2020.

As a result of the Covid-19 pandemic, the level of UFP pollution around Frankfurt Airport has sharply decreased in some areas. This is the conclusion drawn by the HLNUG in its "3. Bericht zur Untersuchung der regionalen Luftqualität auf ultrafeine Partikel (UFP) im Bereich des Flughafens Frankfurt" published in fall of 2020. However, the measured values are highly wind-dependent. Since the individual measurements are located in the airport's exhaust air with varying frequency, some stations measured a higher UFP contribution than others. Thus, the reduction in average UFP concentrations during the period March 23 to June 30, 2020, compared to the pre-pandemic period, varied between 44 and 6%.

At the local level, there is an overlap of air pollutant concentrations related to the airport and those not attributed to the airport. The airport's impact on the air quality in the surrounding areas is largely limited to zones within a close proximity and to the nitrogen dioxide (NO₂) emissions component. Measurements and modeling suggest, however, that external influences, such as road traffic, also play a role in the air quality on airport grounds. According to the HLNUG, there was no reduction in nitrogen dioxide or fine particulates in the Rhine-Main region during the Covid-19 pandemic due to lower air traffic. In addition, the level of pollutant concentrations strongly depends on the weather.

To gain information on the proportion of the overall exposure in a region, computational models have been developed that include all the relevant sources of pollution and their emissions for a given zone. The LASPORT program takes into account various airport-related emission sources in the lower atmosphere, prepares spread computations, and illustrates the exposures. The Airport Association ADV (Association of German Airports) commissioned the program in 2002. The provider has since expanded the program and Fraport AG applies it regularly.

The ability to annually record air pollutant emissions of all relevant emission sources from airport operations should be in place in the coming years. It can also be used to identify potentials for reducing emissions. The measures to reduce emissions could then be better controlled and their success measured. The data collected also serve as a basis for determining the airport's proportion of immissions in the surrounding area. The selection of the pollutants to be observed depends on their relevance. They are especially important if they are regulated by a threshold value and are recognized in a noticeable amount at Frankfurt Airport.

As an airport operator, Fraport can only indirectly influence emissions from aircraft. In order to motivate airlines to use low-emission aircraft, Fraport collects airport charges on nitrogen oxides and hydrocarbon at the Frankfurt site. Airlines pay the emissions-based fee per kilogram of nitrogen oxide equivalent emitted during takeoff and landing ("landing and take-off cycle", LTO) by an aircraft. Charges are levied per landing and per takeoff. The necessary information on aircraft and engine types is determined by way of a recognized fleet database.

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

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

to include low-emission and electric motors. Already 24% of Fraport vehicles in Ground Services at Frankfurt Airport have electric transmissions.

The international Group airports follow the respective requirements in their national laws. Air quality is also monitored at the Greek regional airports. Since the permissible threshold values have not been exceeded, no measures are required to improve air quality.