

Fraport Slovenija

Sustainability Report *2021*



Fraport Slovenija

Sustainability Report 2021



Content

02

Introduction

14

Basic Information about the Company

28

Company's Strategy
and Business Performance

40

Sustainable Communication

49

Socially Responsible Projects

50

Sustainable Employees Relations

62

Sustainable Relations with Passengers,
Visitors and Business Partners

68

Sustainable Relation to the Environment

86

GRI Indicators

2021

Fraport Slovenija in Figures



430,943

Total number of passengers,

421,934

of passengers in public traffic



376

Number of employees
on 31 December 2021



19

Scheduled routes

20

Charter routes



28,383 t

Total cargo,

11,401 t

of air cargo



10,000 m²

Additional area in the new terminal

14

Additional check-in counters



17,461

Total number of aircraft movements,

7,932

of aircraft movements in public traffic



21

Number of countries,
connected with
Ljubljana Airport

Sustainability reporting

For seven years in a row, we have been transparently displaying our sustainable path along with achievements, challenges and plans through our sustainability report. Our annual report, which is complementary to the sustainability report, is publicly available for a comprehensive insight into our operations.

After facing an epidemiological turmoil of extraordinary dimensions, our activity is now entering the period of recovery, which is reflected in this document. We can not say there have been specific trends in recent years which would reflect a credible picture of our sustainable activities. However, we report on all the aspects of sustainable development which were identified as essential through our materiality matrix. We endeavoured to shed light on our operations and activities with global and European challenges of sustainable development in the airport industry.

This report is prepared in accordance with the basic version of GRI (Global Reporting Initiative).

We have again included all key stakeholders in the process of the report preparation, not only via e-communication channels, but also through a live dialogue. Reporting here is comprehensive, balanced and transparent. We ensure the credibility of all report data, which are clear and comparable to recent years.

The company's top management is responsible for sustainable development and its reporting, and thus it delegates all its powers and responsibilities in accordance with the company's organisation chart. Some colleagues from different professional fields participated in drawing up the sustainability report. Primož Primožič, environmental expert, is responsible for the implementation of the project.



Address of the
management

The path to recovery: The pandemic as a lesson for more decisive sustainable action

New horizons

Despite strong shocks we have been facing in the last two years, we are looking at our future with optimism. A phase of sustainable recovery is ahead of us, in which we are going to take decisive sustainable steps towards carbon neutrality of the airport.



Look back at 2021

2021 was a year of many challenges. At the beginning of last year, we were looking to the future with cautious optimism, hoping that travelling would be easier again now that millions of people around the world have received the covid-19 vaccine. But 2021 taught us how volatile and unpredictable the future can be. Despite a slower recovery in passenger traffic than initially planned, the start of the easing or lifting altogether of travel bans and restrictions, along with the undiminished desire to travel again, brings us renewed optimism for 2022, as the airline industry moves from the management of an immediate crisis to a phase of sustained recovery. Looking back at Ljubljana Airport in 2021, the volume of traffic was very low

in the first half of the year due to tight restrictions on border crossings and other measures to contain the covid-19 pandemic. By the end of April, only five scheduled airlines were taking off and landing at our airport, but the summer season was more dynamic as a result of the improved pandemic situation in Europe, with an additional twelve airlines offering scheduled services to our airport. After many years of efforts, we also welcomed two new airlines: flydubai and Iberia. New partnerships such as these are sure to have a significant impact on the competitiveness of our airport and give additional momentum to the recovery of traffic in the post-pandemic period. During the summer months, charter traffic was also lively, accounting

for 20% on an annual basis. Although the health situation in Europe started to deteriorate again in October, airlines continued to perform relatively strongly for the rest of the year and without major changes due to the pandemic.

Last year, we served a total of 430,943 passengers, which represents more than 47% growth compared to 2020, but still 75% less than before the pandemic. Despite the lack of domestic and national traffic and the absence of mass tourism, Ljubljana Airport performed well and achieved a recovery comparable to that seen for air traffic both regionally and globally. According to Airport Council International (ACI), air traffic in 2021 reached 27.8% of that in 2019.

The steady recovery over the past year allows us to look forward with optimism and maintain our position as an important regional player. Performance in the cargo sector was also positive in 2021. The 22.6% increase in the cargo traffic volume can be mainly attributed to more cargo being handled on trucks and all-cargo aircraft.

The traffic figures set out are reflected in the following financials: we generated €28.845 million in revenues and €21.148 million in costs, while EBITDA was €7.697 million. These very positive results are due to very careful cost management, strong business ties with airlines and other business partners, as well as state aid. In 2021 we received a total of €6.6 million in state aid. This included a one-off payment of €5 million for the period between 17 March and 12 May 2020 when the government of the Republic of Slovenia banned the operation of passenger air transport in the country as part of the measures to contain the pandemic.

An additional €1.6 million was also received as a fixed cost reimbursement within the framework of governmental measures to mitigate and eliminate the effects and impact of covid-19 on the economy. This aid ensured Fraport Slovenija's liquidity, and without it the past year would have been even more challenging.

Above all, we successfully completed this difficult year thanks to the commitment of our staff and their professionalism. After 2020, when the company was forced to reduce the number of employees to ensure liquidity, 2021 brought us new challenges in the staffing area. Due to the increase in passenger traffic, especially in the summer season, we were faced with the problem of finding suitably qualified staff who could provide quality operational services for our airline partners and passengers. The hiring process for such specific posts is quite demanding in today's tight labour market. In search of reinforcements, we first turned to our former employees with whom we were forced to end employment contracts the year before, and I am pleased to report that we have been able to re-employ the significant number of them.

Regardless of the extremely difficult situation and with the understanding that costs of living are continuously rising, we decided, with the consent and support of our owner to increase the basic salaries of all employees as of 1 January 2022. We recognise the value of every employee to our company, so we strive to respect their needs. In extremely dynamic times, the continued existence and development of the company can only be ensured by employees who maintain a strategic vision and operational excellence. We have always believed that we have such a core, and are committed to preserving it.

In the past year, we also remained committed to addressing and tackling critical environmental issues and continued our energy-efficient development. We have integrated solar photovoltaic power plant into our sustainable management operations in the environmental and social field, which will provide electricity from renewable sources while systematically reducing CO₂ emissions.





Passenger terminal

In such unusual and challenging circumstances, we have ushered in a new era in our airport and in the civil aviation sector in Slovenia. This difficult and extensive project has been an inspiring success, demonstrating how extremely strong we are as a company, one that benefits from a truly highly qualified team of employees. With the new terminal we have set high standards of functional efficiency and operational safety for this regional airport, created significantly better working conditions for ourselves, and enabled our passengers to travel to all parts of the world from a home airport with advanced infrastructure and technology.

The construction was an extraordinary financial commitment for our owner, who from the very beginning believed in the potential of Ljubljana Airport and remained committed to its development. Our investment in the new terminal is valued at the total of €23 million.

Regardless of the circumstances, Ljubljana Airport is currently in good shape and ready for the future, so our focus in 2022 will be on increasing traffic and ensuring connectivity.

New stories in 2022

Just as the global aviation industry was beginning to recover from the effects of the pandemic, it faced new uncertainties related to the war in Ukraine. The Russian invasion of Ukraine brought new challenges to the aviation industry, as the resurgence of passenger traffic has once again been slowed down by the sanctions imposed on Russia, as well as the retaliatory measures taken by Russia against a number of countries. Reciprocal sanctions and airspace restrictions have led to many cancellations and diversions of flights, as well as increases in energy prices, inflation, higher costs of air transport (both passenger and freight) and thus a potentially lower global demand for these services, and last but not least, problems in sourcing titanium, a key metal in the manufacture of aircraft. Regardless of the circumstances, Ljubljana Airport is currently in good shape and ready for the future, so our focus in 2022 will be on increasing traffic and ensuring connectivity. In doing so, we cannot overlook the importance of working closely together with all stakeholders

and decision-makers – airports, airlines, the tourism industry, and the state. The recent pandemic and the current global crisis remain existential issues for airports, airlines and their business partners, which is why the aviation industry needs support and practical policy decisions from governments. We are thus pleased that the Slovenian government has recognised its role in this area, and allocated funds to a financial incentive scheme aimed at improving Slovenia's air connectivity.

We will continue to focus on the sustainable management of our operations, and we want to complete the development and improvement cycle in order to ensure the highest quality of services for passengers.

At the beginning of this year, when the world was not yet facing a military conflict in Ukraine, we planned to receive about 880,000 passengers – more than twice as many as in 2021. Realistically, this business plan will change over the course of the year due to the impact of the war. We expect an increased volume of passenger traffic in the summer season, with 15 airlines and 19 direct destinations, and more importantly a substantial increase in frequencies, especially to major hubs, which will provide much improved connectivity and a good starting point for air travel all around the world. We also expect a strong charter season in the summer months, as well as good performance of cargo transport.

Our employees bring significant value to our company, and we understand how vital it is for us to continue to invest in their development and employ new staff, especially in Operations. We strive to be an employer that attracts a diversity of talents. The needs of today's and tomorrow's businesses are great, and we need to be ready with the best-equipped employees.

Our focus this year will be on searching for opportunities for faster digitalisation. This means that we will develop the processes and services needed to deliver a better passenger experience by integrating new technologies into existing ones. We believe that digital transformation will be one of the factors to a faster recovery of the industry, and offer more efficient business and safer travel.

We will also continue to focus on sustainable development to define our future, and we will take even more systematic steps to reduce CO₂ emissions and make our business greener through sustainable practices. The development of a strategy with concrete projects and deadlines on the road to carbon neutrality is one of our ten key projects in 2022.

In this respect, we have also taken an initiative within the Fraport Group, aimed at sharing experiences and unifying the sustainability strategy among the other members of the Fraport family.

Looking ahead

The new crisis has only deepened the deterioration of the travel ecosystem, and our estimate for the aviation sector is that the impact on our activities will be felt at least until 2026.

Our future will be marked by recovery and reconstruction, and less by growth. Our world has changed drastically, but this also offers an incredible opportunity to re-think past approaches and speed-up developments that might otherwise have been ignored. The health crisis has accelerated digitalisation and the use of artificial intelligence, revealed the enormous potential for collective action and cooperation, and could be a turning point for the environment. The challenges of climate change call for stronger responses from governments around the world, and the many high-level environmental conferences and events to be held this year offer hope for more active international cooperation and collective action.

Our task today is to strike a balance between the desired economic opportunities and the environmental threats that we are running headlong into in our disregard for the collective good. The last two years should serve as a reminder that people's health and the integrity of the environment are deeply intertwined.

Ljubljana Airport has demonstrated resilience in the hard times of the recent crisis, and history shows that it has the ability to emerge victorious from even the greatest challenges. Today we know much more about the pandemic and are better prepared to tackle the issues that are in front of us. We are already looking forward to next year, when we will celebrate our great jubilee, the 60th anniversary of our existence. However, there is still a lot to be done before then, which is why we are fully committed to addressing the challenges of today and ensuring the stable recovery of passenger traffic at Ljubljana Airport, and providing a safe and enjoyable travel experience for all our passengers.

Dr. Babett Stapel
CEO & Managing Director





Smart development for the future

While airports around the globe suffered first half from covid-19 and then from extremely high passenger peaks, Ljubljana Airport took pride in opening of its new passenger terminal. New facility provides sustainable elements paired with simple and short distances for passengers. The traveller feels the future of air travel by its simplicity. While other airports were still forced to be idle, the Fraport Slovenija expert teams worked day and night to prepare the successful commissioning on 1st of July 2021.

With passengers returning to Ljubljana Airport in 2022 even faster our commitment towards sustainable technologies became even stronger. This year, together with our partners from police, we will activate the automated border control for immigration, we will invest in emission free technology for aircraft handling equipment and continue to develop the seamless travel product for our customers by installing self-check-in and self-bag drop units.

During epidemic, the logistic sector proofed itself as a solid pillar for airports and as fundamental requirement for societies', people and industry and supply provision. With understanding of the new reality, we invest in capacity increase as well as in most modern processing systems for our cargo terminal. That improves not only throughput and security, but also increases the work safety for employees.

With a volatile future ahead, we of course see the risks but more than that the opportunities for the aviation industry in general and especially for the Ljubljana Airport with its unique characteristics. Those opportunities will be framed by our Master plan update – covering sustainability linked to CO₂ footprint, workflows, materials, equipment, processes and our stakeholders, especially employees, local communities and customers.

Oliver Weiss
Chief Operating Officer



Ljubljana Airport fulfils its potential

The vision for the new Ljubljana Airport passenger terminal goes many years in the past, the circumstances were repeatedly blocking the start of construction. Fortunately, with its new owner Fraport AG the company gained a strategic investor in 2014 that committed itself to the continuous and long-term development of Ljubljana Airport upon entering the Slovenian market. With their support, Ljubljana Airport finally got more than needed new terminal in 2021. The year 2021 was also marked by the end of my term of office as Managing Director of Fraport Slovenija. I have been in charge of the company that manages Ljubljana Airport for 14 years, and I have been a member of its board for another six. During this period, the airport has undergone a profound transformation, marked by a number of difficult turning points, as well as by the people who have shaped the rich legacy of our airport and its community. Together with our colleagues, we created a solid foundation for the future growth, development and modernisation of Slovenia's main airport. Fraport Slovenija's most valuable asset remains its people, who have over the years maintained a sense of loyalty and professionalism and remained a pillar of the company's progress despite the many changes, challenges and crises we have faced together. Just as the aviation industry is resilient to crises, our people are committed to Ljubljana Airport. Through the years, this has inspired, encouraged and driven me, so that we had the strength to create. We have realised our bold plans. Ljubljana Airport is set to enter a new era. Dr. Babett Stapel, my successor as Managing Director, played a key role in the decision-making and execution of the new investments. With her appointment, our company gained a leader who has the knowledge, perseverance, courage and vision to see Fraport Slovenija emerge as a winner from the biggest crisis in the history of aviation. The global crisis that has hindered overall progress and development over the last two years also creates unprecedented and unique opportunities to fulfil our potential. However, the only way to achieve progress and success is to stay courageous in our decisions and to believe in a common goal.

Zmag Skobir
Management Advisor

Address of the Investor's Committee

We remain fully committed to further developing Ljubljana Airport



Even though 2021 marked another difficult year in the history of Fraport Slovenija due to the severe impacts from the covid-19 pandemic, it also represents the year, in which we proudly inaugurated the new passenger terminal of Ljubljana Airport. The new state-of-the-art terminal features unique architectural elements and materials that represent the Slovenian local environment. Together with the updated technologies and increased capacities the new passenger terminal provides not only a significantly improved passenger comfort but moreover a unique passenger experience. We are convinced that the investment enhances the competitiveness of Ljubljana Airport and hence stimulates business opportunities for the airport, Slovenia, and the entire Adriatic region.

Fraport Slovenija is an important part of the Fraport Group. Fraport AG remains fully committed to Fraport Slovenija and our long-term partnership with the Slovenian State. Since the start of our strategic partnership in Ljubljana in 2014, we had successfully grown the passenger traffic until the biggest crisis in the history of aviation negatively impacted the global travel. Despite this temporary set-back we are convinced of the airport's growth potential and remain firm and continue the expansion program at the Ljubljana Airport. Our commitment to developing the Slovene airport goes beyond constructing a new passenger terminal. Since 2014 Fraport AG has invested more than €60 million in the development and modernization of the airport's infrastructure, equipment, and IT.

We also see great potential for cargo and airport city developments in the direct vicinity of the airport and we will continue with our investments at the Ljubljana Airport to increase its competitiveness and importance for the whole region.

The partnership with Fraport Slovenija is built on mutual trust and understanding as well as a respectful dialogue. Together we will continue to meet the challenges of the changing aviation industry.

Holger Schaefer

Chairman of the Investor's Committee



Since 2014 Fraport AG has invested more than €60 million in the development and modernization of the airport's infrastructure, equipment, and IT.

Information on significant changes in the reporting period and after the end of 2021

2021



January

On 28 January, the operating licence of a new cold store in the air cargo handling centre was issued. The new cold store is intended for the storage of pharmaceutical shipments with the required temperature from two to eight degrees Celsius. The cold store has 150 m³ in size, so the storage capacity of the so-called 'cold shipments' has doubled. This new acquisition has improved reliability of storing pharmaceuticals.

February

On 2 February, the European Commission approved the state aid of €5 million granted to Fraport Slovenija, which is a grant intended to compensate the damage suffered by the company as an airport operator in the period between 17 March and 30 June 2020 due to the outbreak of the new coronavirus.

On 12 February, after a break of almost a year due to covid-19 pandemic, the Russian air carrier Aeroflot returned to Ljubljana Airport. It initially flew to Moscow once a week.

On 21 February, the companies Fraport Slovenija and Resalta, d.o.o. signed a contract on installation of solar photovoltaic power plant on the roof of the car park with its business facility extension.

March

On 6 March, Air France, a French air carrier, resumed its scheduled flights to Paris after four months.

On 11 March, we obtained Airport Health Accreditation (AHA) certificate from Airport Council International (ACI). So, Fraport Slovenija proved successful in assessing the implementation of preventive measures against the coronavirus. Our airport has joined the airport family that are certified to ensure safe conditions for air travellers and their airport staff.

April

On 12 April, Fraport Slovenija and the Ministry of Infrastructure signed an Agreement on allocation of non-refundable state funds, which was a partial reimbursement of the damage suffered by our company from March to June 2020, owing to the consequences of the pandemic. The company used the state funds in the amount of €5 million to cover urgent operating costs and to ensure the company' liquidity.

June

On 14 June, after years of effort, a low-cost airline flydubai from the United Arab Emirates announced to establish a direct flight connection Ljubljana–Dubai on 24 September with three flights a week.

On 16 June, we celebrated the official opening of the new passenger terminal, with a solemn event and a keynote speaker, the prime minister of the Republic of Slovenia.

On 17 June, the official permit to use the new terminal became final, confirming the facility is ready to be used, and the air traffic and its accompanying activities can commence.

On 24 June, the two renewed websites of Fraport Slovenija and Ljubljana Airport were launched. This modern online presentation emphasises competitive advantages of Ljubljana Airport.

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July

The doors of the new terminal were opened to passengers on 1 July. The first to depart from the new terminal were charter passengers headed for Antalya, followed by a charter flight for basketball fans to Lithuania, and the first scheduled passenger flight by Lufthansa to Frankfurt.

A special programme of voluntary carbon offsetting was launched for passengers of Ljubljana Airport on 7 July, in partnership with the company CarbonClick. CarbonClick uses certified carbon offsets to support ethical, transparent and fully traceable gold-standard forestation and renewables projects. This allows all passengers who opt to offset their carbon emissions from air travel to have a precise view of where and how their offsets are being invested.

August

After a break caused by the pandemic travel restrictions, UK airline British Airways resumed its service between Ljubljana and Heathrow, London's biggest airport, on 20 August.

September

Fraport Slovenija obtained its socially responsible employer certification on 13 September. The certification will allow us to take additional steps to upgrade our social responsibility. In so doing we aim to achieve greater satisfaction on the part of our employees and other stakeholders, and work together with them to create a network focusing on sustainable development.

Low-cost airline flydubai launched a direct service to Dubai in the United Arab Emirates on 24 September. After years of work to establish this route, we believe that this is a significant contribution to our competitiveness and traffic recovery following the pandemic.

October

Dr. Babet Stapel assumed the helm of Fraport Slovenija on 1 October. Fraport Slovenija received one of the highest accolades of the Slovenian tourist industry on 13 October. The Kristalni Triglav 2021 award was conferred on the company by Slovenian Travel Press, recognising the establishment of new air routes in the difficult circumstances of the slow recovery following the pandemic as extremely important for the country and for tourism, and highlighting the importance of the new passenger terminal, which in their opinion is the key to the long-term development of the airport and tourism in Slovenia, and to improved air connections.

November

The project to install solar panels on the roof of the airport parking garage and commercial annex was completed on 9 November. The solar plant will generate 500 MWh of electricity from renewables each year for the needs of the airport. The investment will help the company meet its long-term target of reducing carbon emissions and saving on energy costs, and was costed at €350,000. The solar power plant is estimated to generate 500 MWh power from renewable energy sources for the airport's own needs. We decided for this project with the purpose to contribute to our long-term objective of reducing CO₂ emissions and to save energy costs.

December

In the second half of 2021, Slovenia had presided the Council of the European Union (EU) for the second time, after thirteen years. During its presidency, Slovenia welcomed over 10,000 foreign delegates, whose first contact with Slovenia was right at Ljubljana airport. With excellence, professionally performed work and expertise, Fraport Slovenija significantly contributed to the success of the events during the presidency.

2022



February

As the final phase of investment in the expansion of the new passenger terminal, the partial refurbishment of the old terminal building was completed on 3 February. This freed up space for passenger flows in arrivals, and allows departing passengers to access security control directly via a corridor in the old section of terminal building after checking in.

All routes serving Ukraine were cancelled as of 20 February because of the outbreak of the war there. The Slovenian government passed a resolution on 26 February banning aircraft registered in Russia and all aircraft operators based in Russia from entering Slovenian airspace. The service to Moscow operated by Aeroflot and the service to St. Petersburg operated by Rossiya Airlines are cancelled until further notice, which will be reflected in a decline in passenger traffic at Ljubljana Airport. The closure of Slovenian air traffic for Russian aircrafts and the suspension of air connections with Ukraine at the end of February 2022 would reduce the planned traffic by 8% if it lasts until the end of the year.

March

On March 14, the summer timetable, which became valid on the last Sunday in March, was presented. In the busiest weeks of the summer season it is possible to travel to/from Ljubljana Airport with about 140 flights a week.

Flight connections to important hubs ensure good air connectivity to all over the world. In the summer schedule Ljubljana Airport is directly connected to 19 destinations with 15 scheduled airlines. A variety of charter destinations looks promising as well.

On March 25, the ACI extended the validity of the AHA certificate for our airport, justifying that Ljubljana Airport follows best practice and implements key measures to prevent the further spread of covid-19. The AHA enables airports to reassure passengers, employees, regulators and governments that they prioritize health and safety in a measurable and established way in their work and management. It allows airports to validate their own actions in all their facilities and processes, and by ensuring excellence in maintaining safe airport hygiene facilities, they reassure the traveling public that use of the airport facilities is safe.

April

On April 14, we welcomed the new flight connection. Flights to Paris Orly Airport were established by the low-cost carrier Transavia France, which is part of the Air France KLM group. They fly to the French capital twice a week and expand its existing range of flights to Paris, provided by Air France to Charles de Gaulle Airport. On 14 April, a contract worth €717,000 was signed with the contractor GIC Gradnje d.o.o. for the construction works of the extension of the cargo terminal at Ljubljana Airport. The commencement of

the construction with a built structure, which is to replace the existing prefabricated tent facility, is scheduled for the beginning of autumn 2022. The project, also including the installation of new technological equipment for more efficient reception and dispatch of goods, is worth €408,000 and is envisaged to be completed by the end of 2022.

May

British Airways, a member of the airline alliance Oneworld, reestablished its flights to Heathrow, the biggest London airport, on 24 May. Compared to the previous season, British Airways increased the frequency of its flights to our airport by starting flying earlier and flying more often.

June

On 21 June, the flight network from Ljubljana airport was supplemented by two of the announced flight connections for the summer season, namely the air carrier Air Montenegro with flights to Tivat, and the Israeli air carrier Israir Airlines providing again their flights to Tel Aviv.

With excellence, professionally performed work and expertise, we significantly contributed to the success of the events during the presidency.



New launch

The airport expansion and modernisation, and the perspective of a gradual air travel growth are spreading our wings. Building the Airport City is our focus now. The Airport City, the business-logistics centre, has an exceptional geostrategic location and therefore a great business potential.



Basic Information about the Company

About the company

The company Fraport Slovenija, which operates Ljubljana Airport, is the central Slovenian international airport which provides the vast majority of air passenger traffic in Slovenia. Its core business comprises airport management and operation, development of the airport infrastructure, provision of ground handling services and various commercial activities. The location of the airport is ideal for development of flight connections and aviation-related activities, since it is located at the junction of the traffic flows between the Pannonian Basin and the Po Valley, and the corridor from Middle East to the European Union, running through the Istanbul strait. The gravitation area of Ljubljana Airport includes Slovenia, the southern part of Austria, the northeastern part of Italy and a part of Croatia, accounting for over four million inhabitants of the area. The airport with its 3,300 m long take-off and landing

runway is well-equipped with modern technology which allows landing in conditions of reduced visibility according to ICAO III B category. The company Fraport Slovenija has sufficient land at its disposal, which enables a further airport expansion and development of complementary activities.

Ownership structure

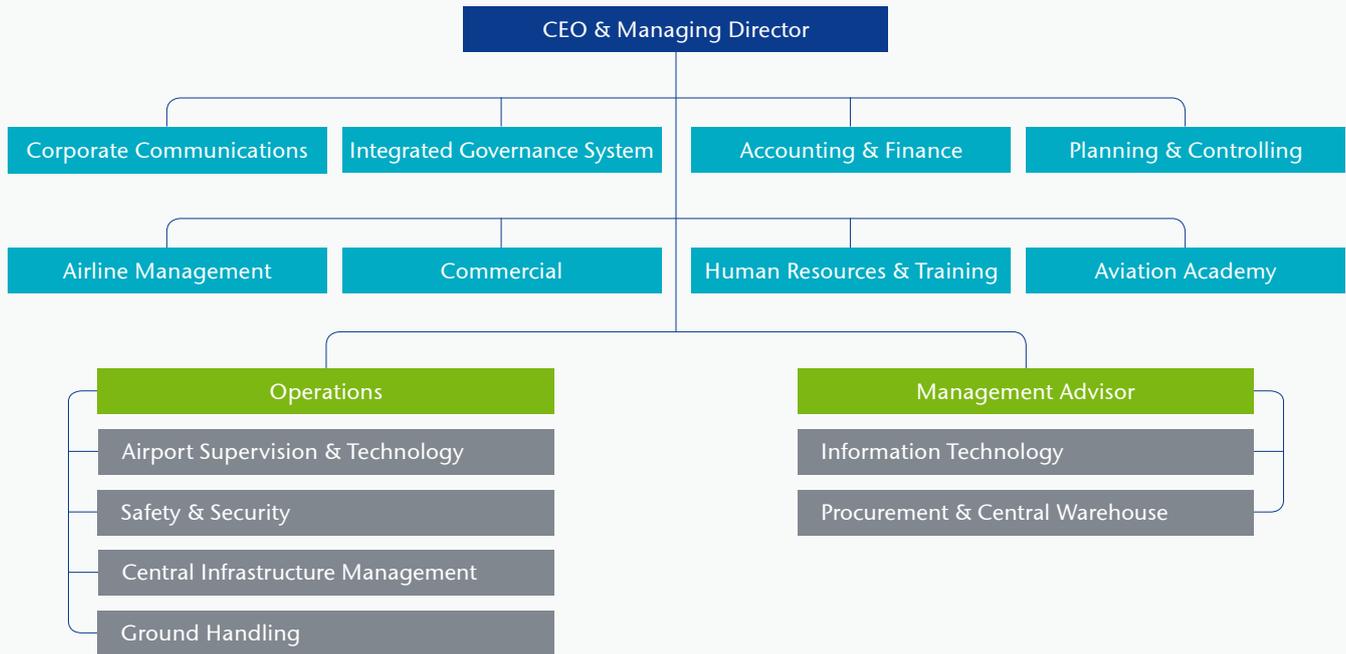
Fraport Slovenija is 100% owned by the German company Fraport AG Frankfurt Airport Services Worldwide (Fraport AG).

Company management and control

The Managing Director of the company is dr. Babett Stapel. She graduated from the University of Hamburg in Germany in the field of Law, and supplemented her formal education with remedial training in business administration (MBA) at the

University of Nottingham in England. She completed her law studies after two years of internship, and she passed the bar exam in 1998. She also studied internal communication at the University Del Pacifico, in Lima, Peru. She has 21 years of professional experience in the aviation industry, more than 10 years as a C-level manager and 17 years of positions with staff responsibility. She joined the company Fraport Slovenija, d.o.o. in 2016 as the Chief Commercial, Finance and Administrative Officer, and a procurator. The company has three procurators: Oliver Weiss, chief operating officer, Zmago Skobir, advisor to the management, and Andrej Svetina, head of planning and controlling. The company's business activity and the work of the management are supervised by a three-member Investor's Committee. The committee consists of: the chairman Holger Schaefer and members Alexander Laukenmann and Tamara Weyer, all from Fraport AG.

Organisation chart (valid from 1 January 2022)



International activities

Fraport Slovenija is part of Fraport AG, an international group. The group’s core business consists of the expertise and technological know-how that distinguishes the individual companies under the Fraport AG brand. Fraport AG’s overall portfolio of subsidiaries and other assets includes 31 airports worldwide.

We are a member of numerous professional associations, where we take the opportunity to network with our colleagues and to exchange best practice. Via our professional connections under the aegis of ACI Europe, we actively monitor developments affecting the airport industry, and play an active role in promoting the economic and social development of the industry in the region, and in dealing with the challenges facing civil aviation in Europe.

Mission

We provide connectivity of Slovenia by creating inspiring services and customer friendly experience and sustainable airport management.

Vision

- Our vision is to be:
- efficient and prime-quality regional gateway;
 - exciting retail experience platform;
 - major air cargo airport in the region;
 - leading skills academy of aviation industry.

Values

Sustainable development

We are aware of the responsibility, as employer and economy factor, which we have for our employees, society and environment and other interested parties. We act sustainably and base our actions on economic, environmental and social criteria.

Value enhancement

We aspire a sustainable enhancement of the company’s value in all fields of service.

Aviation safety

Through continuous risk detection and management we reduce the likelihood of personal injury and material damage.

High performance

Our integrated business model ensures business excellence applying safe, efficient and high quality processes.

Importance of sustainable development

The Fraport Group considers values and commitments of sustainable development as the central drivers of strategic planning and management, since the present and the future of the airport industry are closely related to challenges and opportunities of decarbonisation of the industry, and to other environmental aspects. At the same time, flight connections remain in perspective an important generator of social prosperity and progress, economically, technologically and socially. The airport development under normal conditions significantly impacts the development of micro, regional and national environment. The Fraport Group

is aware of such challenges, which are also opportunities, while managing all its local companies. Therefore, it encourages all its airports to be creative and to transfer best sustainable practices. Fraport Slovenija operates within this context. This gives us an important starting point for the compliance with all sustainable commitments of our owner, which we adapt and upgrade according to our own specifics.

We are committed to act in the manner of not endangering the natural and social environment. By carrying out several different activities in the environment where we operate and live, we will strive

to give something back and to make the environment richer. The impacts which the local environment perceives as annoying, f. e. noise, are systematically being reduced, in dialogue with social partners. We strive to act preventively, proactively and encouragingly in all the areas, in the sense of a partnership dialogue. The company's top management is responsible for the adoption of the company's sustainable strategy and its programme. All employees are encouraged and empowered to get involved in the implementation of the sustainable programme in line with their powers and responsibilities.

Fields of priority sustainable activities of the company / United Nations 2030 global sustainable goals

	<p>Occupational health and safety Air quality Noise reduction</p>		<p>Air quality Noise reduction Sponsorships and donations in the local and national environment</p>
	<p>Attractive and responsible employer Value creation and cooperation in the region where we operate Fraport Aviation Academy</p>		<p>Occupational health and safety Efficient use of energy Renewable energy sources Preserving the environment and protecting the nature</p>
	<p>Ensuring a work environment characterised by diversity, equal possibilities and respect Ensuring a balance between work and private life</p>		<p>Efficient use of energy Renewable energy sources Sustainable mobility</p>
	<p>Preserving the environment and protecting the nature (also water resources)</p>		<p>Preserving the environment and protecting the nature (particularly birds)</p>
	<p>Efficient use of energy Renewable energy sources Sustainable mobility</p>		<p>Fraport Slovenija as a member of the international Fraport Group, is an active supporter and implementer of the internationally adopted standards, guidelines and principles, in particular UN Global Compact principles, the commitment to reducing air emissions from international aviation, guidelines for transition to a circular economy, General Declaration of Human Rights, UN Conventions and ILO fundamental labour standards, as well as OECD guidelines for multinational corporations.</p>
	<p>Economic efficiency Growth and development of Fraport Group Attractive and responsible employer</p>		
	<p>Customer satisfaction and quality of services Growth and development of Fraport Group</p>		

Sustainable effects and stakeholder relations



With its activities, the airport is a complex network of multi-faceted international relations at the local, national and international level. It enables career and personal growth to its employees, and also to a number of other businesses. It is a significant generator of the economic development and the enrichment of local communities. The airport is of strategic importance for the protection of human lives, both in view of managing the airport traffic and providing national safety, in a broader sense. It impacts several aspects of the natural environment. Therefore, careful environmental management is considered extremely important for the airport.

Decarbonisation of aviation sector in the EU

The aviation sector is vital for connecting countries internationally and is an invaluable part of the world economy. It is one of the hardest sectors to decarbonise as there are currently no low-emission alternatives for long-distance flights to satisfy the speed of air travel. However, there is technology that can decarbonise short- and medium-haul flights and help achieve net-zero carbon emissions.

The aviation industry accounts for 12% of all transport CO₂ emissions, 2–3% of global carbon emissions, and 4% of European carbon emissions. While the fuel efficiency of aircraft operations improved by an average of over 2% per year between 2009 and 2019, it is acknowledged that further action is needed to bring down the absolute level, even if traffic levels increase. This must be done in an ambitious way in order to meet the EU’s objective of net-zero CO₂ emissions by 2050.

With its growth, the role of aviation and its environmental impact are now the subject of greater scrutiny in the society, most notably in relation to carbon emissions.

While climate change has already achieved a high profile in Europe, the entry into force of the Paris Agreement has undoubtedly contributed to pushing this to the top of the political agenda. It is right to expect the aviation sector to meet its responsibilities in this regard. Associations representing aircraft manufacturers, airlines, airports and air navigation service providers in Europe, have therefore come together to plan a route to achieve the EU goal, the so-called “Destination 2050”. The purpose of the plan was to identify the measures which would lead to decarbonisation of aviation.

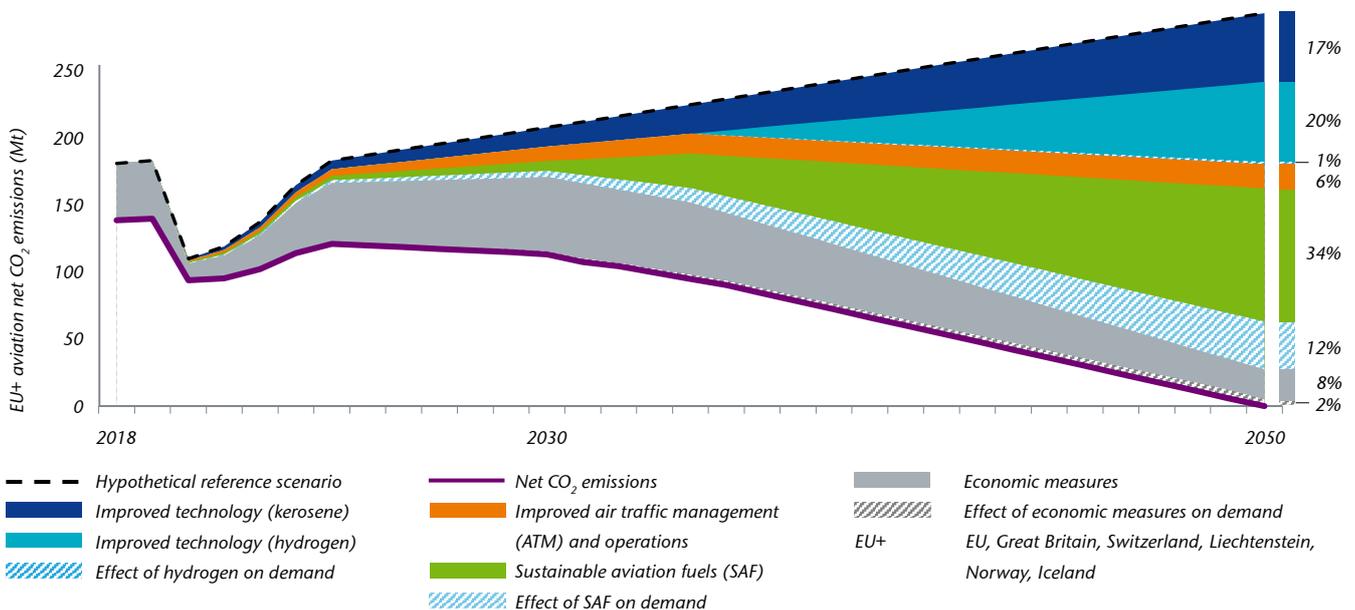
Those measures included four pillars: aircraft and engine technology (hybrid-electric propulsion, hydrogen fuel cell technology), air traffic management and aircraft operations, sustainable aviation fuels and smart economic measures (f.e. CORSIA).

Implementing these measures could make 2019 the peak year in absolute CO₂ emissions from European aviation, thereby surpassing the industry target of carbon neutral growth from 2020 onwards.

In the year 2030, net CO₂ emissions are to be reduced by 45% compared to the hypothetical reference scenario as a result of continuing fleet renewal, improvements made in ATM and aircraft operations, and a substantial reliance on economic measures. Compared to the CO₂ emissions in 1990 which are the basis for European Green Deal targets, this however means a 36% increase in the net CO₂ emissions from European aviation. This is due to the fact that most of emission reduction measures (the next generation of aircraft and a predominant use of sustainable aviation fuel) take more time to be implemented. It is nonetheless essential to lay the foundations for post-2030 emission reductions in the coming years in order to realise net-zero CO₂ emissions by 2050 and reduce reliance on economic measures.

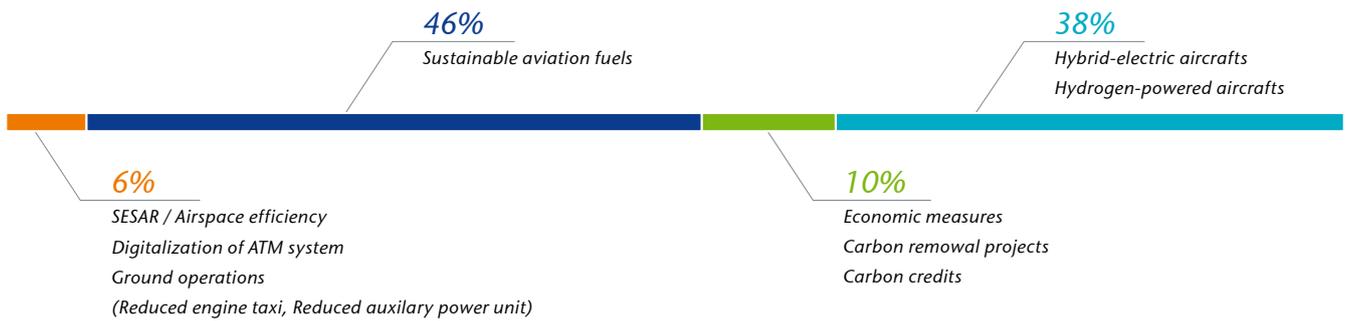
The sector is increasingly aware of the importance of greenhouse gas (GHG) emission reduction, and has already taken some notable mitigating steps in order to do its part in limiting the global temperature rise to a maximum of 1.5 degrees Celsius above preindustrial levels by 2050.

Graph 1: Decarbonization roadmap for European aviation (considered all flights)



Source: Destination 2050: A route to net zero European aviation

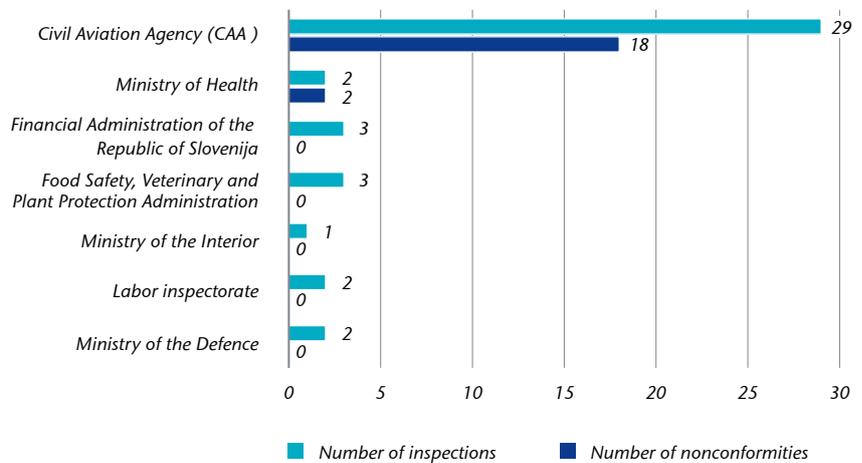
Graph 2: Destination 2050 – Zero CO₂ emission plan



Integrated governance system

We regularly strive to achieve a high quality level in order to ensure appropriate airport development in line with the requirements of air carriers, passengers and other business partners. The company's top management and all employees are committed to the management systems, so we operate in compliance with ISO 9001, ISO 14001 and ISO 45001 standards. All three systems are interconnected and part of an integrated management system. Our good work is reflected through a positive assessment of all external audits of our partners and inspectors. In 2021, we successfully went through 42 inspections, 13 external audits performed by air carriers and integrated external audit of environmental management system and the occupational safety and health system, in accordance with ISO standards. Where necessary, we prepared corrective and preventive measures to prove that our operations were carried out in accordance with all statutory requirements and the requirements in the field of aviation. The company's operations are regularly checked through internal controls in order to achieve business compliance and to seek for new improvement opportunities.

Graph 3: Inspections in 2021



Graph 4: Internal control summary in 2021

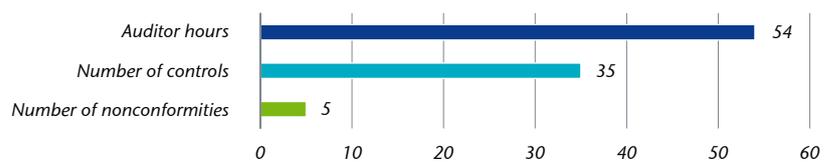


Figure 1: Certificates (ISO 9001, 14001, 45001)



Risk management and classification

The entire risk management of Fraport Slovenija is integrated into a unified risk management system. The company is otherwise involved in Fraport Group risk management system which allows risk identification and analysis at an early stage, and risk management by means of adequate measures.

Risk management is presented in more detail in the Fraport Group's annual report.

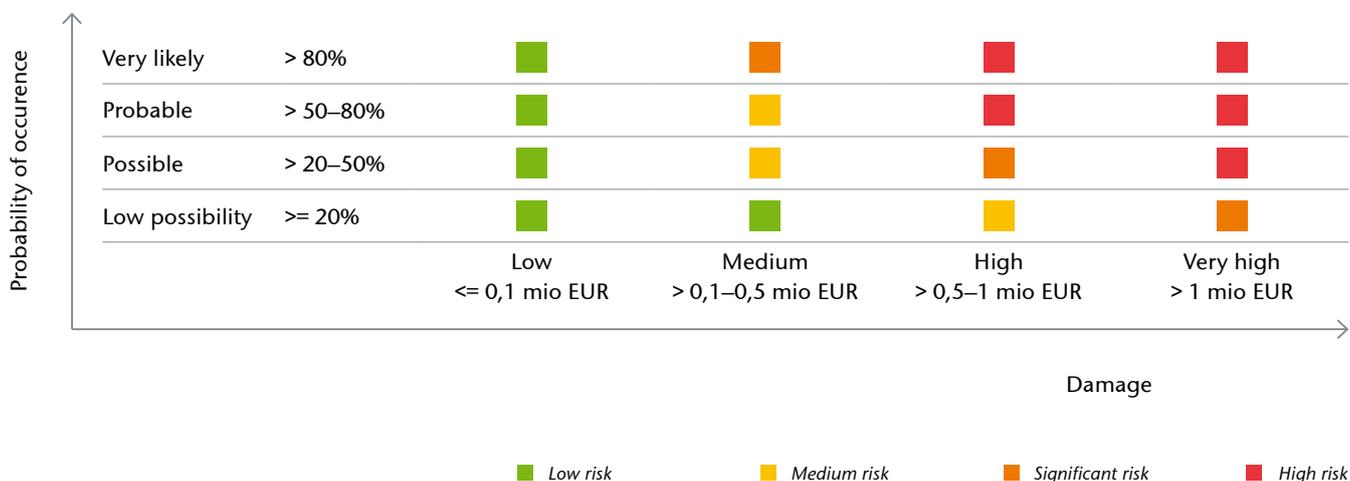
The company's management is responsible for risk management. However, all employees, in accordance with their authorities and responsibilities, take over risk management for specific professional fields.

We regularly implement measures to reduce any risks associated with the reduction of air traffic hazards caused by birds, security actions and weather conditions. Currently, a plan of continuous operations is in force, which involves response measures in emergency for employees or individual business-related critical functions. The plan also determines alternative procedures of how to get the operations back to normal conditions. Risk management is supported by internal controls. The objectives of the internal control system are harmonisation with the applicable legislation and regulations, achieving strategic objectives and implementing the company's strategy. As it is the practice at group level, COSO methodology is taken into account in internal controls for the purpose of identifying, measuring and managing the risks arising in business

processes. In accordance with the Critical Infrastructure Act, Fraport Slovenija as operator of critical infrastructure, is also obliged to prepare a risk assessment for the operation of critical infrastructure. Company's risk are defined at the level of strategic goals and processes. In addition, the risks associated with the areas described hereinafter, are monitored separately.

The risk management process includes identification and risk assessment, taking measures to avoid or reduce risks, control and reporting. Risk assessment is the basis for classifying risks into four groups, and determines the likelihood of a risk and assesses the extent of the damage that could be done by such risk, as illustrated in the table below.

Classification of process risks



At the level of Fraport Group, the company reports quarterly on any significant and high risks and measures in order to manage such risks and changes that have appeared in the last reporting period. Risk management is supported by a diverse mechanism of internal controls and internal audits.

The risk of the new coronavirus spreading hit the company's operations also in 2021. The company responded to it with a number of measures for the safety and health of its employees, business partners and air travellers, and for the mitigation of consequences of the pandemic in order to keep its ongoing business and the airport in operation.

The risk of the new coronavirus spreading hit the company's operations also in 2021.

Financial risks

For a stable company's operations, it is essential to manage financial risks, with which we have to encounter on a daily basis. We manage our credit risk by monitoring our business partners and attaining credit ratings, by external information, coordinating accounts receivable, consistently charging default interest, issuing reminders and recovery. In addition, the company has part of its accounts receivable insured with its insurance company. Liquidity risk has increased due to the pandemic and the decline in cash inflows, but it is still considered low risk based on the implementation of appropriate measures. The company is also exposed to the interest rate risk, which is considered low, since the company has neither interest-bearing liabilities nor any financial investment, of which the interest would be linked to interest rates. The company is not exposed to currency risk, as its transactions in foreign currency are immaterial.

GDPR risks

The company is well aware of data protection. For this reason, it has adopted and issued its Rules on protection of personal data, on the basis of the Regulation (EC) 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation), and Personal Data Protection Act. In the event of a greater risk in the field of personal data processing related to new projects, new IT-solutions or new contractors we produce the so-called impact assessment with a detailed analysis of managing risks of any kind in the field of personal data protection. The company also has one authorised representative for personal data protection by the company's management, who has responsibility for managing the entire field of personal data protection. The effectiveness of the personal data protection system is checked annually as part of the management review by the management.

Compliance risks

Fraport Slovenija compliance guidelines are based on the compliance system of Fraport Group, internal Compliance management system guidelines, the Code of conduct and standards of behaviour for employees, and on Manual for the preventing conflicts of interest. The company has the authorised representative for business

compliance, appointed by the company's management, who is responsible for managing the business compliance system. We also have a Compliance Management Committee. In the event of an increased risk in the field of business compliance, also the parent unit from Fraport AG is included in the consideration of the situation. The effectiveness of the business compliance system is annually checked on the basis of the analysis of the effectiveness of risk management in this field, and is further discussed by the company's management during the management review and by the company's owner at regular meetings of the Investor's Committee.

Human resources risks

Risks in the field of human resources are above all linked to an eventually insufficient number of employees, particularly for the implementation of mandatory airport services, and also to inadequate employee qualification. We ensure continuous operations by careful monitoring and following legislative requirements in all the areas of our business activity, and also by enabling regular employee training and development.

IT risks

The company's method of managing information and information systems is regulated by its Master Security Policy, which sets out the fundamental starting points for data formation and processing, the method of use, protection and security of the information resources.

Occupational safety risks

With its prescribed Safety Statement with Risk Assessment, the company addresses identified risks and hazards for all jobs within the company and all associated measures to reduce such risks. The company has the authorised representative for occupational health and safety, who was appointed by the company's management and is responsible for the system and risk management of occupational health and safety. The effectiveness of occupational safety and health data protection system is checked annually as part of the management review by the management.

Environmental risks

The company identifies external and internal factors that impact the environment and may pose a risk to it.

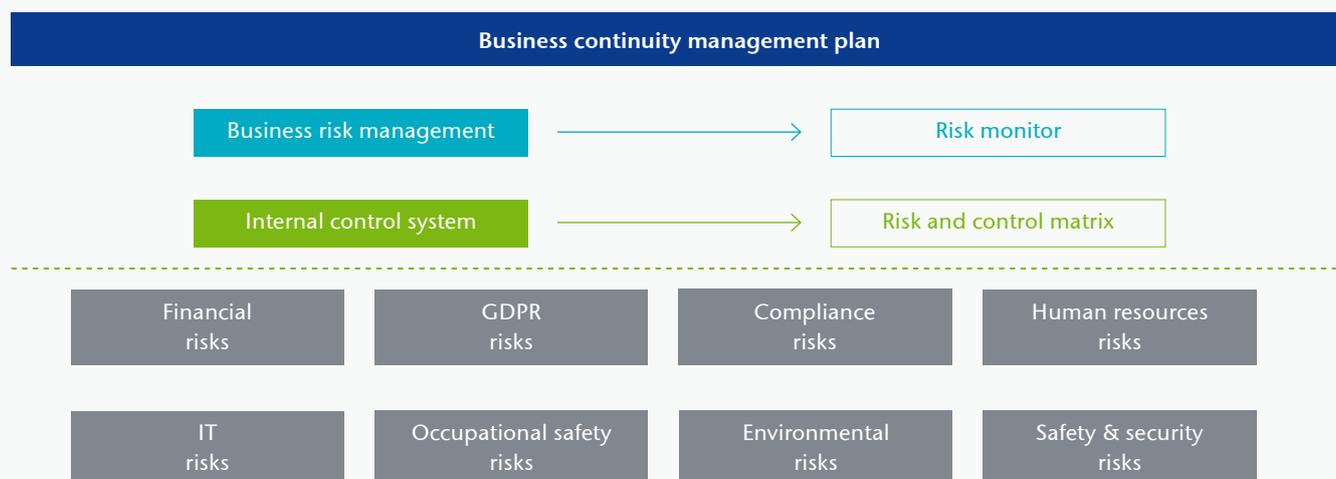
The company has the authorised representative for environmental protection, who was appointed by the company's management and is responsible for the system and risk management of environmental management. The effectiveness of the environmental management system is checked annually as part of the management review by the management.

Safety and security risks

As a European airport we are committed to complying with the EU safety regulations, as it is essential in aviation industry. Therefore, our company obtained an international certificate in this field in 2018, the so-called EASA certificate, which proved that our airport operation met all the requirements for the safety of people in the airport and that we managed all the risks related to the airport operation. The company also has the authorised safety manager, appointed by the company's management, who is responsible for the system and management of safety risks. The effectiveness of the safety system is checked annually as part of the management review by the management. The company obtains the data on individual risks in the field of civil aviation protection from the Civil Aviation Agency (CAA) and the competent Ministry of Infrastructure. Protective measures in civil aviation are at the airport executed in accordance with the applicable legislation, and are immediately adapted to the needs of emergency situations.

Liquidity risk has increased due to the pandemic and the decline in cash inflows, but it is still considered low risk based on the implementation of appropriate measures. The company is also exposed to the interest rate risk, which is considered low, since the company has neither interest-bearing liabilities nor any financial investment, of which the interest would be linked to interest rates.

Business continuity management plan and risk management chart



Professional secrecy, data protection and privacy

We are striving for transparent communication in terms of respect of professional secrecy. Employees are aware they have to cherish confidentiality of data related to the business activity and business secrets of the company, and to act in compliance with Personal Data Protection Act and Data Protection Manual.

Data Protection Manual defines the technical and organisational measures and protocols to protect personal data in the company Fraport Slovenija. These measures and protocols are designed to prevent unauthorised access, alteration, deletion or any other damage or loss of personal data, to process personal data fairly and lawfully, and to ensure respect for all other principles of the protection of personal data. Rules on Personal data Protection define appropriate measures for the protection of personal data in order to ensure the lawful, fair and transparent processing of personal data which is based on the applicable Slovenian and European legislation in the field of personal data protection. We also provide regular training in the field of personal data protection for all employees in the company.

Compliance management system and integrity

The Compliance Management System (CMS) is considered a systematic procedure aimed at ensuring the conduct throughout the company to be consistent with laws and regulations. CMS comprises prevention and detection of eventual non-compliance, as well as reaction to incidents and risks identified. It helps protect the company, its employees and owners against eventual financial damage, liability claims and reputation damage.

Early preventive measures are performed in order to reduce any identified risks in business compliance. In particular, this comprises clear and appropriate internal regulations, specific communication measures, exemplary behaviour on the part of the management, and fostering our culture of ethical values.

We implement appropriate instruments to detect misconduct. Examples include basic elements of the Internal Control System, such as separation of functions and the principle of dual control for key processes. An appropriate reaction of the management to cases of misconduct is necessary in order to rectify such misconduct, to protect the company's interests and safeguard the credibility of the company's CMS.

We improve the company's long-term CMS with the prevention-detection-reaction cycle. We also provide regular training in the field of business compliance for all employees in the company.

We are committed to compliance with the international and local anti-corruption laws, and we reject all forms of corruption and bribery. In collaboration with our competitors we check pricing and conditions, and also various agreements or contracts which distort competition. In doing so, we are particularly attentive to any agreements or contracts with competition aimed at market sharing or allocating customers. Any form of anti-competitive behaviour is not tolerated. Therefore, we terminate our business relationship with such partners. We also check this when performing Supplier Analysis.

We are committed to compliance with the international and local anti-corruption laws, and we reject all forms of corruption and bribery.

Protection of information

The company Fraport Slovenija is aware of the importance of information and safe information system, so the company adopted a Master Security Policy. The aim of protecting information is to prevent or reduce eventual consequences of security incidents to the minimum and to assure the continuity of the company's operations. Upon establishing the system of information management and information security we have also established the principle of information confidentiality, availability and integrity. The information security management system is built on the basis of recommendations of ISO/IEC 27001 standard. All employees of the company, their contract workers, students, other external partners with their employees or partners being or coming in contact with information owned by the company or declared by the company as significant for its operations, are committed to information security.

Safety of flight operations

Much attention is put on safety in our company. The implemented safety management system helps us a lot to improve the level of airport safety. The system consists of four key elements: safety policy, safety assurance, safety risk management and safety promotion. Every year we try to upgrade each of these elements and care for constant improvement in this particular field.

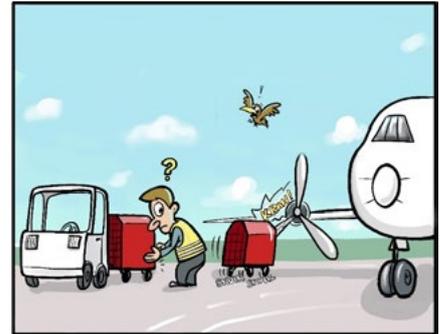
We continually improve the system by:

- providing up-to-date information for our employees and constant upgrade of their knowledge;
- providing sufficient financial resources in order to implement our safety policy;
- defining safety responsibility for all the company's staff;
- encouraging positive safety culture with transparent information exchanges within the legal framework;
- establishing, maintaining and promoting positive safety culture through free information exchanges;
- defining safety objectives at the level of the company for the period of two years;
- regular monitoring safety indicators;
- performing promotion of safety.

Our airport infrastructure and operative procedures comply with various international and national safety requirements, standards and recommendations (ICAO, EU, EASA, ACI, etc.), which is regularly monitored and audited by external and internal audits. Cooperation with other entities operating at the airport is also our concern. Therefore, we have an airport safety action group that has been operating for many years and defines and assures performance of commonly agreed safety measures.

Promotion of safety

Promotion of safety is one of the cornerstones of safety management system. Therefore we decided to present to our employees within safety promotion the impact of various factors that may affect employees while performing their work and their work processes. The presented poster discusses the abandonment of regular preventive maintenance of equipment in use, which can result in an undesirable event.



Author: Boris Oblak

Situation shows uncontrolled movement of the baggage cart after being disconnecting from the towing vehicle. This is a result of the unreliable operation of the cart brakes, which can lead to injury of person, airport infrastructure or aircraft.

Organisational safety objectives



For 25%

reduce the index of confirmed bird stikes for bird species common buzzard in 2021 and 2022 compared to 2019 and 2020.



Maintain or reduce

the index of major damage on aircraft over 5,7 t in 2021 and 2022 compared to 2019 and 2020.



For 25%

reduce the index of major damages on ground support equipment/ vehicles in 2021 and 2022 compared to 2019 and 2020.



For 25%

reduce the index of potential or actual runway and taxiway intrusions in 2021 and 2022 compared to 2019 and 2020.

How can we prevent such situations? Competences and responsibilities in work processes must be clearly defined. First and foremost, employees need to be aware of the importance of inspecting work equipment on a daily basis before using it. Furthermore, with timely planning of quality preventive maintenance of work equipment. Working equipment without preventive technical maintenance must be decommissioned. We promote the importance of daily inspections and technical perfection of work equipment in all regular employee training.

Compared to 2020, in 2021 we dealt with one major aircraft damage. The key reason was the uncontrolled movement of the composition of baggage trolleys into the parked aircraft due to the jet engine exhaust (Jet blast) of another aircraft on the airport apron. We have analyzed the case and defined all corrective and preventive actions to prevent a recurrence of such incident. During the last year, we have not recorded any major damage to vehicles and ground handling equipment. We recorded three cases of minor injuries. The index of such injuries per 10,000 aircraft was reduced from 2.3 in 2020 to 1.7 in 2021. Although the fact that the damages were minor, we carefully analyzed all cases and took corrective measures to prevent the recurrence of such events.

The bird strike index at the airport per 10,000 air operations has decreased, from 4.6 in 2020 to 4.0 in 2021. The index of the total number of bird strikes in 2021 has decreased from 18.5 in 2020 to 14.3 in 2021. Nevertheless, we continue to exercise existing measures intensively and look for opportunities for improvement.

In 2021, we did not deal with any unauthorized runway incursion.

The bird strike index at the airport per 10,000 air operations has decreased, from 4.6 in 2020 to 4.0 in 2021. The index of the total number of bird strikes in 2021 has decreased from 18.5 in 2020 to 14.3 in 2021.

Culture of justice

The just culture has become an integral part of aviation safety. The essence of this concept is to promote safety reporting without possible sanctions against persons who have reported or have been involved in any way in reported safety reports. It is a concept of learning from mistakes. Employees are provided with independent safety reporting through various methods of electronic safety reporting. We also have a classic paper method of safety reporting ('safety boxes' mailboxes). Within safety reporting we ensure confidentiality of the reporting person and the persons being mentioned in safety reports. Safety reporting can also be anonymous.

We strive every day to establish an environment of trust, where employees can freely and without fear of consequences report about safety issues, occurrences and unacceptable practices, even if they are involved. In doing so, we want to make clear where the line is between acceptable and unacceptable security practices, as the latter can also result in sanctions against the person who carried out unacceptable safety practices.

In 2021 in company we established Justice Culture Committee. The purpose of that committee is decide the possible individual responsibility in terms of acceptable and unacceptable safety behavior. Mostly for events with greater safety impact on flight operations safety. The Just Culture Committee met five times in 2021. In doing so, it three times decided to protect the employee from sanctions.

A high level of safety is key to safe and quality performance of our services. We continuously upgrade the company's safety standards in order to stimulate the employees to proactively and preventively report on or warn about any potential or actual hazards at work in the airspace of the airport. The same applies for reporting on safety incidents, accidents, safety deficiencies or any other spotted suspicious situations regarding safety and last but not least for any kind of possible improvements.

Within safety reporting we ensure confidentiality of the reporting person and the persons being mentioned in safety reports. Safety reporting can also be anonymous.



Airport security

As the airport operator, the company Fraport Slovenija is responsible for ensuring security at the entire area of Ljubljana Airport. Airport security consists of several methods and measures intended to protect civil air traffic against any acts of unlawful interference. Fundamental security measures are taken in accordance with the European and local legislation, and additional measures are taken when necessary, regarding the risk assessment made by the competent state authorities, and the risk assessment made by our company, taking the existing and perceived hazards into account. Security efficiency and quality is regularly checked through internal controls in compliance with the quality assurance programme, and external controls carried out by CAA supervisors. The company's management is regularly informed about our internal and external controls (audits), and we also present the state for the previous year to Civil Aviation Security Council of Ljubljana Airport at the end or at the beginning of each business year. In 2021, the CAA carried out 14 inspections, which is the same number of inspections as in 2020. It is worth mentioning that throughout 2021 traffic and airport activities were influenced by covid-19 restrictions. In 2021, despite all restrictions related to limiting the spread of the SARS CoV-2 virus and intensive preparations for the opening of the new terminal, we carried out ten internal controls.

Airport security is in practice implemented by providing and performing physical and technical security. Physical security is performed by the contractor Aktiva varovanje, a security service company, while the company Fraport Slovenija provides all necessary technical equipment to protect civil aviation, which is used to perform preventive security measures. This set of equipment includes all the security equipment used for screening luggage, goods and passengers, as well as the equipment for the protection and security of the airport. The airport is additionally secured with an integrated access control system and video surveillance system which prevent unauthorised access to the secured areas of the airport and help detect and clarify eventual incidents. With constant system upgrades and effective preventive maintenance, we are able to achieve high operational reliability and reduce the likelihood of system outages. In 2021, we completed the extension and upgrade of the technical security system and all other activities related to the technical security of the new passenger terminal. In the new passenger terminal we also successfully completed the installation of the new hold baggage screening system (HBS). Among other things, the new HBS incorporates state of the art x-ray device to screen hold baggage, which uses computer tomography to screen hold baggage and allows 3D-image of screened baggage.

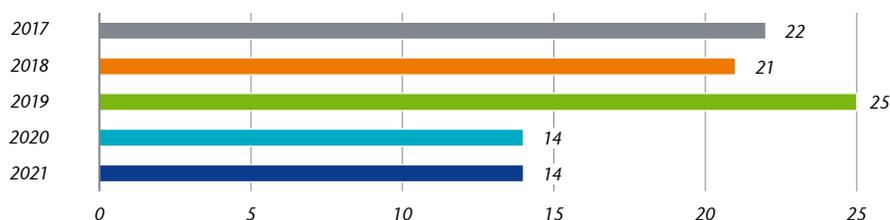
At the passenger security screening checkpoint in the new passenger terminal, we also installed a »smart line« for screening of hand baggage, which reduces passenger's waiting time before security control. We also completed testing of various types of security (body) scanners and we plan to install first security scanner in 2022.

We are aware that state-of-the-art equipment improves safety and security of air traffic and helps prevent eventual incidents. So, we regularly monitor technology development in this particular field, and we endeavour to implement it as much as possible at the airport.

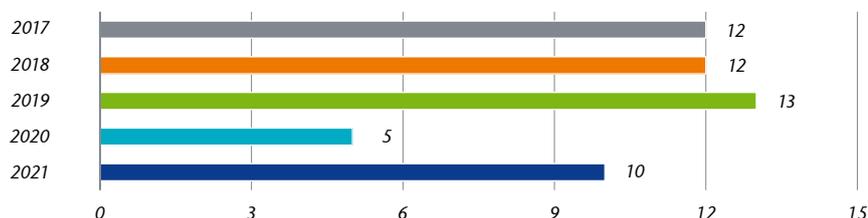
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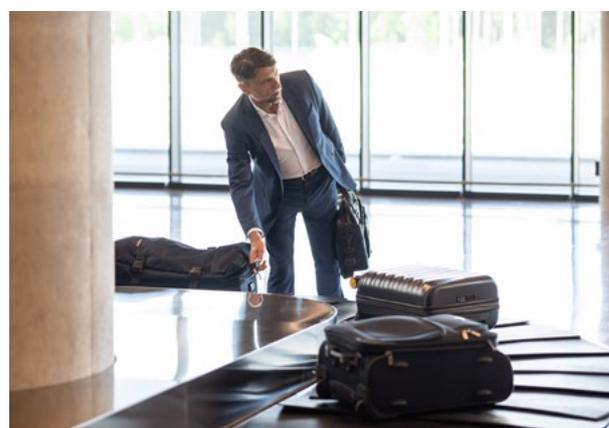
Despite all restrictions related to limiting the spread of the SARS CoV-2 virus and intensive preparations for the opening of the new terminal, we carried out ten internal controls.

Graph 5: CAA inspections



Graph 6: Internal inspections





At the passenger security screening checkpoint in the new passenger terminal, we also installed a »smart line« for screening of hand baggage, which reduces passenger's waiting time before security control. In the new passenger terminal we also successfully completed the installation of the new hold baggage screening system.



*Company's Strategy and
Business Performance*

New investments

A twenty-three million investment in the new passenger terminal was a milestone for the further development of the airport. New challenges and opportunities are ahead of us. In the future, we will invest in manoeuvring areas and also in some other fields to further increase the quality of our services.

There are three key strategic pillars, supported by appropriate human resources policy, to implement the company's mission and vision, which are the main revenue streams. We identified 44 strategic and 79 operational key performance indicators.



Strategic pillars

 <p>Aviation</p>	 <p>Ground handling</p>	 <p>Non-aeronautical</p>	
<p>Aviation business is the basic activity of the company. Strong marketing as well as flexible and attractive incentive programme are key features in the competitive environment around Ljubljana Airport.</p>	<p>Fraport Slovenija is a sole ground handling provider at Ljubljana Airport for passenger handling, aircraft handling, cargo handling and general aviation.</p>	<p>Commercial activities are becoming of greater importance not only as one of the key revenue generators. They also represent an important marketing tool that increases competitiveness of an airport. Fraport Aviation Academy provide ARFF and ground handling trainings and consulting for third parties.</p>	
<ul style="list-style-type: none"> Landing Centralized infrastructure Passenger terminal Passengers with reduced mobility Rescue & fire Safety & security 	<ul style="list-style-type: none"> Passenger handling Ticketing Aircraft handling Cargo & mail General aviation Business lounge Aircraft's de-icing 	<ul style="list-style-type: none"> Commercial Real estate Aviation Academy 	
<p>ISO 9001</p>	<p>ISO 14001</p>	<p>ISO 45001</p>	<p>EASA</p>

We managed to achieve two challenging goals in 2021 – the opening of the new passenger terminal and managing the situation due to covid-19. I am proud of the airport team, their commitment, professionalism and motivation.



Zmago Skobir, Management Advisor

System of strategic key performance indicators

Company level

EBITDA / passenger	EBITDA realization	EBITDA/FTE	Employee satisfaction	Employee satisfaction	Share of labour costs
 Aviation		 Ground handling		 Non-aeronautical	
Aviation revenue/passenger Aviation revenue growth Aviation revenue share Air traffic movements growth Passenger growth Safety incidents index Airport punctuality Load factor Delayed departure due airport		Ground handling revenue/passenger Ground handling revenue growth Ground handling revenue share Ground handling productivity		Cargo growth Cargo revenue share Delayed dep. due ground handling Food & Beverage revenue/dep. passenger Duty free revenue/dep. passenger Parking revenue/dep. passenger Non-aeronautical revenue growth Non-aeronautical revenue share Aviation Academy EBITDA Aviation Academy revenue share Land utilization	

Human resources & training

Operating revenue / FTE	Working time	Internal training hours/FTE	Labour costs/FTE	Internal training costs/FTE
 Quality		 Occupational safety		 Environment
Customer satisfaction Legal reviews		Sickness rate Injuries at work Health promotion Alcohol & drug testing		Mixed waste Carbon footprint Vehicle electrification

EBITDA = Earnings before interest, taxes, depreciation and amortisation

CAPEX = Capital expenditure

FTE = Full-time equivalent

44



Strategic objectives

Due to covid-19 pandemic, the level of air traffic and the number of passengers have dramatically been reduced, and consequently the recovery of air traffic to the level of pre-pandemic times will be at a slow pace. As a result, the content of the majority of strategic objectives will not change significantly, but the implementation of the objectives will be delayed. The company expects to refresh its strategy and strategic objectives for the period up to 2030, by stabilising the circumstances arising from the covid-19 pandemic in 2022.

The company's strategic objectives set before the covid-19 pandemic are as follows:

- increase in passenger, aircraft and cargo traffic;
- increase in revenues, particularly from company's commercial services;
- provision of key investments in infrastructure and equipment in order to enable a further traffic development;

- provision of development opportunities to logistics companies and reliable ground handling, which will enable us to become a priority hub for air cargo traffic in the Western Balkans;
- developing opportunities for investments in the airport city and attracting different companies;
- development of Fraport Slovenija as a recognised aviation training provider.

The company does not solely rely on the development of one aviation segment, but it develops several types of aviation:

- scheduled passenger traffic (domestic and foreign air carriers);
- charter flights (including long-haul flights);
- low-cost flights;
- air cargo flights;
- general aviation.

A significant part of our strategy are also diminishing our dependence on a small number of business partners and on only one business activity, and modernisation of the airport infrastructure. Among the most relevant objectives for 2022, in addition to a complete rethink of the strategy, is the definition of a new vision, mission and setting new values, which will also take into account the absence of the domestic air carrier, a changed traffic structure and significantly reduced air traffic, as a result of the pandemic. Among the most important decisions made in the near future will also be the decision of how to develop and carry out cargo traffic. In addition to all this, our primary task is to restore air traffic and revenues on the level of the period prior to pandemic, which depends on competitive offer of flight destinations and airport commercial services.

Plans for airport infrastructure development

A Master plan for the development of the airport is a strategic development document of the airport by 2040 and provides coordination of phase spatial planning of the airport and influential areas beyond its borders.

This document ensures that the airport is ready to meet the future needs of an increased traffic growth with space reservation, in light of its financial capability and admissible environmental effects. The Master Plan envisages the key infrastructure projects that will be developed in the next period.

These projects are:

- passenger terminal;
- cargo terminal;
- maneuvering areas;
- the internal road system, and utility services and energy infrastructure.

Due to the consequences of the pandemic the company has decided to reschedule all non-essential investments for a yet undefined future period. This changes priorities and the timeline of Master plan. The redefinition and update of the Masterplan is being prepared and is one of the ten key projects in 2022. The final content will also be influenced by the new expected traffic estimate, the business plan and the strategy based on changed circumstances are made.

Passenger terminal

With the construction of the new passenger terminal in extremely demanding conditions in the aviation industry, we have created a modern, more effective and enhanced regional entry point. Due to wear and tear in the old passenger building, it was difficult to ensure an adequate standard to receive and handle modern air travellers until their leave. The new and more extensive infrastructure allows passengers a much greater travel experience, a better commercial offer and better working conditions for the staff dealing with passengers and their luggage.

The passenger terminal was built in record time, namely in two years, and the investment crucial for the long-term development and the future of the airport, which will also contribute to the recovery of passenger traffic in post-pandemic times, was worth €23 million. The passenger terminal was designed by the architectural firm Plan B as a modern and airy space with huge glass surfaces offering great views on the natural environment of and around the airport and its runway, and was constructed by the construction company GIC Gradnje. In addition to the construction-craftsmanship and installation works, the construction company was entrusted,

by way of public procurement, with preparatory and demolition works, the arrangement of the internal road network and refurbishment of part of the maneuvering areas. The facility is minimalistic, reflecting a unique local touch, combining visual concrete, glass, metal and wooden panelling. An artistic installation representing Slovenian rivers and landscape puts a unique stamp to its space and environment. The modular design will allow further expansion, once passenger traffic is on the increase again, following the recovery.

The new passenger terminal provides 14 standard check-in counters for air travellers, one counter for oversize luggage, and counters of air carriers intended for tickets and information. The security system has been technologically improved, allowing a faster and more comfortable security screening of passengers. The main improvement of the new security checkpoint is considerably higher throughput, since new automatic doors for flight ticket control have been installed, and there are now five lines disposable for screening passengers and their hand luggage, two of which are

Time-lapse video of the passenger terminal's construction



I'm delighted to stand in front of the new passenger terminal, which is the result of our work and the work of our partners. We all have gained a great deal of invaluable experience during the project. In the field of infrastructure development, we are going to focus on manoeuvring areas in the coming years.



Aleš Perhavec, Project Manager

'smart lines' allowing several passengers to prepare for screening at the same time, and these two lines also provide automatic UV disinfection of containers for screening passenger's personal items. While designing the experience of new commercial areas along with new business partners, a lot of attention was put on the diversity and quality of airport offer and pleasant ambience. The fresh concept of air experience and trade&catering part of the airside of the airport was provided by the hybrid unit All Yours Ljubljana, enabling blurring of the boundaries of the classic duty-free and catering offer. The whole came to life in 2022, when the second phase of the innovative approach was performed, which has, among other novelties, introduced the unique element of spa fountain offering drinking water.

In the public part of the terminal, the restaurant Lolita Sweet & Salty has established a friendly offer to the airport community and passengers on its spacious terrace. Upon the opening of an additional car park next to the terminal and the renovation of parking infrastructure, we have also acquired some better technical solutions for the benefit of our customers and business partners. We are also planning to continue the project of establishing car parks equipped with charging stations.

A new business lounge has come to life in the passenger terminal, offering our guests first-class experience and comfort. As one of a few airports in the European space, our airport can boast with a beautiful viewing terrace offering a view of the airport apron, the runway and the Julian Alps.

A thoughtful architectural design of the lounge offers our guests the space of great complexity with several corners for quiet work, relaxation and catering.

The new terminal also brings extended departure lounges, and 14 exit gates are provided by the airport upon the construction of the new terminal.

Along with the new terminal, also the baggage sortation area and the baggage reclaim area have been technologically upgraded. The new system enables automatic sorting of luggage by destination or flight number or air carrier. It comprises two circular collection strips for checked baggage, two circular strips for receiving standard luggage and one strip for oversized and fragile luggage.



Airport City

With the planned airport city, the company wishes to transform the central Slovenian airport into a traffic platform which will be a logistical, business and economic zone in the true meaning of the word - a meeting point of different, but complementary economic activities.

In Slovenia, there is a shortage of larger consolidated pieces of land designed for logistics activity providing adequate spatial and municipal infrastructure and enable immediate development. Airport City, the business-logistics centre is appealing to investors mainly due to its geostrategic location. It is situated at the junction of the two important transport corridors (TEN-T) and is only 125 km distant from the Slovenian port Luka Koper, which enables up to seven days shorter transit time for cargo on its way to Central Europe. 15 hectares of the land equipped with communal infrastructure is appealing to investors in the fields of logistics, hotel industry and office activities. Investors appreciate opportunities of cooperation in the form of a long-term land lease for the period of 25 years or more and the possibility of modular construction on larger areas. The latter was additionally made possible by a change in the spatial plan, which now allows the construction of facilities also through road corridors.

In addition to the emphasis on logistics, the company continues to promote the maintenance and repair of aircraft and commercial support activities.

Unfortunately, there have been no major changes in the already announced DHL, Solinair and Adria Tehnika projects, so the greater impetus from logistics and aircraft servicing partners can be felt in the recovery in 2022. The proactive approach and active marketing of municipally equipped plots will continue in the future.

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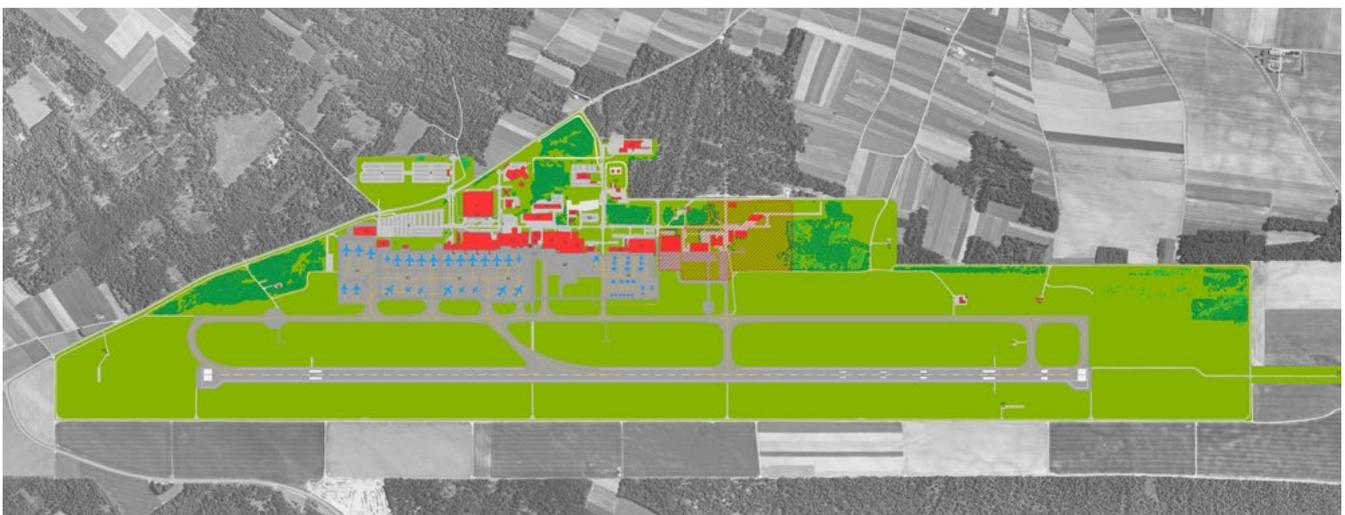
National Spatial Plan and strategic connections

With National Spatial Plan (orig. DPN), Fraport Slovenija wants to reach three key objectives:

- to provide a direct connection of the airport with its central market - Ljubljana (by building a new motorway connection on the site of the former Torovo toll station);
- to enable a long-term reservation of the land between the motorway and the take-off and landing runway for further development of airport activities and the activities surrounding the airport;
- to increase competitiveness of the airport compared to the competitive airports in the region.

Fraport Slovenija prepared a comprehensive proposal of infrastructure solutions on its own initiative, which follows the above-mentioned objectives and envisages a reconstruction of the existing roads, crossroads and motorway connections, as well as the construction of totally new ones, and the construction of a new high-speed international Gorenjska railway line along Pan-European Transport Corridor X, which will be connected to the existing railway to Jesenice direction. Fraport Slovenija proposals were presented to the Ministry of Infrastructure, which is responsible for the making of DPN of the airport. We expect our proposals will be taken into account and will serve as one of professional bases to make the above-mentioned DPN.

Figure 2: Airport development concept (2017 update)



Business activity

The financial statements of Fraport Slovenija, which are the basis for the analysis of operations, have been prepared taking into account the assumption of a functioning company. covid-19 pandemic and the related measures had a major impact on performance again in 2021. Passenger numbers were down sharply on initial forecasts in the first quarter in particular, which was profoundly reflected in performance. In addition to the aid arising from anti-corona packages for furlough and partial reimbursement of fixed costs (in the amount of €1.6 million), Fraport Slovenija also received state grants in the amount of €5 million.

Those funds were designated for compensating for the company's the damage caused by the airport closure for passenger traffic in 2020, and to cover fixed costs in 2021. Although the situation began to ease slightly in the second half of the year 2021, the year-end results under-performed forecasts. The aforementioned state aid helped the company end 2021 with an EBITDA of €7,697 thousand, up €9,811 thousand on the previous year. EBIT was also positive in 2021 in the amount of €1,345 thousand, up €8,995 thousand on the previous year. Net profit amounted to €931 thousand in 2021, up €7,239 thousand on the previous year.

Operating revenues in the amount of €28,845 thousand were up 59.7% on 2020, primarily as a result of the rise in passenger numbers and the aforementioned state aid. Operating expenses were up 7% on 2020 at €27,499 thousand.

The company invested almost €11 million in facilities and equipment in 2021, mainly in the completion works of the new passenger terminal. With the commencement of the new terminal, also depreciation costs and the balance of tangible fixed assets increased. As the company is not exposed to currency and interest risks, it does not apply any of derivatives to hedge against such risks.

Table 1: Economic indicators in the period 2017–2021 (in euros)

Category	2017	2018	2019	2020	2021
Balance sheet total	109,706,000	124,512,598	132,212,108	127,101,972	126,371,170
Investments in fixed assets	85,555,704	92,298,039	98,878,064	108,336,822	112,757,920
Equity	93,545,931	105,480,183	113,703,217	107,380,846	108,430,784
Operating revenues	41,889,645	46,483,009	47,275,823	18,061,616	28,844,546
Net sales revenues	41,673,031	46,258,280	45,320,631	16,758,332	21,686,146
EBITDA - earnings before interest, taxes, depreciation and amortisation	16,042,145	19,295,593	16,273,009	-2,114,422	7,696,805
EBIT - earnings before interest and tax	11,686,200	14,529,493	10,831,172	-7,650,137	1,345,183
Net profit	9,646,547	11,870,073	8,733,394	-6,307,584	931,355
EBITDA / average fixed assets	0.198	0.232	0.185	-0.023	0.076
EBITDA / operating revenues	0.383	0.415	0.344	-0.117	0.267
Operating expenses / revenues	72.1 %	68.8 %	77.1 %	142.4 %	95.3 %

Graph 7: Economic indicators in the period 2017–2021 (in thousand euros)

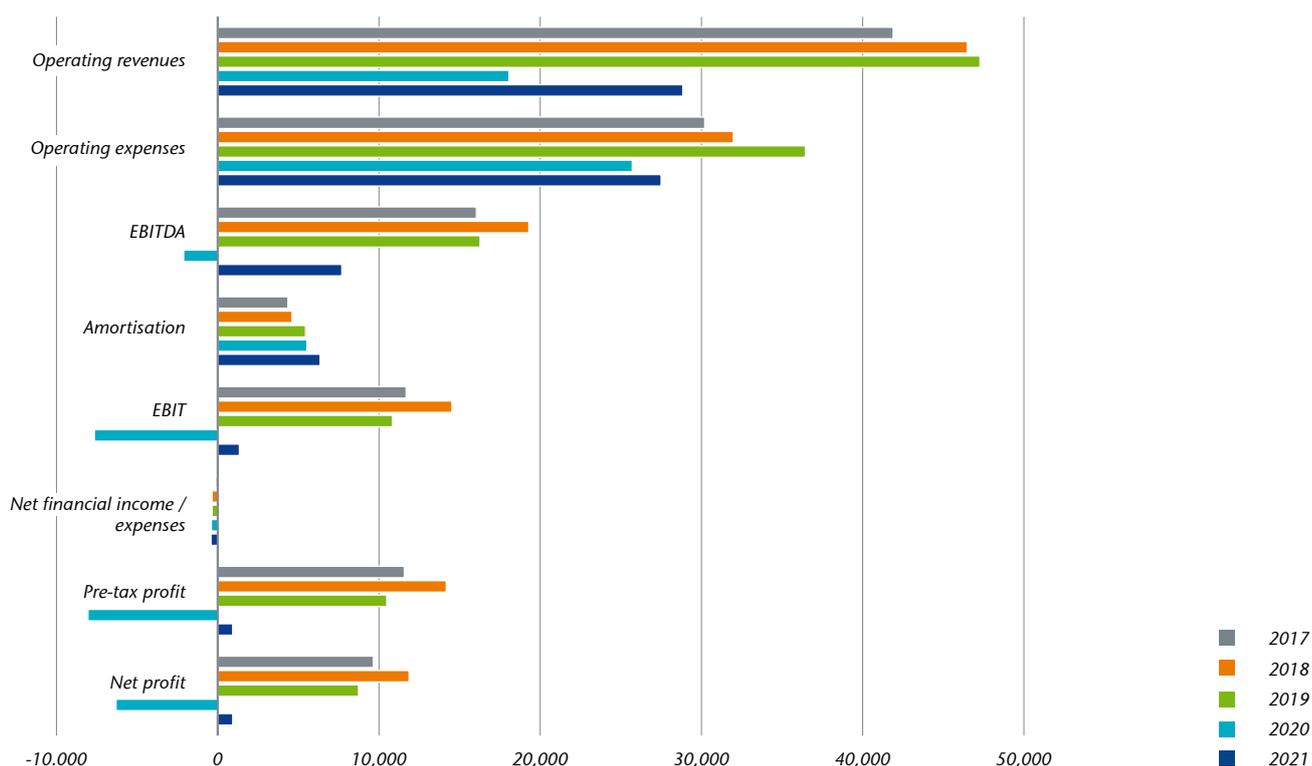


Table 2: Statement of the company's financial position

(in thousand euros)	31 Dec 2020	31 Dec 2021	Proportion 2020 (in %)	Proportion 2021 (in %)	Index 21/20
ASSETS	127,101,972	126,371,170	100	100	-0.6%
Non-current assets	111,343,835	116,399,140	87.6	92.1	4.5%
Intangible assets	1,369,622	1,513,780	1.1	1.2	10.5%
Property, plant and equipment	97,592,074	102,037,512	76.8	80.7	4.6%
Right-of-use assets	9,375,126	9,206,628	7.4	7.3	-1.8%
Non-current loans given	0	620,423	0	0.5	-
Non-current operating receivables	59,873	59,873	0	0	0.0%
Deferred tax assets	2,947,140	2,960,924	2.3	2.3	0.5%
Current assets	15,758,137	9,972,030	12.4	7.9	-36.7%
Current assets excluding prepayments and accrued income	15,671,288	9,890,299	12.3	7.8	-36.9%
Inventories	346,718	357,503	0.3	0.3	3.1%
Current operating receivables	3,336,793	3,500,695	2.6	2.8	4.9%
Cash and cash equivalents	11,987,777	6,032,101	9.4	4.8	-49.7%
Current prepayments and accrued income	86,849	81,731	0.1	0.1	-5.9%
EQUITY AND LIABILITIES	127,101,972	126,371,170	100	100	-0.6%
Equity	107,380,846	108,430,784	84.5	85.8	1.0%
Provisions and non-current accruals and deferred income	2,224,229	1,699,405	1.7	1.3	-23.6%
Non-current liabilities	9,712,919	9,474,109	7.6	7.5	-2.5%
Current liabilities	6,960,494	5,216,514	5.5	4.1	-25.1%
Current accruals and deferred income	823,484	1,550,358	0.6	1.2	88.3%

Table 3: Highlights of the company's business result

	2020	2021	Index 21/20
TRAFFIC			
Number of passengers	291,910	430,943	47.6 %
Aircraft movements	12,980	17,461	34.5 %
Cargo (in tonnes)	23,154	28,383	22.6 %
ANALYSIS OF PERFORMANCE (in thousand euros)			
Operating revenues	18,062	28,845	59.7%
Net sales revenue	16,758	21,686	29.4%
Operating expenses	25,712	27,499	7.0%
EBITDA	-2,114	7,697	464.0%
Amortisation	5,536	6,352	14.7%
EBIT	-7,650	1,345	117.6%
Net finance income/expenses	-395	-416	-5.2%
Pre-tax profit	-8,045	929	111.6%
Net profit	-6,308	931	114.8%
Total comprehensive income of the period	-6,304	1,053	116.7%
Value added (operating revenues – costs of materials and services – other operating expenses excluding revaluation operating expenses and provisions)	11,012	20,453	85.7%
BALANCE SHEET (in thousand euros)			
Assets as at 31. 12.	127,102	126,371	-0.6%
Equity as at 31. 12.	107,381	108,431	1.0%
EMPLOYEES			
Number of employees 31. 12.	395	376	-4.8%
Average number of employees based on hours worked	437.2	365.3	-16.4%
INDICATORS			
EBITDA margin	-0.12	0.27	327.9%
EBIT margin	-0.42	0.05	111.0%
Net ROE - in % (net profit/average equity excluding net profit/loss from current period)	-5.55	0.87 %	115.6%
Net ROA - in % (net profit/average assets)	-4.86	0.73 %	115.1%

During Slovenia's presidency of the Council of the EU in the second half of 2021, Slovenia was visited by 10,000 foreign delegates. Therefore, we put a lot of effort and warm-heartedness to implement this project of great importance. We proved ourselves to be a hospitable and professional partner. Praise for our work came from many quarters.



Taja Skobir, Head of Integrated Governance System

Passenger traffic

The pandemic was the dominant event of 2021 at Ljubljana Airport, as it was worldwide. The rise in passenger numbers is encouraging, but growth in traffic in 2022 will depend on the further evolution of the pandemic and travel restrictions. The key is avoiding any closure of the borders, as this would significantly hinder the recovery. Despite state aid, airlines are now focusing more than ever on profitability. There are more and more seasonal changes, in contrast to the past, when the majority of airlines announced their timetables for their whole year. If in the past an introductory period was allowed to try and reach profitability on individual routes, now there is greater willingness to cancel individual flights with low occupancy prospects.

It is heartening that, despite the difficult circumstances, the number of destinations from Ljubljana Airport is rising, and there is great promise in charter services, where traffic increased by 65%. Our efforts focus on increasing the flight frequency by existing airlines, and on adding new destinations. The second half of 2021 was marked by Slovenia's presidency of Council of the European Union. We handled several foreign government delegations that entered Slovenia via our airport. Consequently, we recorded a 144% increase in the number of passengers, as part of general aviation. Despite the pandemic passenger numbers at Ljubljana Airport amounted to 430,943 in 2021, up 47.6% on 2020. The number of aircraft movements stood at 17,461, up 34.5% on the previous year.

Graph 8: Share of passengers (in public traffic) according to types of carrier in 2021

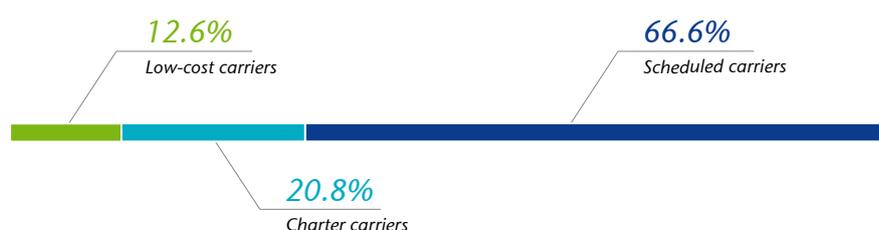


Table 4: Number of aircraft movements in the period 2017–2021

Aircraft movements	2017	2018	2019	2020	2021
Public traffic	26,045	27,231	23,624	6,634	7,932
Domestic air carriers	17,166	17,651	12,125	535	547
Foreign air carriers	8,879	9,580	11,499	6,099	7,385
General aviation	7,319	7,128	6,999	5,750	8,788
Other*	1,080	1,153	866	596	741
Total	34,444	35,512	31,489	12,980	17,461

Table 5: Movement of the number of passengers in the period 2017–2021

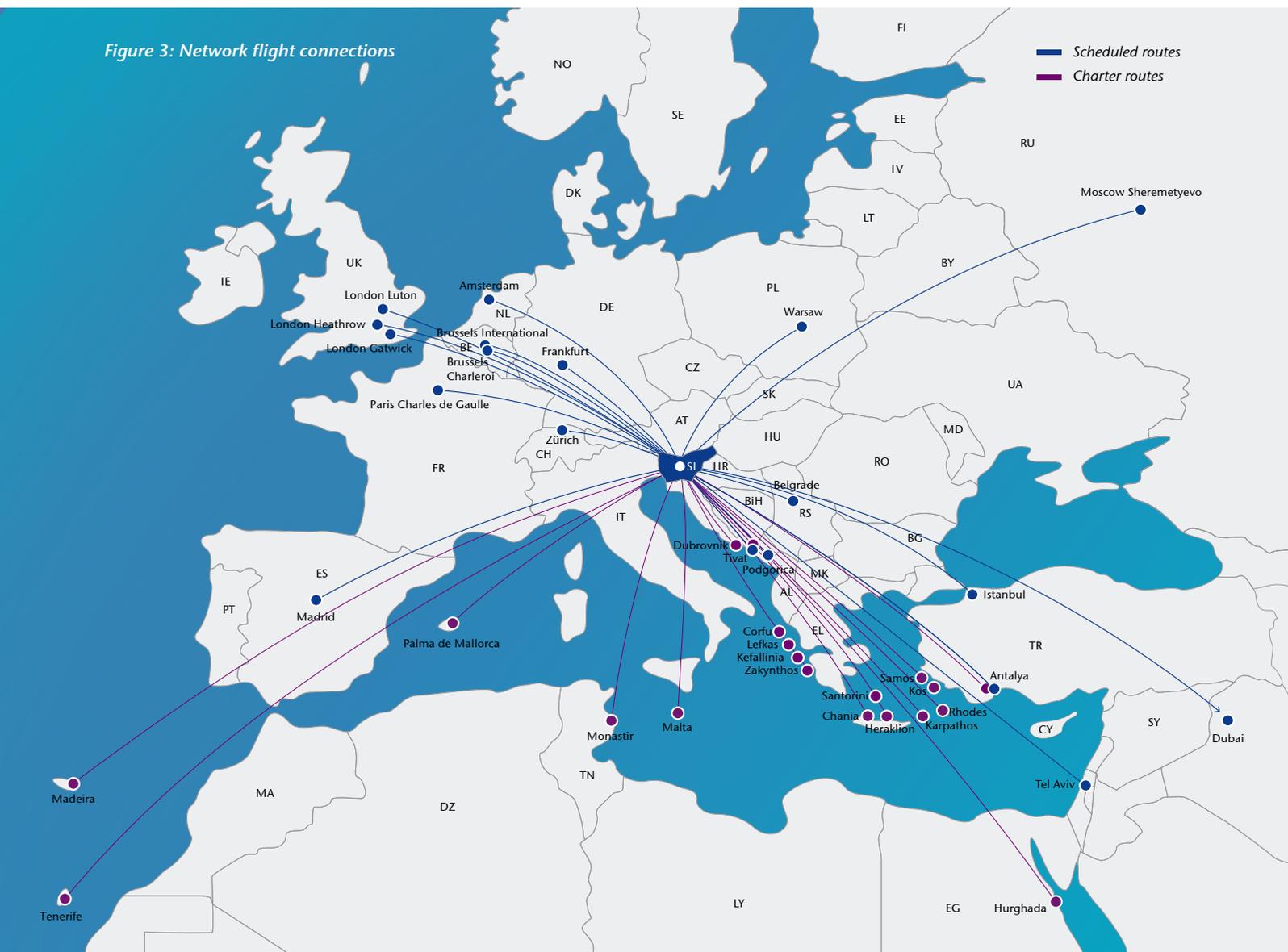
Passengers	2017	2018	2019	2020	2021
Public traffic	1,683,071	1,812,411	1,721,355	288,235	421,934
Scheduled carriers	1,557,412	1,656,661	1,563,537	255,173	334,259
Low-costers	305,632	357,173	359,695	60,791	53,354
Charter carriers	125,659	155,750	157,597	33,062	87,675
General aviation	4,506	4,671	5,560	3,644	8,886
Others*	981	1,147	221	31	123
Total	1,688,558	1,818,229	1,727,136	291,910	430,943

* School, position or technical flight

Table 6: Scheduled and charter routes in 2021

Scheduled routes		Charter routes	
Amsterdam	Netherlands	Hurghada	Egypt
Antalya	Turkey	Rhodes	Greece
Belgrade	Serbia	Corfu	Greece
Brussels Charleroi	Belgium	Antalya	Turkey
Brussels International	Belgium	Heraklion	Greece
Dubai	United Arab Emirates	Zakynthos	Greece
Frankfurt	Germany	Karpathos	Greece
Istanbul	Turkey	Dubrovnik	Croatia
London Gatwick	United Kingdom	Kos	Greece
London Heathrow	United Kingdom	Kefallinia	Greece
London Luton	United Kingdom	Tivat	Montenegro
Madrid	Spain	Chania	Greece
Moscow Sheremetyevo	Russia	Lefkas	Greece
Paris Charles de Gaulle	France	Santorini	Greece
Podgorica	Montenegro	Monastir	Tunis
Tel Aviv	Israel	Tenerife	Spain
Tivat	Montenegro	Samos	Greece
Warsaw	Poland	Madeira	Portugal
Zürich	Schweizerland	Malta	Malta
		Palma de Mallorca	Spain

Figure 3: Network flight connections



We did our best for the earliest possible air traffic recovery in 2021. Almost all scheduled airlines that used to fly to our airport in pre-pandemic times returned to the airport. Flydubai has become our new partner, and Iberia started to cover the flight route to Madrid. Despite the pandemic, we were successful to increase air traffic by almost 50%, compared to 2020.



Janez Krašnja, Head of Airline Management

Cargo traffic

The cargo volume handled at Ljubljana Airport was by 22.6% higher than in the year before. Air cargo was increased by 10.9%, mail cargo was reduced by 53.9%, and truck cargo was increased by 36.3%. The growth of cargo volume is recorded throughout the whole year.

In 2021, the amount of express mail shipments (DHL, UPS and Fedex) and cargo shipments increased. A fall in mail throughput is a consequence of a reduced number of passenger flights and redirection of postal flows.

The continual growth in cargo traffic is expected - in the next year this amount will exceed our storage capacity. In 2022, an extension of 240 m² in size is planned, which will provide storage services in the following years.

The cargo volume handled at Ljubljana Airport was by 22.6% higher than in the year before.

Graph 9: Share of cargo type in 2021 (in %)

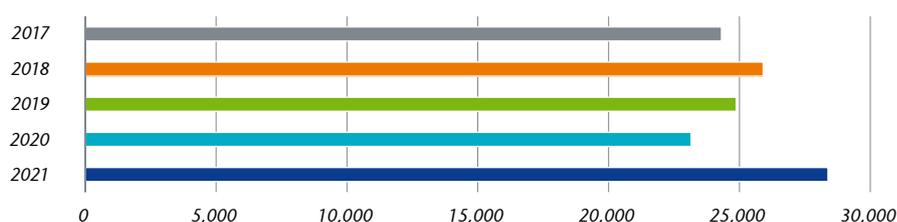


Table 7: Cargo type and quantity in the period 2017–2021 (in tons)

Cargo	2017	2018	2019	2020	2021
Aircraft	12,327	12,378	11,365	10,559	11,401
Freight	10,961	10,903	10,095	10,084	11,182
Mail	1,367	1,475	1,271	475	219
Truck	11,362	13,128	12,864	11,812	16,098
Other*	625	401	646	783	884
Total	24,314	25,907	24,875	23,154	28,383

* Receipts for custom cargo

Graph 10: Total cargo quantity in the period 2017–2021 (in tons)





New approaches

Life patterns are changing, and so are the ways and tools of communication. We wish to constantly bring services and information closer to the airport users in a way most convenient for them; friendly, quickly, easily and appealingly. At the same time, we are also opening the door to the most direct, two-way communication.



Sustainable Communication

During persistently tough times in business environment, we were steadily building trust and strengthening the position of Fraport Slovenija as a development-oriented company by way of intensive internal and external communication with our target groups.

The introduction of the new passenger terminal, air traffic recovery and changes in the company's management were the central issues marking the company in 2021. We communicated with our stakeholders proactively, fairly, transparently and non-discriminatory.

Revival of passenger traffic

Air passenger traffic started to revive one year after covid-19 pandemic. With persistently strict travel restrictions and measures across European countries and around the world, air carriers started cautiously but insistently to complement their network of flight connections to

and from Ljubljana Airport. Additional communication support was given to the recovery of scheduled air passenger traffic. On the airport apron, air carriers were welcomed upon their return to our airport, which had ceased flight due to the pandemic, and new flight

connections were introduced. Iberia, the Spanish air carrier, and Flydubai had offered their flights to and from Ljubljana Airport for the first time. We organised two events, one for each occasion, for media and business public with a symbolic ceremony and brought both new flight connections closer to passengers through various marketing-communication activities. A worsening epidemiological situation and stricter travel restrictions around the globe dictated a slower pace of traffic recovery since autumn 2021. However, we managed to maintain communication support to the existing flight connections and introduced a new approach to stimulate flight demand. Flight offers, which were highlighted on our website, were transformed into dynamic display ads in Slovenian media, and finally, we achieved exceptional results.

New web design

Our website has come to light with a new image and significant upgrades which will support the provision of excellent user experience. The website has now a modern look and all webpages are clearly structured with the aim to effectively achieve our target groups: air travellers and airport visitors, business and general public. Web users can now discover the airport and the company on webpages uniform in design, but separate in content. The airport website serves as a hub of important information to air travellers, referring to the start or the end of their travel. It is our goal to help them to perform all formal procedures at the airport easily and as quickly as possible, and thus enable them to spend the rest of their time at our airport as pleasantly as possible. By offering a sense of comfort and safety at the airport, we would like to contribute to all beautiful things and feelings evoked in people by travel. Our endeavours in this perspective lead us to all points of contact with air travellers, and this was also an important starting point in the design and development of the new website, which is for many users the first contact with the airport. Informative, transparent and user friendly experience enables the passenger to get to the airport well informed.

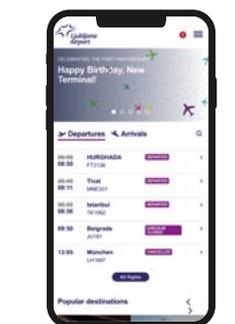
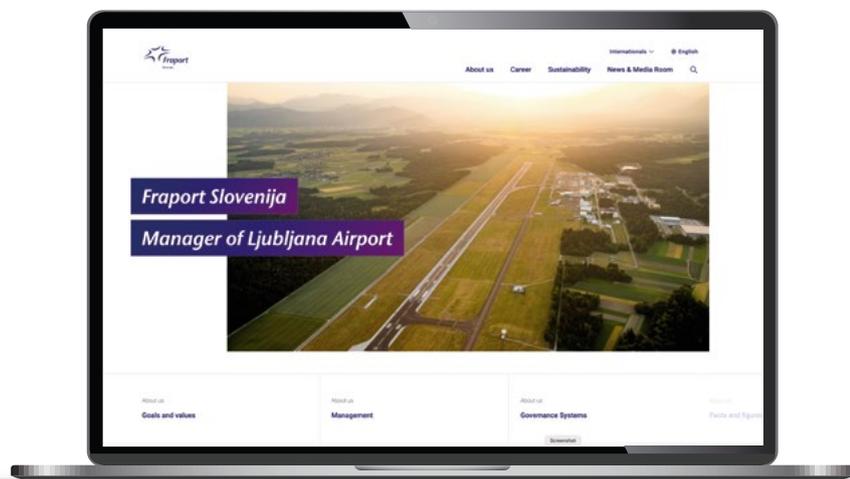
Therefore, these two aspects shall remain two important functions of our online appearance. With some important upgrades in this perspective we would like to satisfy the expectations of the most demanding internet users. Therefore, our new website has become completely adaptable to all screens. With a radical change in the way of acquiring users we have ensured that contents find the users and not vice versa - they can monitor live the status and location of a particular flight, transparency and convenience of the flight schedule have been improved with a calendar display, and an interactive map of the airport is now offered to them. Rapid response and constant improvements of the website enable us immediate insights into the user's assessment of the usefulness of its content.

An important step in terms of development and content is the set of webpages focusing on flight offers and destinations available from Ljubljana Airport. The starting point in doing so was the fact that Ljubljana Airport is located in an environment of fierce competition, since we have to fight for passengers with at least five airports in the region. Typically, the lion's share in communicating and offering flight

connections, which are the strongest magnet for air travellers in the domestic airport markets, is done by air carriers. Due to a relatively small Slovenian market, air carriers unfortunately do not establish their local seats there, and consequently their promotion of flight connections is not so proactive. Therefore, our airport takes on this role trying to be resourceful as much as possible. With the website redesign we have also established the Affordable Flights Platform highlighting the best flight offers from Ljubljana Airport in real time, and we are now stimulating travellers to travel to all parts of the world with presentations of over 50 most popular destinations. This content allows us to independently stimulate the flight demand.

The new website allows us a more attractive presentation of other airport activities, namely cargo handling and commercial services (parking, real estate management, catering and trade offer), representing an increasing part of the company's revenue. Our new website significantly contributes to the company's business objective to reposition Ljubljana Airport as the competitive airport to the surrounding airports and as the choice of air travel.

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New web design

Focus on excellence, development and safety

For the safe passenger handling and employee work, a number of measures were introduced and maintained at the airport upon the outbreak of the covid-19 pandemic, for which our airport was awarded Airport Health Accreditation Certificate by the Airport Council International Association. By doing this, we have shown the users that the airport, while performing its operation, gives priority to health and safety in a measurable and established way. By ensuring excellence in maintaining safe hygienic airport facilities, we reassured the travelling public and other airport users to provide a safe airport experience in line with recommended health care measures as determined in the guidelines for restarting and restoring air traffic. Upon reviving air traffic, questions of passengers about travel rules and restrictions became more common. Planning the route became quite a challenge for many travellers due to prior verification of entry conditions in the country of their destination.

Therefore, in cooperation with Safe Score, we have introduced an online tool on the airport website, which allows travellers to access up-to-date information on travel restrictions and requirements related to covid-19 at any time and on any device. They can enquire about testing demands, quarantine rules and vaccines accepted, regarding the destination selected. They can check specifics in case of transfers, and access to forms needed to be filled in before entering a designation country. With such projects we wish to contribute to restoring their confidence in travel as soon as possible. We take care of them before they come to the airport, to enable them to start their travel as pleasantly as possible.

Presentation of the new passenger terminal and the related infrastructure, which is essential to the long-term airport development and the Slovenian tourism, improvement of the air connectivity of our country and establishing new flight connections in difficult conditions during

a slow recovery after the pandemic were recognised by the Association of Tourist Journalists of Slovenia as endeavours of extraordinary importance for the country and Slovenian tourism. Therefore, we were given a crystal award Triglav 2021, one of the highest awards in tourism in Slovenia.

We were also awarded by the newspaper Finance for the best annual report related to reporting efficiency.

With the persistent covid-19 epidemic, we continuously provided safe working environment for our employees. Since some of our employees continued their work remotely or were still on furlough, we combined several channels in the company to communicate as effective as possible with our employees about the company's development at all times. Employees were informed about the benefits of covid-19 vaccination, and we also provided vaccination at the airport.

Presentation of the new passenger terminal was recognised by the Association of Tourist Journalists of Slovenia as endeavours of extraordinary importance for the country and Slovenian tourism. Therefore, we were given a crystal award Triglav 2021, one of the highest awards in tourism in Slovenia.

We were also awarded by the newspaper Finance for the best annual report in special category related to reporting efficiency.



Even greener

In partnership with the company CarbonClick, we started offering the Ljubljana Airport passengers a programme to enable them to voluntarily balance their carbon footprint. It is a unique solution, and one of the first of this kind globally, to provide a possibility to balance carbon footprint of all passengers, regardless with which airline they are flying. To enable them to do so, we have established a special website, and encouraged them to balance their flights through posters and digital screens in the passenger terminal and in social media posts. Another sustainable-oriented partnership between Fraport Slovenija and the company Resalta was presented to the public upon the commencement of the solar power plant on the roof of the airport car park and the extension of the business premises, which was the result of our endeavours for sustainable environmental and social management.

New passenger terminal

Ljubljana Airport started the summer season with the new modern passenger terminal. The opening of the newly acquired infrastructure was celebrated on 16 June by a gala event for the government representatives, business partners and media, and a separate event was also organised for Fraport Slovenija employees. The launch of the traffic from the new terminal was also celebrated with the first passengers on 1 July. At this historic turning point for Ljubljana Airport, we presented an occasional image communicating the vision of Ljubljana Airport renovation and development in terms of creating a modern and effective regional entry point - the meeting point of opportunities for the individual, the society and the wider global community.

New management

In terms of communication, the autumn was marked by a change in the company's management, internally and externally. The start of the mandate of the new Managing Director, dr. Babett Stapel, we already announced upon the opening of the new terminal and presented in more detail in our press release. The new Managing Director confided her views on the future of Fraport Slovenija and its airport in in-depth interviews for Slovenian media. We communicated the management changes to our employees during personal meetings of the management with working groups. After taking the position of the Managing Director, she addressed employees via intranet and visited them at their work place.

In partnership with the company CarbonClick, we started offering the Ljubljana Airport passengers a programme to enable them to voluntarily balance their carbon footprint.





The opening of the newly acquired infrastructure was celebrated on 16 June by a gala event for the government representatives, business partners and media, and a separate event was also organised for Fraport Slovenija employees.

Airport behind the scenes inspired through videos

How the airport wheels are spinning, was revealed to social media followers with the help of those who actually turn the wheels of the airport and its happenings. In a series of video clips, we presented airport professions and procedures, trying to bring the followers closer to our values, and revealed them some interesting things of the airport. Our employees and other airport representatives with colleagues and our online community were counting down to the launch of the new passenger terminal. We also experienced the feelings of pride and joy upon the exclusive recordings of

the moments when our new Olympic medal winners set foot on the Slovenian soil in the summer. There was a surprise resonating on the website, which was organised in cooperation with Radio 1 and our fire and rescue unit for a group of professional firefighters. At the end of the year, our colleagues shared with us a series of video clips showing how the expiring year had marked their work at the airport. According to their videos, the year had served with numerous projects and challenges and brought invaluable experiences and insights of what a strong team could do.

In a series of videos titled Faces of the airport we wanted to show our social media followers airport professions and procedures, bringing them closer to our values and revealing points of interest.

Materiality matrix

Until recently, the company Fraport Slovenija managed the areas of sustainable development on the basis of materiality matrix, which as a rule has been prepared at certain time intervals by the parent company Fraport AG, in dialogue with the internal and external stakeholders. In 2022, Fraport Slovenija prepared its own materiality matrix for the first time as part of the strategic management of sustainable development or ESG (environmental, social, governance).

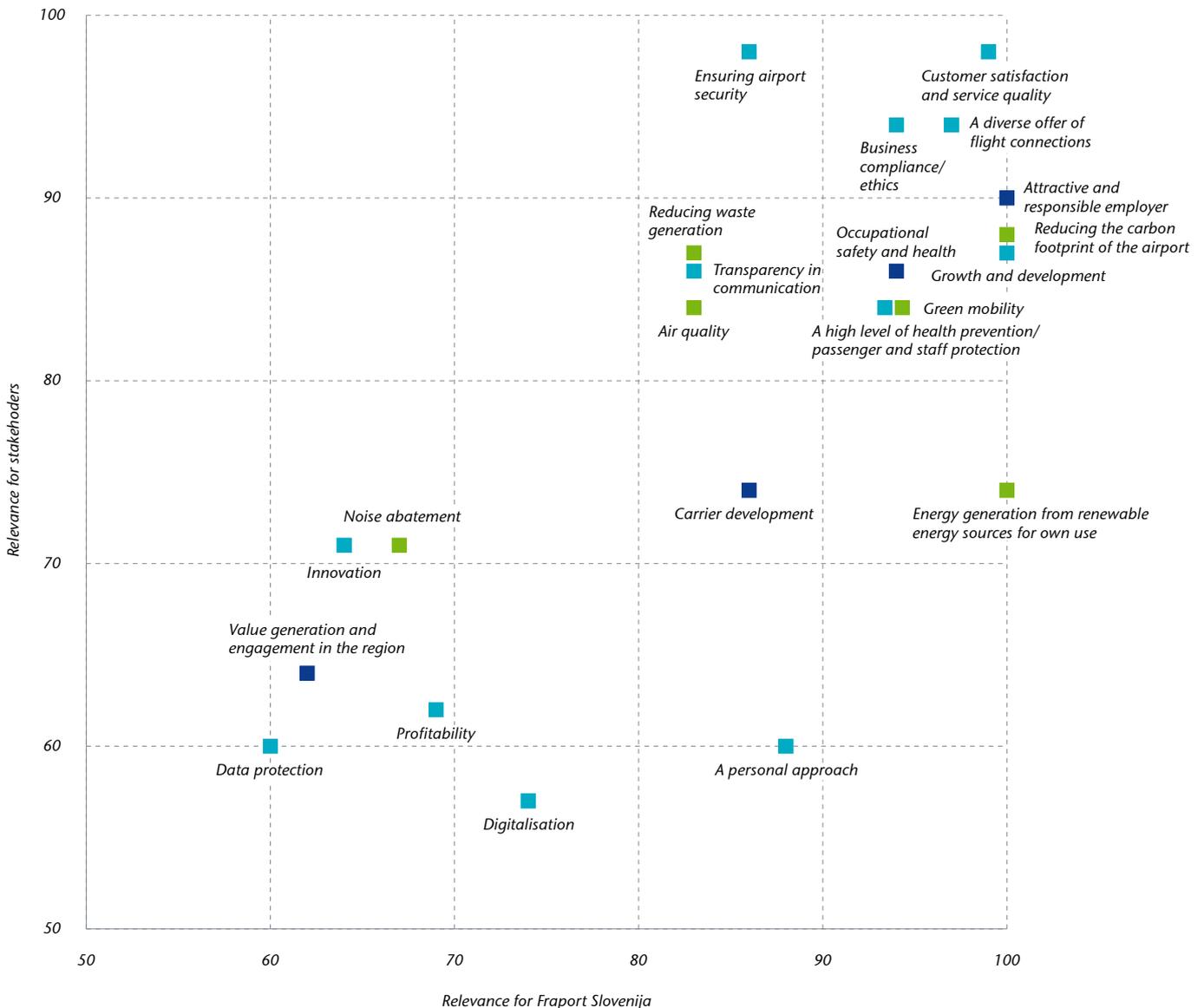
The internal and external stakeholders, namely employees, passengers, business partners, suppliers, representatives of the local community and professional organisations, were invited to the dialogue of identifying and assessing the essential areas of the strategic sustainable development management or ESG.

The online questionnaire was available from 14 to 26 June 2022. There were 208 invited respondents, of which 65% were employees, 13% passengers,

6% suppliers, 11% other business partners, 2% representatives of the local community and 3% representatives of the professional public.

The essential areas were divided into three segments, in line with our sustainable development management or ESG:

- corporate governance;
- social management;
- environmental management.



- Corporate governance
- Social management
- Environmental management

Being a desirable and responsible employer is considered the highest priority for the company Fraport Slovenija, as well as a reduction in carbon footprint of the airport. In terms of governance, for the management of the company Fraport Slovenija are essential airport growth and development, passenger satisfaction, quality of services and the variety of flight connections.

Business compliance and ethics, and a high level of health prevention/protection of passengers and the staff were ranked very high in the matrix, which is understandable in the recovery period following the pandemic. According to our stakeholders, passenger satisfaction, quality of services and ensuring airport security were ranked the highest. Like the company's management, also stakeholders prioritised business compliance and ethics, and the variety of flight connections.

A desirable and responsible employer was highly valued also among stakeholders, who, however, placed priorities in the areas of decarbonisation (including green mobility and energy generation from renewable energy sources for own use) lower than the company Fraport Slovenija did.

Correlation between ESG key management areas and UN sustainable goals

E (Environmental)

Environmental management

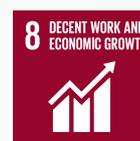
Noise abatement
Reducing the carbon footprint of the airport
Reducing waste generation
Air quality
Green mobility (services, passengers, staff)
Energy generation from renewable energy sources for own use



S (Social)

Social management

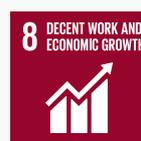
Attractive and responsible employer
Occupational safety and health
Carrier development
Value generation and engagement in the region



G (Governance)

Corporate governance

Customer satisfaction and service quality
Ensuring airport security
Business compliance/ethics
Growth and development
A diverse offer of flight connections
Transparency in communication
A high level of health prevention/passenger and staff protection
Innovation
Profitability
Data protection
A personal approach
Digitalisation



Strategic stakeholders

Strategic stakeholders	Goals	Communication tools
Employees	<p>Satisfied and motivated employees.</p> <p>Positivity and openness among employees.</p> <p>Successful business performance.</p>	<p>Daily information on everything in connection with the company and employees over the intranet portal;</p> <p>Video and digital presentations involving employees in the content;</p> <p>Regular meetings and colleges; visits by management in work environments;</p> <p>Bulletin boards;</p> <p>Annual social events for employees and their children;</p> <p>Regular and open dialogue with the trade unions and works council;</p> <p>Answering employees' questions, expressing employees' opinions and suggestions;</p> <p>Employees' meetings;</p> <p>Organisation and co-financing social events;</p> <p>Fun Airport Festival;</p> <p>Social media.</p>
Passengers and visitors	<p>Giving maximum consideration to passengers' and visitors' wishes and needs.</p> <p>Providing current information on our services and flight information, which allows information flow necessary for mobility of population.</p>	<p>Direct attitude of employees towards passengers and visitors;</p> <p>Website;</p> <p>Social media, video and digital presentations;</p> <p>Activation activities in the passenger terminal;</p> <p>Brochures, leaflets and other printed material;</p> <p>Systematic collection of questions, responding to opinions, suggestions, complaints and words of praise;</p> <p>Airport tours;</p> <p>Open days at the airport;</p> <p>Announcements about fresh news and attractive information for passengers and the general public in different media;</p> <p>Different methods of measuring passengers' satisfaction.</p>
Business partners	<p>Giving maximum consideration to wishes and needs of our business partners.</p> <p>Achieving common sustainable goals and enhancing good business relations.</p>	<p>Personal communication over the phone, electronic devices and direct communication (in person, individual and group meetings);</p> <p>Organization of events for business partners;</p> <p>Printed material;</p> <p>Electronic presentations and other forms of presentation and promotional material;</p> <p>Social media.</p>
Owners	<p>Achieving business outcomes.</p> <p>Fair relations.</p> <p>Long-term company's development.</p>	<p>Personal communication;</p> <p>Phone and electronic communication;</p> <p>Financial and business reporting;</p> <p>Annual and sustainability report, other business documents and presentations.</p>
State and the EU bodies	<p>Compliance with the statutory competences of state and the EU bodies in accordance with the principles of the rule of law.</p>	<p>We are involved in preparation of procedures of sectoral regulations in the phase of public consultation.</p>
Local communities	<p>Establishing and retaining good relations, high-quality environment, and developing social environment.</p>	<p>Sponsorship and donations for local events, organisations and individuals;</p> <p>Communication via media;</p> <p>Open days at the airport;</p> <p>Airport tours;</p> <p>Fun Airport Festival;</p> <p>Providing practical training;</p> <p>Responses and activities upon relevant topics and questions posed by local population (f.e. noise).</p>
Media	<p>Credible information on company's activities.</p> <p>Enhancing the company's reputation and prompt elimination of eventual communication noise.</p>	<p>Reports and press releases;</p> <p>In-depth material and presentations;</p> <p>Digital communication with media;</p> <p>Individual and group meetings with journalists in person;</p> <p>Press conferences and events for journalists (public stuns);</p> <p>Timely and honest answers to all questions;</p> <p>Checking and analysing all publications in media (press coverage).</p>

Socially Responsible Projects

Proverbially, our company is a kind, open and reliable partner in a wider social setting. Due to the persistent pandemic, also in 2021 we maintained only the activities which were in these extraordinary conditions doable.

The epidemic has significantly affected the implementation of our socially responsible projects. Through socially responsible practice we endeavour to contribute to much better health and sustainably oriented economic and natural environment. A proof of our sustainable social responsibility is seen in our joint effort towards the company's comprehensive and balanced business operations.

Unfortunately, due to the impact of the pandemic on our business activity we were forced to cut all non-urgent costs which were not related to the airport safety and operation. For this reason, also sponsorship and donation activities, which we had for the most part continuously supported for years, were 'frozen'. Due to the ban on events and gatherings we also stopped performing tours in our airport world for guided external group tours.

Although the company in general promotes socialising and building informal relationships among employees, and for this reason organises many activities such as trips, sporting events, and other events to entertain employees and their children, we did not carry out any of these activities due to the epidemiological and cost aspects.

Fraport Slovenija bees and honey

For the third year in a row, we are producing our own honey with ten hives in Fraport's apiary. The colourful bee house decorated with paintings made by some pupils of Davorin Jenko Primary School in Cerklje na Gorenjskem is home to bee families of autochthonous Slovenian species *apis mellifera carnica*. *Apis mellifera carnica* excels at its diligence, modesty and a great sense of orientation.

According to Franci Strupi, the caretaker of our apiary, our honey is really high quality and has low water content, giving the Slovenian forest honey an advantage over other sorts of honey. Fraport honey exhibits its quality with two prizes awarded by Gorenjska Beekeeper's Association in 2020. At the third quality assessment of Slovenian honey our linden honey received a silver award and our forest honey a bronze award. Although the bee harvest was modest due to unfavorable weather conditions during the spring grazing season, in 2021 we produced about 60 kg of honey. That was enough to give them as New Year's gift to our business partners.



Sonček booth

The epidemiological situation nevertheless allowed to repeatedly organise the Sonček booth in the passenger terminal during December holiday. Their products (greeting cards, dolls, ornaments, clay products) were hand made by individuals suffering from cerebral paralysis from Sonček Center Kranj. Passengers, airport visitors and our colleagues were offered to buy an ideal gift for the coming holidays. The money acquired from the sale of booth handicrafts was designated for individuals suffering disability and for employees of the daily care and working centres under the organisation of Sonček Center Kranj, as a reward for their invested effort.

At the same time, cooperation of this kind was also an opportunity to integrate the disabled into the society. We had been cooperating with the association Zveza Sonček for many years before.

Partnership with the Olympic Committee of Slovenia

In the field of sport, we remained faithful to the sponsorship of the Olympic Committee of Slovenia (abbr. OKS), which we had been doing for several years. By sponsoring OKS, we support the Olympic values and positively influence the recognition and visibility of Slovenia and Slovenian sports around the world. During the Summer Olympics 2021, we equipped the new passenger terminal and the renovated advertising space of the airport with the Olympic campaign: "We have this, we have Tokyo!". The well-exposed campaign at the airport certainly contributed to the success of this generally highly visible and noticeable campaign. In addition to the advertising surfaces coloured in the Olympic colours, a special protocol was organised for our medal winners upon their return from Tokyo. Together with the OKS representatives, we greeted and congratulated them immediately upon their arrival at the airport, and we arranged a special press conference, thus enabling the domestic media, which had no representative in Tokyo during the Olympics, an opportunity to interview our Olympic athletes before meeting their fans. Upon major receptions of our athletes at the airport, we also helped to provide security and PCT protocols, especially upon the arrival of Primož Roglič and our basketball team, when there were over 500 of the most loyal fans at the airport.

Upon the arrival of Primož Roglič there were over 500 of the most loyal fans at the airport.



New bonds

In the period of turmoil and crises, real bonds are strengthening anew. Along with numerous unusual and unpredictable changes in our business activity, we have always taken care of the bonds among employees. This is the only guarantee that an excellent airport system with a long tradition is not shaken too much and is soon ready to rise again. Our bonds have been strengthened anew.



Sustainable Employees Relations

After several terminations of work contracts in 2020, the number of employees were again adjusted to the growth in air traffic last year. Therefore, we started employing new colleagues, and in some operational services we also had to look for replacement of temporary absent employees. We also needed student work to help us. With new recruitments, we strategically kept the number of employees at the level that allowed us to professionally and safely provide smooth handling of aircraft, passengers and cargo. Additional recruitments are also planned in 2022.

Measures taken to curb covid-19 pandemic

Based on the adopted laws of the Republic of Slovenia on intervention measures to curb the epidemic covid-19 and the mitigation of its consequences, we enjoyed the possibility of partial reimbursement of compensation for furlough, partial exemption from pension and disability insurance contributions (on average, for 18.4% of employees

per month from January until the end of measures 30 June 2021, of which most of them were in February), and also the reimbursement of child care leave and ordered quarantine. Employees with one of these options were ordered to work from home, thus we took additional care of prevention from infection.

Fluctuation and structure of employees

At the end of 2021, there were 376 employees, which is 4.8% down compared to the year before. The company is dominated by men, who account almost 72%. Almost 8% of the staff are in the age group of up to 30 years, more than 24% employees are in 31 to 40 age group, 38% of the staff are in 41 to 50 age group, 24% of the staff are in 51 to 60 age group, and more than 2% of the staff are older than 60. 9% of the employees have completed the elementary school, 14% of the employees are qualified workers, more than 37% of the employees have completed a secondary school programme. 36% of the employees have a tertiary education level: 11% have a short-cycle higher education level, 12% have a higher education level, almost 13% have a university degree level, and 12 employees have a master's degree, which is 3% more than the employees in total.

The state of emergency in the last two years has tested us severely in all the areas. A large number of great work colleagues had to leave us, but I am happy to see some of them coming back again. Since last September, we have welcomed several new work colleagues, mainly in aircraft maintenance and cargo handling. We are strong-hearted, determined and encouraged. We have a strong will and good friendship bonds, which will lead us to success even in the future.



Špela Uršič, Head of Human Resources and Training

Table 8: Employee fluctuation in the period 2019–2021

Age class	Number of terminations (at will)*		
	since 1 Jan 2019 to 31 Dec 2019	since 1 Jan 2020 to 31 Dec 2020	since 1 Jan 2021 to 31 Dec 2021
Up to 30	3	7	7
31–40	8	4	9
41–50	2	2	12
51–60	0	1	3
Older than 60	0	0	0
Total	13	14	31

* Excluding retirement, death and terminations under Article 108 of the act ZDR-1 (Labour Relations Act), considered are only employees employed for an indefinite period of time.

Graph 11: Number of employees according to age and gender on 31 December 2021

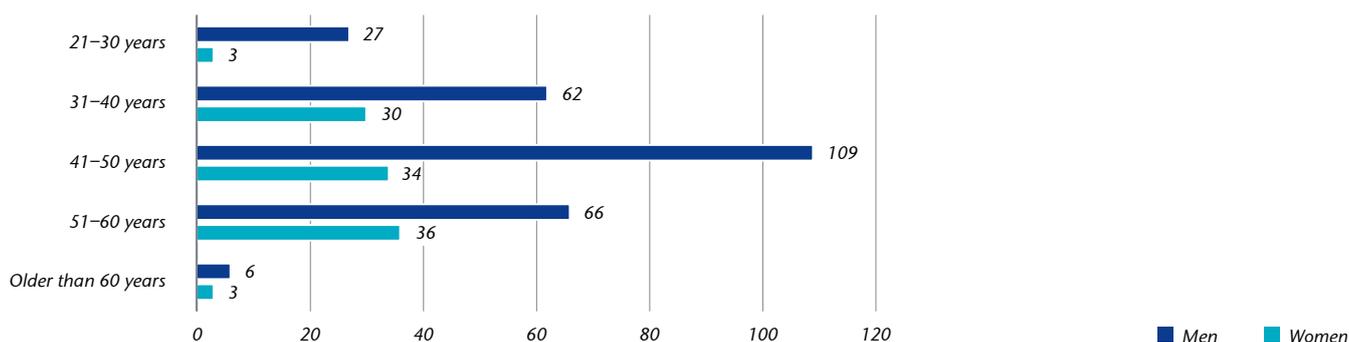
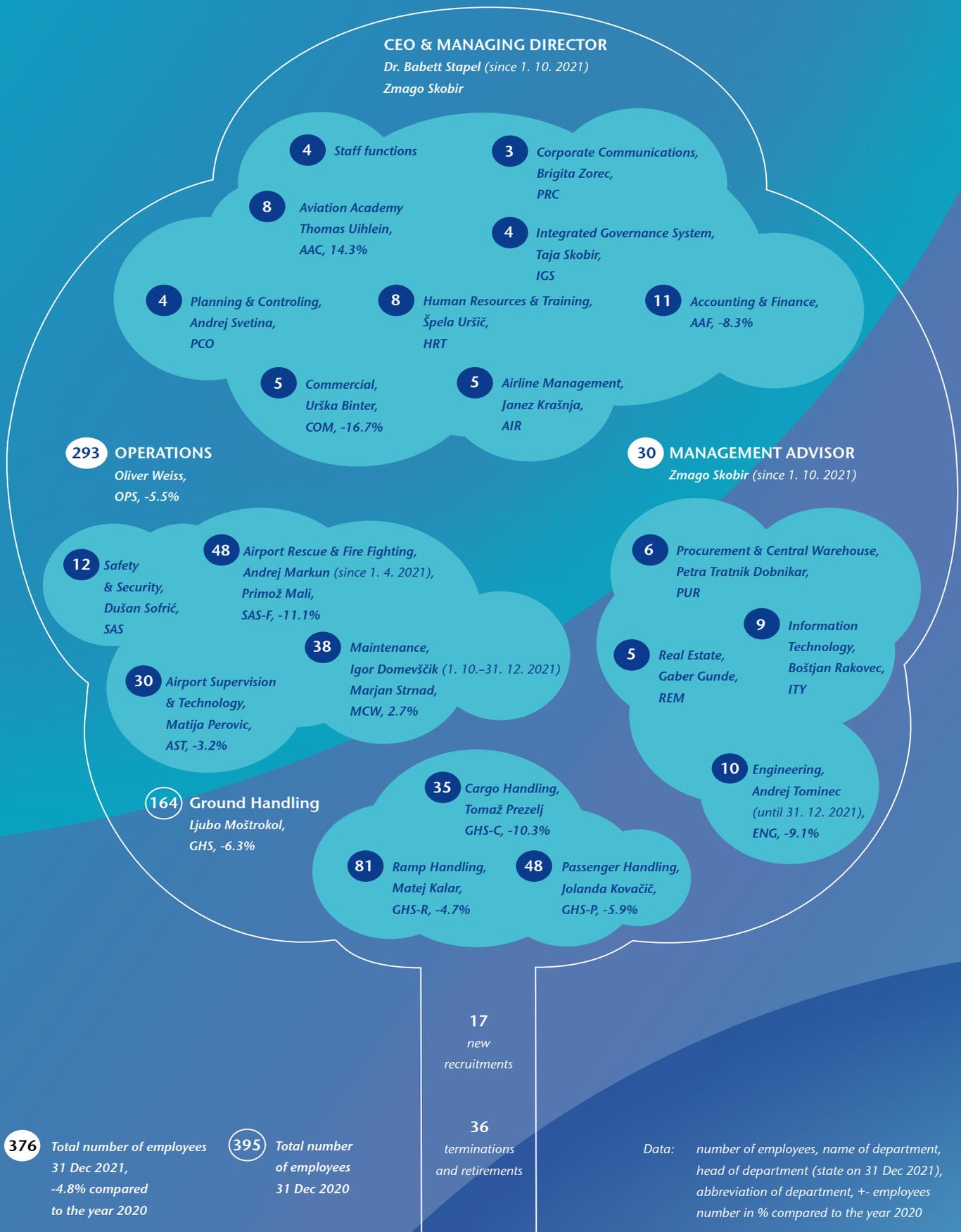


Table 9: Number of employees according to the level of education in the period 2019–2021

Levels of education according to SOK (Slovenian qualification framework)	31 Dec 2019	%	31 Dec 2020	%	31 Dec 2021	%
Level II (completed elementary school)	43	9.00	37	9.37	34	9.04
Level III (incomplete secondary school)	0	0.00	0	0.00	0	0.00
Level IV (qualification for a certain job)	74	15.48	57	14.43	53	14.10
Level V (completed secondary school)	190	39.75	146	36.96	141	37.50
Level VI (completed a short-cycle high. edu. study)	46	9.62	44	11.14	42	11.17
Level VII (completed a higher education study)	51	10.67	49	12.41	46	12.23
Level VIII (completed a university degree)	63	13.18	50	12.66	48	12.77
Level IX (completed a master's study)	11	2.30	12	3.04	12	3.19
Level X (completed a doctoral study)	0	0.00	0	0.00	0	0.00
Total	478	100.00	395	100.00	376	100.00

Figure 4: Employees tree 2021



Note: On 1 October 2021, following the changes in the company's management, also amendments in the organisational chart were made with regard to the previous organisational chart effective as of 1 October 2020:

- the Aviation Academy was placed the third management level;
- the Central Warehouse was included in Procurement (previously under Maintenance).

Providing equal career opportunities

As a company operating in an international environment, we promote employee diversity and act to ensure equal possibilities to all and we reject discrimination of any kind. Based on our employment policy and positive attitude to employees we ensure equal possibilities irrespective of their gender, race, skin colour, age, health status or disability, religious, political and any other belief, membership in the trade union or in the works council, national or social origin, family status, financial state, sexual orientation or any other personal circumstances.

Code of conduct and standards of behaviour

Guidelines for ethical and moral conduct of employees and other individuals working in or for the company are laid down in the company's Code of conduct and standards of behaviour for employees. The company's Ethics committee has been operating since 2014 and has the authority to deal with eventual complaints about violations of ethical conduct or any other topic related irregularities in the company. In 2021 there was no complaint recorded about violating the Code of conduct.

Complaints about serious infringements of law can also be submitted or reported indirectly to the external human rights ombudsman of Fraport AG, whereby anonymity of applicants is assured.

Prevention of mobbing

We reject any maltreatment that would violate the dignity and hurt personality of employees. Our Rules on prevention and elimination of consequences of workplace harassment and ill-treatment ensures adequate measures in cases of violation. Professionally qualified and empowered representatives help employees in cases of addressing and preventing the issue of mobbing.

Child labour and youth work

The company rejects all forms of forced child labour. The legal age for work shall not be below the age of which children are obliged to attend formal school and in no case this age is below 15. Youth shall not be exposed to any hazardous situation or the situation which could adversely affect their health.

Compliance committee

The Compliance committee consists of three members:

- head of integrated governance system;
- head of human resources and training;
- legal counselor.

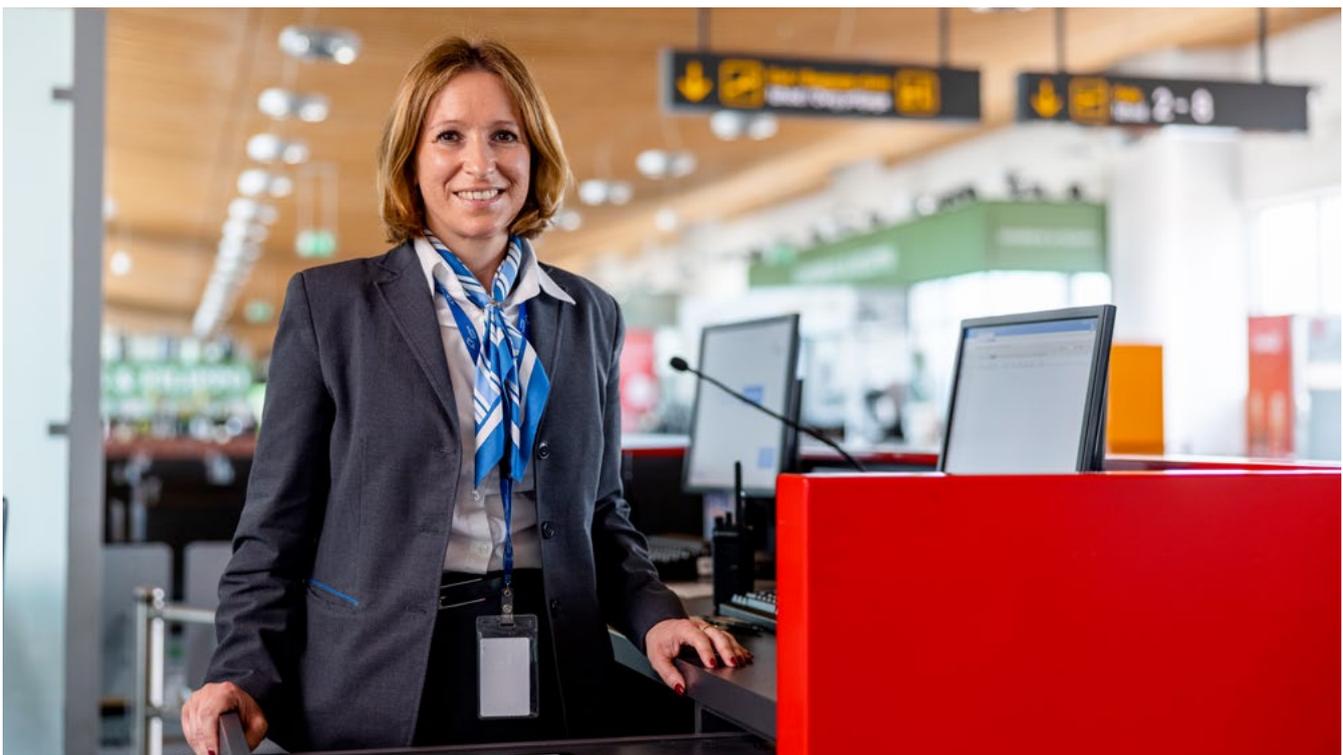
The basic tasks of the committee are:

- to address breaches of compliance and preparing measures for the immediate elimination of non-compliance;
- to consider the statement about family members, related persons and competing activities of employees and to assess the nature of the conflict of interest and eventual consequences arising from the conflict.

In case a decision on the existence of a conflict of interest is positive, the proposals to handle such conflict are:

- organisational measures in respect of the control of work of the employee handled;
- functional separation of the activities of employees in order to prevent simultaneous involvement of a certain employee in various units, activities or services if this could arouse a conflict of interest;
- offer of another job in the company, where a conflict of interest does not or will not exist;
- rejection of a job application (in case another application for a particular position is submitted).

In year 2021 committee did not address any compliance violations.



Despite the crisis due to the epidemic and staff shortage, we recorded excellent results in cargo traffic. We also strive for good employee relations outside the company. Therefore, various hikes and picnics are organised for the staff. I wish we all would cooperate well in the long run and overcome all the barriers that come along in the future.



Tomaž Prezelj, Cargo Handling Manager

Family-friendly enterprise

In the given circumstances, we did our best to continue the implementation of the adopted family-friendly measures, among which the measure of child time bonus was highlighted. As part of the measure, the good practice from previous years was continued. In the week when a child was introduced to the kindergarten or school, in agreement with the head of the service or the department and in line with the requirements of the work process, employees were provided with more flexible working time (in terms of more or fewer hours worked, which could be transferred from month to month). Let us mention a Christmas gift for children aged 9–12 who were given cinema tickets by the good Santa Claus. We did not carry out our corporate volunteering due to the pandemic also in 2021. While the current situation is more promising, we expect to join our forces again in volunteering. Being a family-friendly enterprise is only one of the fields where our company is doing its best to make employees feel good at work. There are numerous other benefits and measures available to employees (health, social life, leisure time and financial benefits). According to cutting non-urgent costs linked to the company's business activity in 2021, we also reduced the amount of employee benefits.

Socially responsible employer

End the end of March 2021, Fraport Slovenija joined the procedure for obtaining the Socially Responsible Employer Accession Certificate, and we obtained the certificate in September 2021. By acquiring this certificate, we will take additional measures to upgrade the existing socially responsible activities. Based on such activities, we wish to achieve greater satisfaction of employees and other stakeholders, and in cooperation with them to create a network driven by sustainable development.

We decided for an integral approach to social responsibility, assessing there was still room for improvement in this particular area. Namely, the areas of reconciling professional, family and private life with occupational health and safety had already been well established in the company, based on the acquisition of a full Family-Friendly Enterprise Certificate and ISO 45001 Certificate. In the near future, we would like to include the area of intergenerational cooperation in the certificate, with an emphasis on adjusting workplaces to older employees and considering the specifics of the individual's life period.

In addition to the basic measures set in advance, we were planning to implement measures in the field of organisational activities (social responsibility strategy, sustainable development objectives, code of conduct and integrity of the organisation), followed by measures in the field of environment protection (employee training programmes, a green, healthy and friendly office, sustainable mobility, low-carbon organisation and emission reductions), and also social security measures (f.e. additional bonuses).

The implementation of such measures is expected to bring long-term positive effects on the company's operations, employees, the environment, the wider community and business partners. Our main objectives are the following: to enhance the reputation and the image of the brand as an employer and a corporation, to establish healthy working environment with good, stimulative interpersonal relations and a better cohesive organisational culture, to demonstrate a more credible socially responsible conduct and communication with our key stakeholders, who take their decisions based on ethical criteria, to introduce sustainable business practices and to contribute to the environmental and social dimension of the development.

Education and training as a supporting pillar

Fraport Slovenija builds its long-term competitive advantage on top knowledge from multidisciplinary fields related to aviation. With this supporting pillar, the company is positioning itself in the global aviation market. This pillar incorporates a number of internal and external modules of training, a highly competent Fraport Aviation Academy and a state-of-the-art training centre with cutting-edge technology.

Training of employees

Knowledge and staff development are of great importance in our company. Considering current and future needs for fresh knowledge, we annually prepare educational plans within the company and educational institutions in Slovenia and abroad. The company performs a business activity that requires a lot of specific knowledge and skills. All procedures of specific knowledge or skills are documented and regularly updated,

and also aligned with requirements of regulations and air carriers. The company ensures that all specific knowledge and skills are widespread among employees, so there are always enough employees available in the company who possess specific knowledge in order to perform fundamental company's processes.

Internal training

In 2021 11,009 hours of training were performed for regular employees, attended by 2,771 employees. On average, each employee participated in 29.3 teaching hours annually, which represents almost 13 hours more than the year before, when 16.3 teaching hours were performed. Most of the training were performed in the fields of licencing training, work processes in the new passenger terminal and professional on-the-job training.

Training of external providers

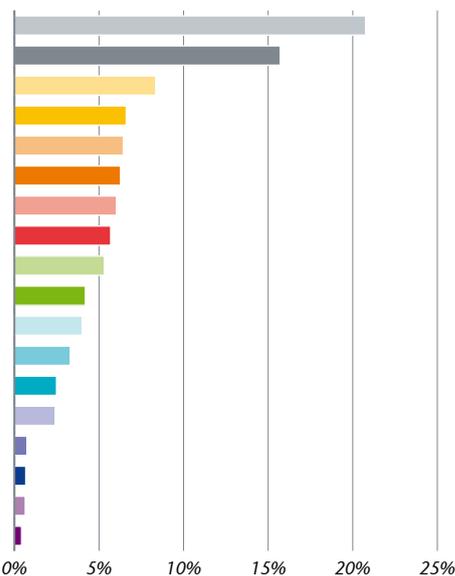
In 2021, the employees attended 46 external training activities in total. The prevailing trainings among them were vocational trainings of employees dedicated to upgrading the knowledge of professional competences required for their job, and training of firefighters. 95 participants attended external trainings. They performed 1,069 teaching hours in total. 11.25 teaching hours were performed per individual participant, and 2.85 teaching hours per employee.

External training

In addition to internal training, the company also performs training of trainees, where in 2021 1,310 participants from different companies were included. Most of the training was provided in the framework of the renewal of knowledge in the field of safety and security at the airport.

Table 10: Internal training in 2021

Type of training	Number of participants	Number of teaching hours	%
Licensing training	130	2,285	20.76
Training on new technologies and procedures	384	1,729	15.71
Professional on-the-job training	257	919	8.35
Occupational health and safety	254	728	6.61
Training in the field of safety	241	709	6.44
Fire protection	441	690	6.27
Training in the field of aircraft's deicing	139	664	6.03
Training in the field of security	279	626	5.69
First Aid training	67	585	5.31
Information systems training	88	461	4.19
Airport driving licence	164	440	4.00
Management of hazardous substances	89	363	3.30
Androgical lectures	48	274	2.49
Customer communication skills	53	265	2.41
Winter service	81	81	0.74
Treatment of disabled persons (with reduced mobility)	25	74	0.67
Training in the field of emergencies	14	70	0.64
Other internal training	17	46	0.42
Total	2,771	11,009	100.00



Graph 12: Types of internal training in 2010 (according to hours in %)



Aviation Academy

The Aviation Academy responds to the training needs of individuals within Fraport Group and the wider market. The academy represents an expansion of Fraport Slovenija's main business activity. Fraport AG and Fraport Slovenija opened a new training centre for the Aviation Academy on March 2019 at the Ljubljana Airport, in the total worth of six million euros. The demand for professional trainings within Fraport Group and in the wider market is expected to grow sharply. The training centre provides more than 1,500 m² of indoor space used for classrooms, simulators and other specialised equipment. And there is a testing ground for practical training through simulations of real situations of fire, disabled aircraft and some other types of accidents. The academy offers a wide range of aviation trainings, together with its partners. The academy has approached to providing trainings comprehensively. This means it has brought Fraport Group's experts together and integrated them with specialised partners in terms of shaping comprehensive curricula. 90 different curricula are currently available by the academy, above all in the fields of firefighting, protection and rescue. Some curricula are also designed for crisis management, airport operations and ground handling. In the coming years, we will pay the most attention to firefighter training programs.

A fluorine-free future

In 2021, Fraport Aviation Academy continues partnership with Dr Sthamer, one of the leading researchers, developers and producers of foam fire extinguishing compounds, as it prepares for stricter European legislative requirements, develops safer aviation foam training, and tries to decrease the overall impact of fire intervention on the environment and health of firefighters. Growing environmental awareness and the related requirements are becoming increasingly challenging for the field of firefighting, but they also promote the development of environmentally sound technologies and products. This particularly affects firefighting with foam agents; there is a push to replace the currently most-used foam agent worldwide, AFFF (Aqueous Film Forming Foam), with fluorine-free foam, which has been developed to avoid issues with recent European regulations on

fluorine-containing chemicals. Fluorine-free foam agents have been known for a long time, and under the pressure on AFFF have improved significantly and are now able to yield a fire performance similar to AFFF if properly applied. The new generation of foams require the development of new extinguishing/application methods and tactics to maximise their extinguishing capabilities, which can only be carried out through testing. The partners will work together to develop these tactics, increase awareness of raising environmental demands, and create better understanding of the new generation of fluorine-free foams.

Events in 2021

In 2021, our Aviation Academy was officially promoted as a fire extinguishing training centre using fluorine-free extinguishing foam and digitalised training methods.

We also applied for EU Erasmus+ programme in 2021. The application was successful, so we will implement the EcoFoamFight project in cooperation with the Vienna Airport in 2022 and 2023. We are striving to become the leading training centre in this field in the region.

All events in 2021 were either carried out online, or cancelled or postponed in 2022. Only Intersec 2021 Safety and Security Fair was organised in Dubai in January, which we did not attend that time.

We however decided to attend Hannover Interschutz Fair because a larger number of our business partners were there. But the fair was eventually cancelled and postponed in 2022. In September, we conducted a large field exercise on Fraport 2021 Plane Crash and Fire in cooperation with the Administration of the RS for Civil Protection and Disaster Relief and the University Medical Centre (UMC) Ljubljana. Around 300 participants attended the drill. The purpose of the drill was to test the response of rescue services in the event of a plane crash and the protocols of admitting the injured to UMC Ljubljana. The drill was designed in the Aviation Academy in cooperation with medical experts from the medical centre.

Growing environmental awareness and the related requirements are becoming increasingly challenging for the field of firefighting, but they also promote the development of environmentally sound technologies and products. This particularly affects firefighting with foam agents.



Occupational safety system

A high level of occupational safety and health of all employees is a strategic commitment of Fraport Slovenija. We ensure safe and healthy working environment for all employees and take all necessary measures to prevent accidents and harmful effects of our main activity on the health of our employees. In order to achieve even higher quality of occupational safety and health, we operate according to ISO 45001 Occupational safety system standard.

Strategic objectives of occupational safety system

- Our strategic objectives until 2025 are:
- maintenance of occupational safety system (ISO 45001);
 - reducing the number and severity of injuries or damages through regular work safety training, additionally raising employee awareness and regular work process controls;
 - improvement of work environment by providing regular measurements and work environment controls; adjustment of work environment to employees according to their needs;

- update and improvement of work equipment;
- update and improvement of personal protective equipment;
- improving cooperation with external providers of occupational safety by providing information and concluding written agreements and regular controls;
- promoting occupational health (organising internal and external sporting events, various workshops, trips, etc.).

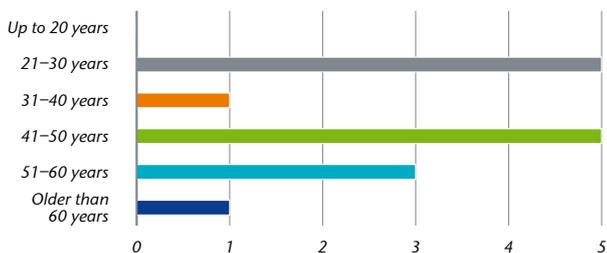
Occupational injuries

With the growth of traffic, injuries at work that depends on various factors, followed accordingly. In the first phase, this is a corporate safety culture, supported by financial resources intended for trainings, protective equipment, work equipment and working environment, and for health promotion. The second factor is difficulty and risk of a process and the appropriate safety assessment. The third factor comprises the volume of traffic, the amount of work and complexity of processes.

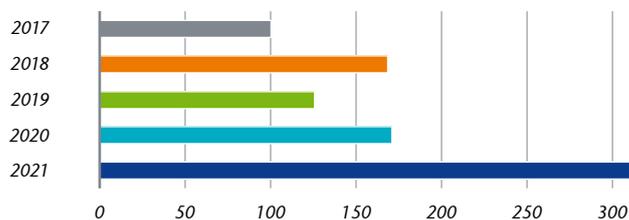
In 2021, 15 occupational accidents were recorded due to minor injuries like pain in the joints, lower back, shoulders and legs and arms injuries. We also recorded three covid-19 infections at the workplace, which are defined as occupational injuries. Occupational diseases were not recorded.

In the current phase of circumstances, when traffic is slowly recovering, but at the same time it is still largely curtailed, multitasking is being introduced to optimise the number of staff and some processes, where employees must perform several different tasks or handle different tools and systems in a relatively short period of time. The later can lead to lack of concentration, confusion and stress, which can pose a hazard and a risk of serious occupational accidents. For this reason, safety and preventive procedures and measures have been introduced to prevent such accidents.

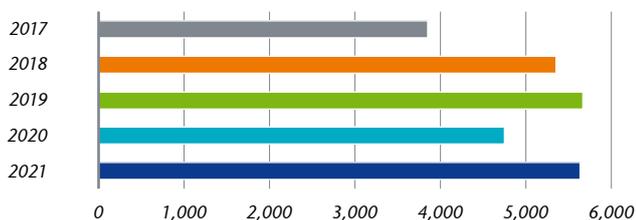
Graph 13: Occupational injuries according to age groups in 2021



Graph 14: Occupational injuries in the period 2017-2021 (in days)



Graph 15: Sick leave and injuries in the period 2017-2021 (in days)



Graph 16: Employee absence from work in the period 2017-2021 (in days)

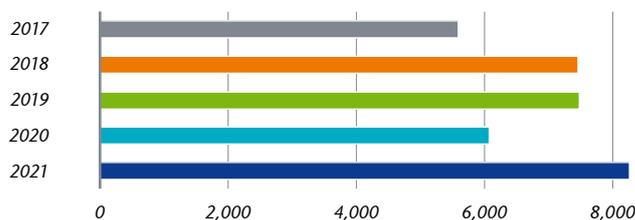


Table 11: Employee absence from work in the period 2017–2021 (in days)

Absence from work less than 30 days	2017	2018	2019	2020	2021
Sick leave	2,812.75	3,381.00	3,285.00	2,468.25	2,761.50
Occupational injury	100.25	111.50	125.75	121.00	206.75
Absence from work more than 30 days	2017	2018	2019	2020	2021
Sick leave	659.75	1,214.25	1,789.00	1,606.00	2,034.50
Occupational injury	0.00	57.00	0.00	50.00	106.00
Non-occupational injury	278.25	589.00	468.00	504.00	525.50
Isolation	-	-	-	284.00	507.75
ATMMRC Article 20 (3-day sick leave)	-	-	-	5.00	15.00
Nursing care, escort, child rehabilitation training	323.63	357.13	299.63	228.00	289.75
Maternity or paternity leave	1,244.00	1,517.00	1,256.00	648.00	1,768.00
Disability leave	130.00	140.50	130.50	78.50	0.00
Blood donations	79.00	86.00	89.00	61.00	52.00
Other reasons	0.00	5.50	33.25	20.00	16.38
Total	5,627.63	7,458.88	7,476.13	6,073.75	8,283.13



Multitasking is being introduced to optimise the number of staff and some processes, where employees must perform several different tasks. For this reason, safety and preventive procedures and measures have been introduced to prevent accidents.

Non-occupational injuries

Sports activities were the cause of non-occupational injuries also in 2021. The highest number of injuries were recorded in cycling and skiing, some of which also required a longer sick leave and longer health consequences. Some injuries due to maintenance works in the home environment need to be highlighted, exhibiting the fact that safety is extremely important and that requirements of the work environment need to be followed also in the home environment. There were altogether 25 to 30 non-occupational injuries in 2021.

Absence from work

There were 8.283,13 days of absence from work in 2021. In comparison to 2021, we recorded a 36% increase in absences, which is due to the increase in absences due to the use of parental leave and sick leave. The most common reason for sick leave was a disease (58%), the second most common reason was similarly as in previous years - maternity or paternity leave (almost 21%).

Maternity and paternity leave

There were nine female employees and one male employee on maternity leave in 2021. 11 male employees decided to take paid paternity leave, four of them immediately upon the childbirth. 13 children were born to our employees in 2021.

Health promotion

In accordance with the extraordinary circumstances in the country, the health promotion was largely curtailed in 2021. Health promotion plan aimed at promoting and financing vaccinations against ticks, seasonal flu and covid-19 disease.

Employees had a constant access to information linked to the epidemic, and also a possibility to provide necessary information or help in cases of covid-19 disease at work or at home. We used electronic media - intranet and e-mail for the needs of informing employees, and a virtual meeting of employees with the company's management was organised. All employee trainings for the needs of achieving a high level of occupational safety and health were carried out with some adaptations, considering all National Institute of Public Health (NIJZ) recommendations.

The new system of automatic sorting of luggage was installed under extraordinary circumstances in the times of covid-19. While performing demanding work, which also included an international team, I realised how exceptional my work colleagues were. I knew before that I worked with great colleagues, but during those tough times I became even more aware of their greatness. I am proud of being part of our team.



Robert Rauch, Airport Technology Expert

Covid-19 epidemic as a challenge of emergency preparedness

The company Fraport Slovenija responded to the pandemic crisis with numerous measures, in cooperation with NIJZ. Since the occurrence of the pandemic, the company has put safety and health of its employees, business partners and passengers first (in the following the airport users), while also taking recommendations to curb the spread of the virus into consideration.

The initial phase of the measures included informing the airport users over the internet, intranet, leaflets and billboards, and screens in the terminal. Possible risks were assessed and instructions for the implementation of processes in specific conditions were prepared. The latter was followed by an extraordinary purchase of protective equipment for employees, hand sanitizers, work equipment and places, and thermometers to measure temperature. Employee planning and work organisation were prepared in the way to maximally avoid unnecessary employee exposure and to reduce the risk for the infection among employees.

Subsequently, additional glass partitions were installed in the workplaces where employees were in direct contact with passengers. In the workplaces where this form of protection was not possible, employees were equipped with additional personal protective equipment, above all for the employees handling passengers, aircraft and cargo. A protective mask became mandatory in all closed areas and spaces for all the users of the terminal and other business facilities, and also vehicles carrying several persons at the same time.

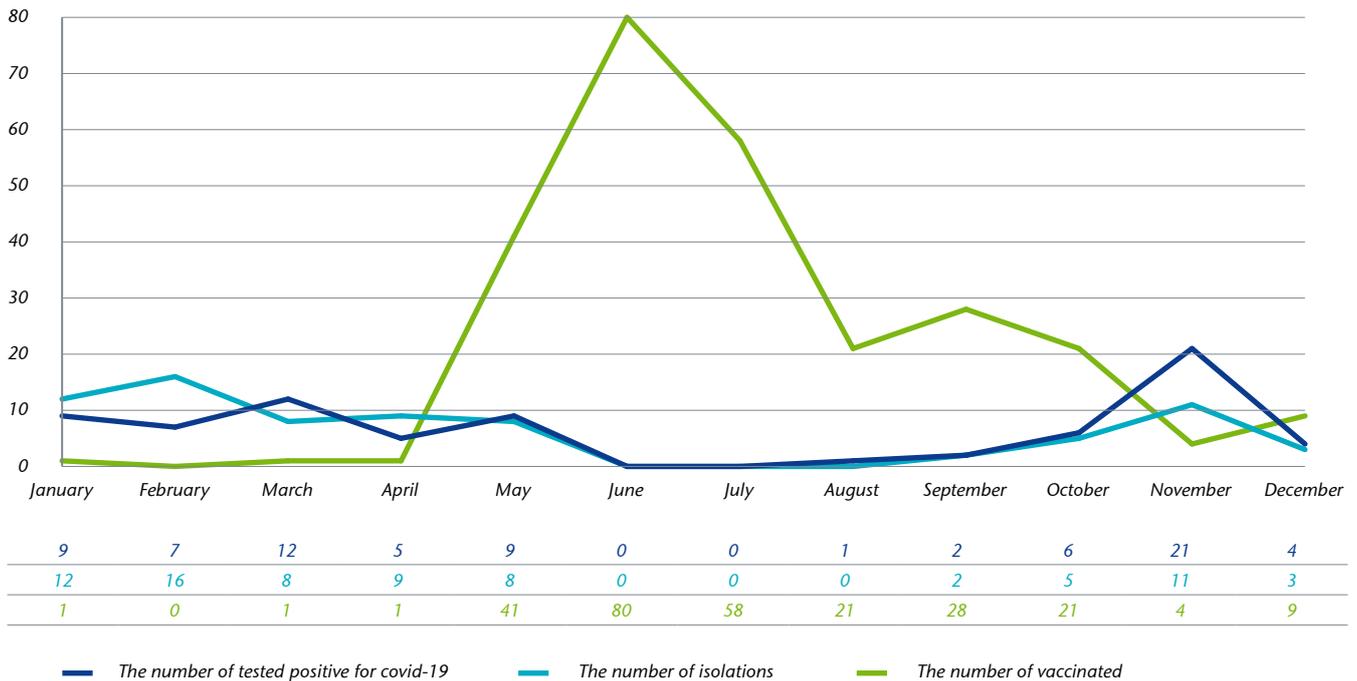
Additional floor markings, adequate directional strips and adequate leaflets were placed in the airport for the needs of ensuring safety distances among the airport users. Seat markings prevented passengers from seating side by side. The number of persons in individual rooms or spaces were additionally reduced, according to facilities. For the needs of hand disinfection of the airport users, several disinfection points were placed in the territory of the airport or in the facilities managed by Fraport Slovenija. More intensive cleaning and disinfection of the premises was carried out for the needs of cleanliness and safety against infections in the airport facilities.

In the processes of handling passengers, aircraft and cargo, certain work equipment, such as aircraft passenger stairs, airport buses and other tools, have to be used. To ensure safety against the infection we approached to regular disinfection of such equipment. To prevent the spread of the infection by air, regular so-called artificial ventilation was provided, or where possible, air conditioning ventilations were installed for better and clear indoor air. The company's measures followed in proportion of risks, this meant measures to be tightened or mitigated regarding the risk or the escalation of the number of infections. The tightening of the measures followed in autumn 2021, when the number of infected citizens started to increase at the national level. In August and September 2021, the company's employees started to return from their annual leave abroad, which imposed additional risk.

The first infections in the company occurred in September and were constantly present until the end of 2021. All cases of infection and isolation were consistently monitored, analysed and recorded, and several conversations were made and many instructions were given to employees dealing with covid-19, as well as when being in contact with a person tested positive for covid-19. To easier monitor, control and report to the company's management, we organised the so-called Covid team made up of representatives of different departments. For the purpose of reporting, we introduced tracking of infections and isolations of employees by using covid-19 tracker, which we regularly published on the intranet. The possibility of testing for covid-19 at the airport for the needs of passengers remained throughout 2021 for rapid antigen and PCR tests. Fraport Slovenija was in the air traffic sector recognised by the government to be part of the national essential infrastructure, thus the company obtained disinfectants and protective masks and provided funds from the state for rapid tests for self-testing. By end of 2021, 70% of our employees had already been vaccinated.

Since the occurrence of the pandemic, the company has put safety and health of its employees, business partners and passengers first.

Graph 17: Covid-19 tracker for 2021 (employees)





76
Total number of tested positive for covid-19



74
Total number of isolations



265
Total number of vaccinated

Commitment to meeting world-renowned standards of health and safety

Fraport Slovenija proved successful in assessing the implementation of preventive measures against the new coronavirus at Ljubljana Airport in 2021. By doing so, we obtained the AHA certificate awarded by ACI, the international association of airports. The AHA programme enables airports

to reassure their passengers, employees, regulatory bodies and governments to prioritise health and safety in a measurable and established way while performing their work and operations. It allows the airports to validate their measures and actions in all their facilities, buildings and processes, and by ensuring

excellence in maintaining safe hygienic airport facilities to reassure the travelling public who use these facilities when travelling. The certificate ensures a safe airport experience in line with the recommended medical measures as set out in the guidelines for restarting and restoring air traffic.

Figure 5: AHA certificate



The AHA programme enables airports to reassure their passengers, employees, regulatory bodies and governments to prioritise health and safety in a measurable and established way.



New satisfaction

With everything we do, we always strive for the highest possible satisfaction of passengers, airport visitors and business partners. In this regard, all the aspects of our services and the services of our partners are taken into account. We listen attentively to what our stakeholders have to say. Our employees are motivated to implement good suggestions as fast as possible.



Sustainable Relations with Passengers, Visitors and Business Partners

An excellent user experience at the airport is composed of numerous major and minor activities, as everything is connected into a whole. By knowing this, we build business relations with all partners and lead by example. In times of recovery, it is even more important to enhance relationship of trust and excellence of services at all levels.

Policy and strategy of relationship with business partners

We appreciate the long-term partnership and welcome new partners who enrich the travel experience and contribute to the development of the airport. Together with the new partners of food & beverage services and retail offer we will strive for even better quality of our services and will adjust our offer to our passengers' requirements and to other airport customers by analysing their needs. We lay great focus on our offer and that we have authentic Slovenian products from local suppliers. Besides we also enable refilling of plastic bottles with drinking water at designated places in the terminal. There is also one kid's corner in each section of the terminal intended for free play of kids. Also adults are provided with relaxation at the airport. There are several massage chairs available at the entire terminal.

At the outbreak of the epidemic, we were aware of the fact that this would not impact our cooperation with suppliers for the time of the epidemic, but it would have long-term effects even after the end of the epidemic. The effects of the epidemic on the business activity were mostly dependent on the size of an enterprise. Smaller ones were more vulnerable, but they were also more flexible. Bigger companies or bigger business partners found it in most cases easier to deal with the epidemic situation. After a certain period of time, all companies experienced similar issues and had to deal with changed conditions of cooperation. Altogether, it affected the price growth, and this trend was seen in the whole area. There were longer delivery times, and delivery chains were not reliable any more.

We were facing poorer availability of materials and services, and less choice. Suppliers were less flexible due to generally poorer liquidity, and payment deadlines were shortened. The prices offered were fixed for a shorter period of time. Due to the unstable market, they did not dare to guarantee prices, and a clause on permissible price changes was also added in the supply contracts. General volatility was identified in the market, which was unstable, volatile and unreliable.

Our business partners shall comply with all applicable national laws and regulations, and other adequate internationally adopted standards, guidelines and principles, such as anti-corruption laws and regulations, international environmental standards

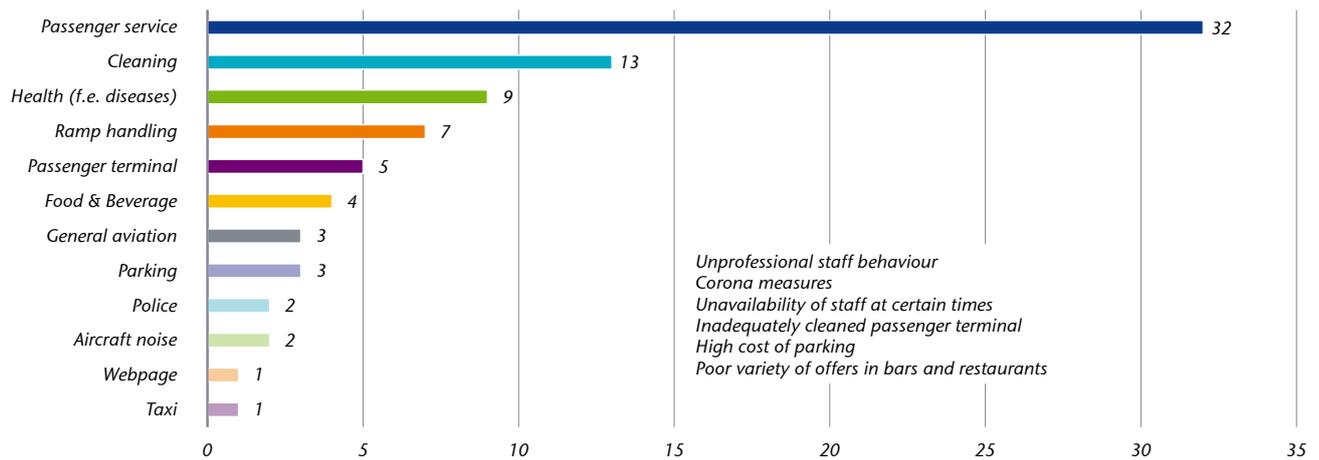
and statutory requirements and anti-monopoly legislations and regulations, and competition law. All our new tenants and service providers must agree on the new contractual provision with which a tenant or a contractor gets acquainted with Fraport Slovenija environmental protection policy, which is laid down in detail in Airport Use Regulation or in our Environmental Protection General Condition. We systematically transfer all elements of our sustainable commitment into our supplier relations at all levels.

In 2021 we handled 82 complaints and 4 compliments.

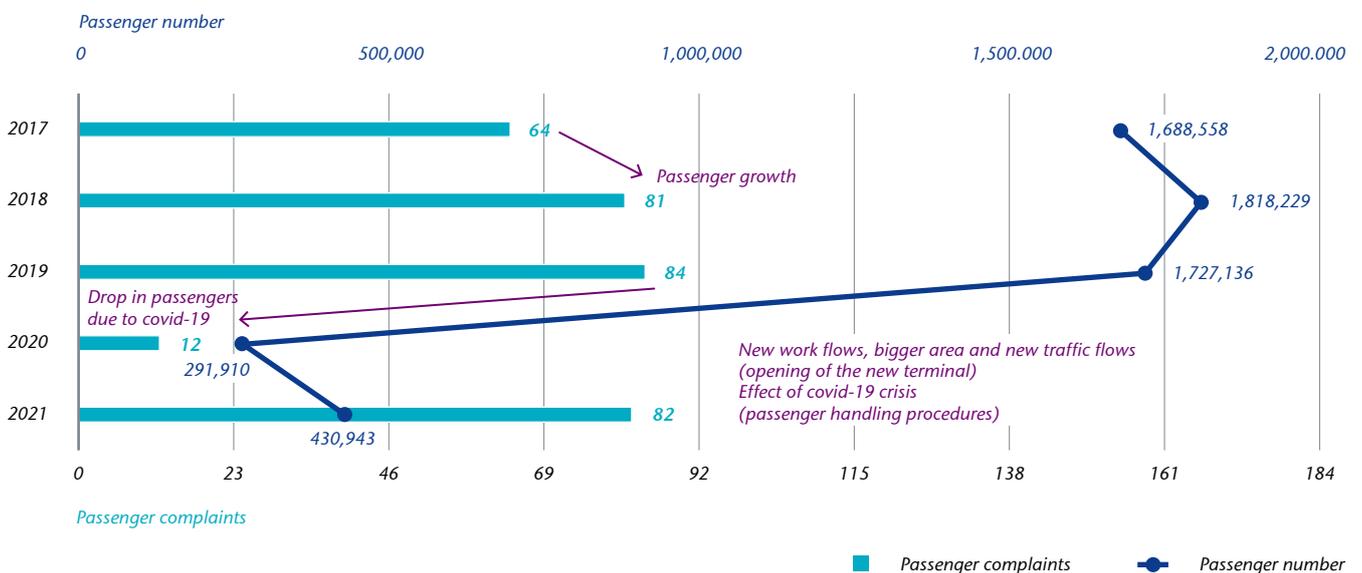
Analysis of complaints and compliments

We appreciate opinions of our passengers about the quality of our airport services. That is why we regularly measure their satisfaction by questionnaires and by a systematic check of passengers' complaints and compliments. In 2021 we handled 82 complaints and four compliments given by passengers, airport visitors, air carriers' staff and other partners. We accurately analyse all received complaints and compliments, and where possible, we prepare adequate measures. All compliments relate to the extremely friendly and efficient staff at check-in and passenger services of the carriers.

Graph 18: Complaints in 2021



Graph 19: Passenger complaints in the period 2017–2021



Mystery shopping

Mystery shopping service provides anonymous customer relationship research, which we use to assess the attitude of the airport staff to their customers, whereby we do not obtain such data from real customers but from the so-called mystery shoppers. In 2019 we prepared a strategic program for measuring offer and service quality for the period 2019–2023, which is intended for regular monitoring of the needs and wishes of airport users. The mentioned programme was largely curtailed also in 2021.

The research was made in order to check the quality of the operations performed by our Food & Beverage (F&B) providers, security control providers and commercial services, and our check-in staff. Therefore we are performing mystery shopping in the fields of F&B, security control, Duty Free service and check-in procedures for years. In 2019 we added mystery shopping for taxi rides, rent-a-car and business lounge services and in 2021 also for ticketing office services. The implementation of the mystery shopping research in 2021 was carried out in the period from August till December.

Results of mystery shopping in 2021

The areas measured by the mystery shopper in F&B services were the following: food and beverages served, the procedure of serving, tidiness of the staff, additional sale, communication between the personnel and customers, first impression and some other criteria defined by the mystery shopper. In 2021, F&B were available at various locations where two providers operated.

The first provider achieved an average score of 90% and the second provider 98%. Both providers engaged in the F&B thus achieved an average score of 87,5%.

The areas measured by the mystery shopper in the field of security control were the following: orderliness of the security control place, kindness, tidiness and attitude of the security staff and some other criteria of the mystery shopper. The average score was 84%.

The areas measured by the mystery shopper in the field of Duty Free Shop were the following: orderliness of the shop, presentation of a product, additional sale, tidiness of the sales staff and some other criteria of the mystery shopper. The average score was 80%.

The areas measured by the mystery shopper at the check-in desks were the following: orderliness of a check-in desk, check-in procedures, tidiness of the staff, and communication among the employees. The average score was 80%.

The areas measured by the mystery shopper for ticketing office services were the following: orderliness of ticketing desk, ticketing procedures, tidiness of the staff, and communication among the employees. The average score was 84%.

The areas measured by the mystery shopper for taxi rides were the following: arrangement of means of transport and personnel, kindness of staff, identification of needs in the wishes of the passenger, speed and quality of performance, billing, English language knowledge and communication. There were no measurements in 2021.

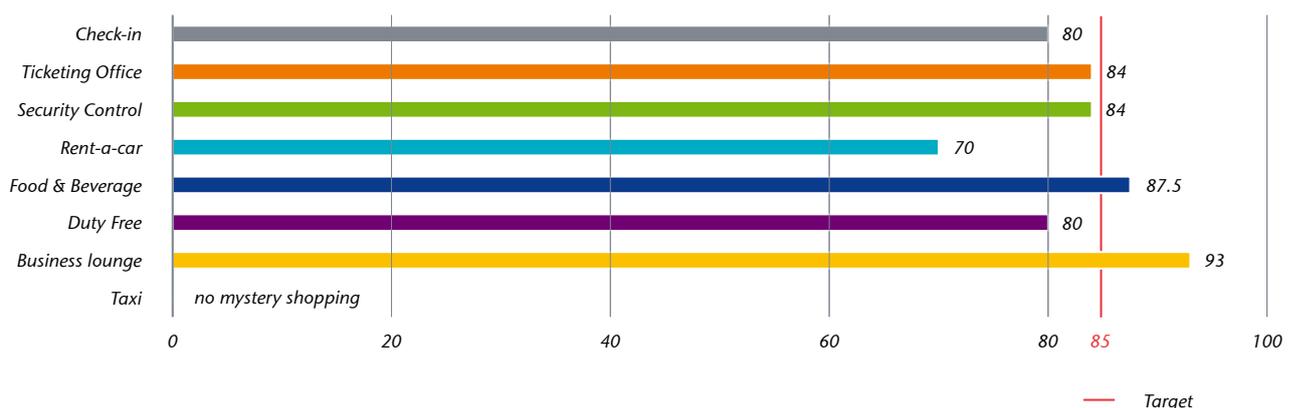
The areas measured by the mystery shopper for rent-a-car services were the following: arrangement of sales desk and personnel, kindness of staff, identification of needs in the wishes of the passenger, speed and quality of offer, and additional sale. The average score was 70%.

The areas measured by the mystery shopper for business lounge services were the following: determination of the quality of the offer, employee behaviour, the method of communication of employees, cleanliness of sanitary facilities. The average score was 93%.

The average result does not show a representative sample for the whole year and the number of planned mystery purchases, which leads us to conclude that the year 2021 cannot be compared to previous years, since mystery shopping was performed only from August till December. Considering the results of the mentioned period, we can conclude that we provide good quality services to all our customers. Results were very good for all the areas, except for three: Duty Free Shop, check-in desks and rent-a-car service

Considering the results of the mentioned period, we can conclude that we provide good quality services to all our customers.

Graph 20: Results of mystery shopping per area in 2021 (in %)



With joined forces, cooperation, team spirit and perseverance we can manage everything, despite difficult times. Increased air traffic, also due to Slovenia's presidency of the Council of the EU, required a lot of coordination with governments and security bodies. We take pride in our customer satisfaction, who notice the effort of our employees.



Jolanda Kovačič, Passenger Handling Manager

Passenger survey

Fraport Slovenija follows the strategic objectives of increasing passenger traffic and improving the market position of Ljubljana Airport in the region. In line with these objectives, the company wanted to monitor passenger satisfaction in addition to the surveys conducted between 2017 and 2019 in an attempt to get an insight into its passengers, market position, perception and general satisfaction. An extensive quantitative survey was made intended for departing passengers to monitor different aspects of passenger satisfaction and passenger segments, and to see changes in the passenger structure. The implementation of the first part of the passenger survey was conducted in the first quarter of 2020, which was interrupted due to the outbreak of the pandemic.

The second part of the survey was conducted in the period from 15 September to 8 December 2021, when passenger traffic was restored at the airport, and an adequate representative sample could be provided. The total satisfaction assessment was 4.8 from 6. The average satisfaction assessment was the highest (5.4) in three categories: flight check-in, safety and passport control, and the lowest for the offer available in shops and cleanliness and comfort (4.9). It should be highlighted that the average assessment of passenger satisfaction rose significantly in shops, bars and restaurants in 2021. The increase in the average assessment was a result of a new more attractive commercial offer in the new passenger terminal.

Based on the survey results, the strong areas were highlighted, with which our passengers were satisfied. On the other hand, recommendations were given for weak areas where there is still room for improvement. The main improvements at airport should be focused on its offer – a variety of shops, bars and restaurants, and all the aspects from the inside - from a variety of offer (different sorts of dishes, local dishes, etc.) to prices and availability of special and targeted offers. At the end, we can point out that also with the use of the satisfaction survey we identified exceptionally professional, friendly and loyal work of the airport staff. The company is aware that our staff is a source of competitive advantage in this industry.

General survey data



Number 2020:

N = 772

Period : from 14. 1. to 15. 3.



Number 2021:

N = 1,251

Period : from 15. 9. to 8. 12.



Quota

The monthly quota of surveys was determined through statistical data, flight type and time plan of outgoing flight.

Survey method: Computer Assisted Personal Interviewing

Language: Slovenian, English, Croatian, German, Russian

Survey results in 2021 and comparison to survey results in 2020

2020
2021

Index

75



4.8 / 6
Overall satisfaction



5.1 / 6
Pleasantness of experience



5.7 / 10
Intent of repeat visit



5.0
Accessibility



5.4
Check-in



5.4
Security



5.4
Passport control



4.9
Shops



5.0
Bars & Restaurants



5.1
Info



4.9
Cleanliness & Comfort



Highlighted strong areas and advantages, and proposed improvements for weak points



Passengers satisfied with

- Tidiness
- Check-in experience
- Service in bars & restaurants
- Availability of parking



Improving potential

- Cleanliness & Comfort
- Kind and helpful personnel
- Product and catering variety
- Info screens
- Availability of public transport
- Value for money of parking



Strongest advantage

- Sense of security and safety



New sources

We are striving for new sustainable sources and resources, following the path to a low-carbon society and circular economy. The solar power plant which was put into operation in November 2021, generates around 530 MWh of electricity annually, and provides seven percent of the total electricity consumption at the airport. It is estimated that CO₂ emissions will therefore be reduced by 200 tonnes a year.



Sustainable Relation to the Environment

Responsible attitude to the natural environment, and proactive and strategic management of environmental impacts are among the fundamental cornerstones of our development strategy, management, investment and daily conduct. The Integrated governance system manual is considered the master document on environmental protection, which includes the environmental management system (ISO 14001), the company's environmental policy and the main environmental aspects, and their impacts and environmental objectives with actions. Our main activity is one of the activities that can significantly contribute to decarbonisation. Therefore, we are following this direction by making determined and long-term steps. At the same time, we are carefully monitoring other environmental impacts and are trying to prevent or mitigate them.

Environmental policy

The environmental policy, arising from the integrated governance system policy and following the principles of sustainable development, incorporates environmental commitments, strategic objectives and policies, and action plans in individual professional areas which affect the environmental.

Environmental commitments

Our environmental commitments are the following:

- taking measures to reduce aviation noise and noise from other sources,
- reducing CO₂ emissions and other greenhouse gas emissions,
- promoting efficient consumption of energy, water and paper,
- taking measures to prevent pollution,
- introducing best cases of practice in the field of waste management,
- preserving biodiversity and natural values,
- prevent pollution and soil degradation,
- incorporating environmental guidelines into procedures of public procurement,
- providing training for all individuals who might cause significant environmental impacts,

- encouraging a responsible and adequate conduct in relation to educating, informing and raising awareness of all employees about the aspects of their scope of work related to the environment,
- informing about the corporate environmental policy all the company's business partners and other persons acting for or on behalf of the company, including contractors performing their work in the location of the company,
- compliance with the conditions imposed by the environmental legislation and other requirements,
- acquiring other environmental quality standards,
- providing human and financial resources necessary for the environmental management system and their related measures,
- encouraging transparency in communication and a dialogue with interested parties.

Strategic environmental objectives

In accordance with the environmental commitments and other requirements, we also define our strategic objectives, which are also part of the company's sustainability strategy. The central strategic objectives in key environmental areas are:

- environmental management system: keeping the documented system of environmental management (ISO 14001);
- noise protection: keeping noise at such a level to enable the local citizens an improved life quality;
- transition to a low-carbon society: entering the level of carbon neutrality in the ACA program scheme by 2025;
- waste management: reducing the share of mixed municipal waste to 10% in the total amount of waste by 2030;
- energy efficiency: reduction and replacement of energy products harmful to the environment (heating oil, gas and diesel fuel, electricity generated by thermal power plants) for ecologically more acceptable energy sources (natural gas, renewable energy sources);
- renewable energy sources: a growing proportion of renewables used (hydropower, geothermal power, solar and wind power, biomass, biogas).

Policies and action plans

In addition to the environmental commitments and strategic objectives we have also introduced policies and action plans according to individual specific areas:

- Carbon Management Plan;
- Energy Strategy;
- Mobility plan;
- Sustainable Procurement Policy;
- Printing Policy;
- Wildlife Management Plan.

Planning the environmental management system

Planning the environmental management system comprises the following elements::

- determining actions to address risks and opportunities;
- checking and managing legal and other requirements;
- identifying and assessing environmental aspects with regard to a life cycle model;
- determining operational environmental objectives with actions.

Environmental risks

External and internal issues affecting the environment and which can pose a risk are identified. Needs and expectations of interested parties are also regularly reviewed. Any deviation from the requirements and expectations is recorded and continues to take the necessary improvement measures. The individual environmental risks, related to its environmental aspects, compliance obligations or potential emergency situations, are managed within the scope of the risk management system at the company's level.

Compliance obligations

The activities performed in our company are subject to the legal requirements which are directly linked to the identified environmental aspects and therefore must be fulfilled. For this reason we have established the Register of Legal and other Requirements. Monitoring and reporting imposed by the legislation are collected in the Legal Monitoring and Reporting Register, which determines the tasks and activities, the person responsible for the implementation of a task or an activity, deadlines, documentation, storage, a monitoring method of execution of a particular

activity, and the current status of the task or the activity. The register is regularly updated. We also perform periodical assessment of compliance with the legislation and other requirements in three ways. In the field of environmental aspects, the system is designed in the form of the table called Register of Environmental Aspects, where compliance obligations is one of the criteria to determine significant aspects. Two additional evaluations are performed within the company's regular internal audits and the annual management review.

Environmental aspects and the lifecycle model

We implement, maintain and document procedures to identify and assess all the aspects causing environment impact. Therefore, we have established the Register of Environmental Aspects, which defines aspects, the importance of each aspect, the lifecycle model and definition of emergency situations and abnormal conditions. The register also comprises a detailed description of criteria used for assessing the importance of each aspect. It includes aspects that can be directly managed, the aspects that can be only indirectly influenced, and also aspects which can be direct and indirect at the same time (cumulative aspects). In order to determine relevance of aspects, the following criteria are taken into consideration: legislative requirements, the economics and public opinion. According to these criteria, each aspect is marked with different colour: red, yellow and green. Important are those aspects which are marked with the red colour according to one or several criteria. Less important aspects are the ones marked with yellow or green colour. All the aspects are categorised in the way to include the lifecycle of services.

The lifecycle model of a service is defined in four phases according to its nature and specificity of our processes and services:

- service design and development;
- providing resources for the provision of services;
- the supplier chain and the distribution network;
- provision of services.

The environmental aspects arising from cooperation with tenants, contractors, suppliers and business partners are generally managed via contracts or written agreements or arrangements.

Directly managed and cumulative environmental aspects



Environmental operational objectives with actions

The basis to determine operational objectives can be the environmental policy, importance of an aspect, statutory or other requirements, savings, urgency of improvement, and financial and technological capabilities. Operational objectives should be determined for important aspects. Operational objectives can also be determined for the remaining aspects of lesser importance. However, they are not obligatory. On the basis of operational objectives we are planning actions to achieve them. More demanding or complex actions are implemented through projects. All operational objectives and actions are collected in the Register of objectives and actions, which beside the objectives also comprises the action description, communication activities, the person responsible for the action, deadlines, measuring indicators, link with costs (if they occur), the implementation phase, the status of the objective,

strategic performance indicators (if they are defined), and its relation to an environmental aspect. Meeting the operational objectives and execution of programmes are reviewed within the company's management review.

Methods of evaluation for meeting environmental objectives

The mechanisms and tools the company uses for monitoring and reporting on the progress in the field of environmental objectives are:

- Official monitoring performed by the authorised institution, all legal environmental aspects (monitoring noise emissions in the environment, regular measurements of flue gases from boiler rooms and other devices, and regular measurements of waste and drinking waters quality, reports on waste treatment and ozone-depleting substances);

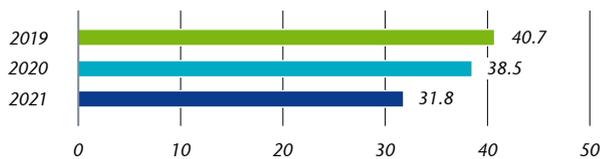
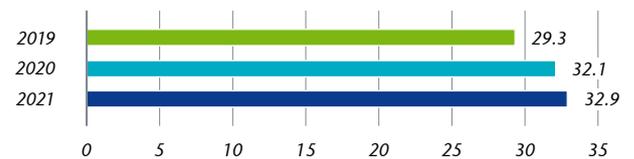
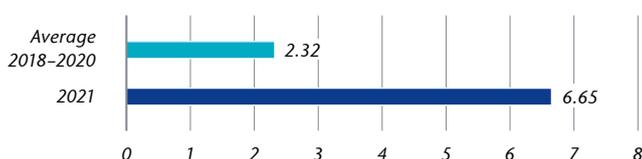
- Continuous assessment of important environmental aspects and related environmental targets (consumption of water, energy products, motor fuels, harmful materials, etc.);
- Monitoring of key performance indicators (so-called KPI's);
- Self-assessment - a system of internal audits and corrective actions, and opportunities for improvements;
- Results of external audits;
- Monitoring the implementation of policies and action plans by individual areas;
- Review of environmental objectives within the management reviews;
- Honest, transparent and fair reporting on company's sustainable operation:
 - Sustainability report,
 - communications and press releases on the company's websites and social networks,
 - informing and raising awareness of the employees on the intranet.

Table 12: Operational objectives and actions for the period 2021–2030

No.	Operational objective	Action description	Status
1.	Formalisation and improvement of relations with stakeholders regarding aviation noise emissions	Group meetings of an airport environmental partnership group of relevant stakeholders (ATC, CAA, competent ministry, etc.) Dealing with noise complaints	
2.	Reduction of company's absolute carbon footprint by at least 5% regarding the 2018–2020 average	Measures to reduce fuel and energy consumption Establishing and promoting sustainable forms of mobility	
3.	Reducing the share of mixed municipal waste to 10% in the total amount of waste by the end of 2030	Introduction of activities for more consistent waste separation at collection points (especially in the passenger terminal and in rented premises)	
4.	Complete renovation of the heat supply system (in phases)	The installation of cogeneration with natural gas + heating pumps	
5.	Increasing the share of solar energy	Installation of solar power plants on the roofs of buildings in phases - Fraport I, II and III)	
6.	Energy rehabilitation of old buildings (in phases)	Execution of rehabilitation works / additional insulation of facade and changing the fixtures (windows)	
7.	Implementation of long-term Energy strategy	Preparation of an action plan about a long-term energy strategy	
8.	Gradual establishment of targeted monitoring of energy consumption	Procurement of targeted energy monitoring software	
9.	Implementation of the measures from the action plan for the management of wild fauna	Management of animal habitats (particularly birds) in the areas around the airport	

 In progress  Completed

Trend of key performance indicators in the environmental field

Graph 21: Share of mixed municipal waste (in %)**Graph 22: Share of electric vehicles (in %)****Graph 23: Relative carbon footprint (kg CO₂e / passenger)**

Noise protection

Noise is a constant companion to the airport and its activities, therefore we manage it carefully. According to the Decree regulating environment noise assessment, Ljubljana Airport belongs to smaller airports. For those airports the requirements of noise pollution are a bit stricter than for bigger airports with over 50,000 operations of air traffic annually. The main sources of noise on the territory of the airport are aviation operations (take-offs and landings) on the runway caused by noise from passenger and freight air traffic and general aviation. Other sources of noise (the ones coming from road traffic, field work and other extraordinary events or incidents, etc.) are not taken into consideration when assessing our environmental impact. In identifying aviation noise the most important parameters are the number of

flights and the time of the noise burden of each flight. We monitor the number of flights via the aviation information system and the measuring system. The time of each individual noise burden is obtained from the noise measurement system. The flyover time is recorded and later on included in noise burden calculations. In 2021, noise measurements were performed at two measuring points: Šenčur and Vodice. The measurements were performed between 23 July and 23 August 2021, when the density of air traffic is the highest compared to the annual average. The identification of aviation noise sources was performed on the basis of radar data, airport information system data and events recorded at an individual measuring point. Based on the identification of air operations, the shares of take-offs and

landings in each direction were also determined. From the point of view of environmental noise assessment, in addition to the number of air operations, the distribution of flights over individual periods of the day is also important. Based on the measurements and calculation of ambient noise for 2021, it was determined that the day, evening, night, all-day and peak noise levels, as a result of aircraft operations, are within the permitted limits at all measuring points. Results of performed measurements in 2021 and comparison to 2016–2019 period are analysed below. Due to the outbreak of the corona virus pandemic and consequently a huge decline in air traffic at the airport, the measurements were not made in 2020, since their results could not have been compared to those of 2019.

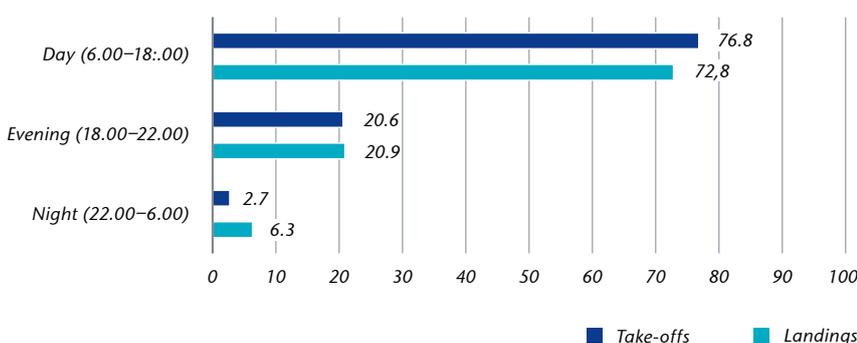
Graph 24: The share of take-offs in direction of



Graph 25: The share of landings from direction of



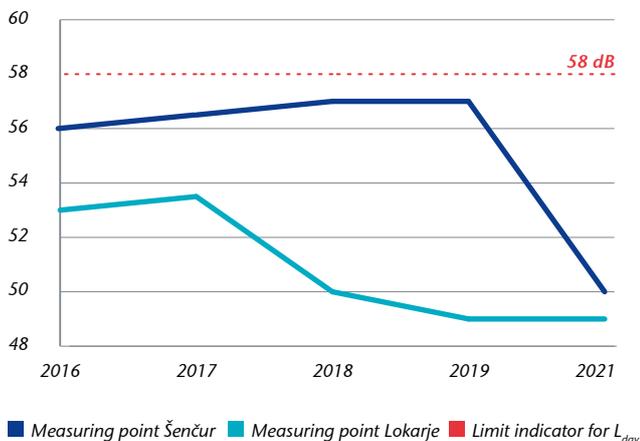
Graph 26: Share of take-offs and landings in each period of the day (in %)



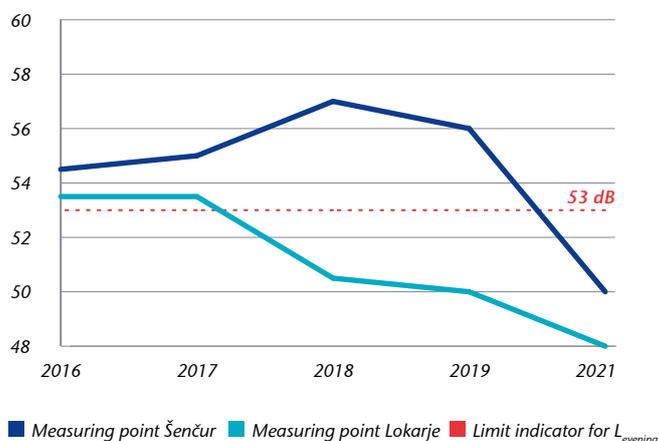
In 2021, noise measurements were performed at two measuring points: Šenčur and Vodice.

Analysis of noise indicators in the period with the highest air traffic density in years 2016–2019 and 2021

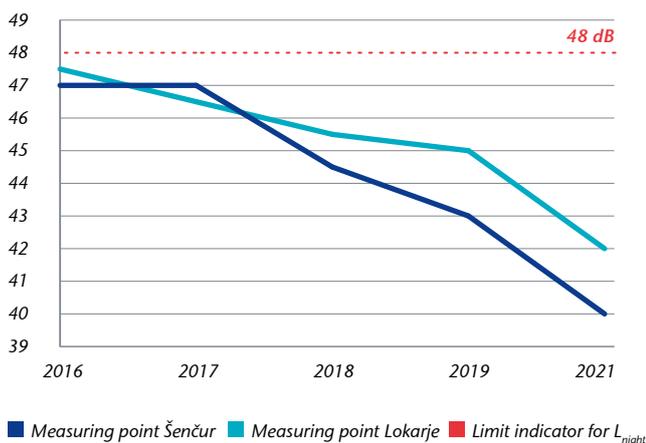
Graph 27: Average day noise values in the period with the highest air traffic density*



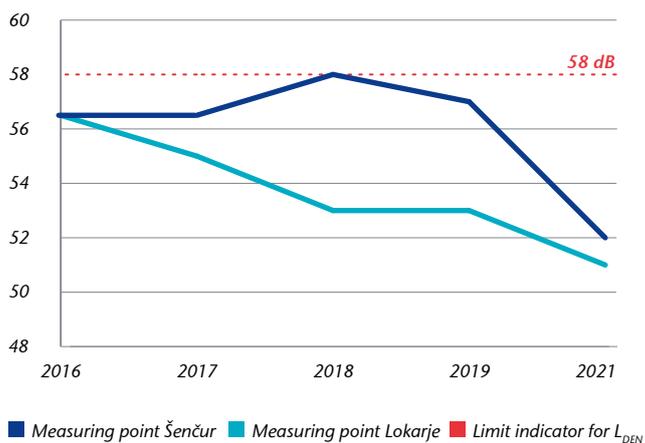
Graph 28: Average evening noise values in the period with the highest air traffic density*



Graph 29: Average night noise values in the period with the highest air traffic density*



Graph 30: Average 24-hour noise values in the period with the highest air traffic density*



* In years 2016-2018 the period from 1 July to 31 August, for 2019 the period from 15 July to 15 August, and for 2021 the period from 23 July to 23 August.

Based on the measurements and calculation of ambient noise for 2021, it was determined that the day, evening, night, all-day and peak noise levels, as a result of aircraft operations, are within the permitted limits at all measuring points.

Noise maps

Noise maps are produced for the average noise of the whole year, and show noise burden in bands of 5dB or in individual isophones. In this way, the course of noise level limits is shown in relation to the indicators provided by the legislation. The base to produce a sound propagation model are the data about the annual number of operations at the airport and the data on distribution of individual operations in terms of the direction and the type of operation (takeoff/landing).

The data obtained from the graphs for both measuring locations show noise level limits measured and estimated for an individual months of the year. Although we perform an overall estimation of noise for a period of one year, it tells us a lot about the noise levels and noise distribution for each months of noise pollution in the year.

Aviation noise measurements and the sound propagation model (noise map) for 2021 show significantly lower noise burden from air traffic compared to the noise levels in pre-corona year 2019. Namely in 2021 we recorded almost 45% less operations compared to 2019.

Aviation noise at the measuring points around Ljubljana Airport for the year 2021

Figure 6: Daily noise level (L_{day})

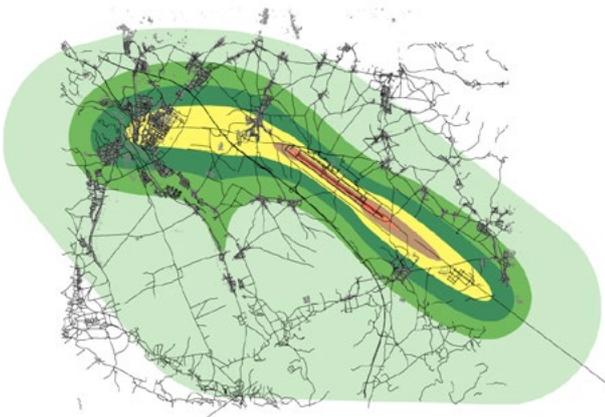


Figure 7: Evening noise level ($L_{evening}$)

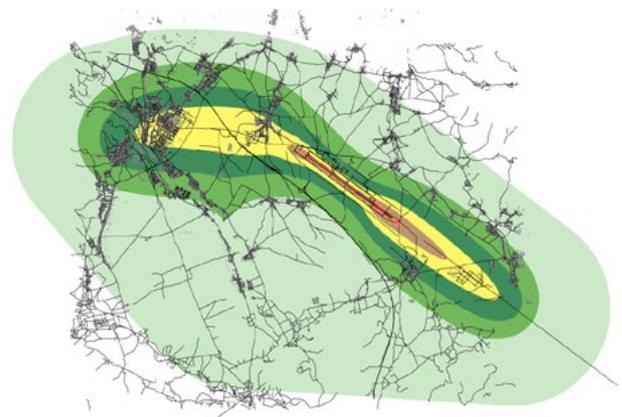


Figure 8: Night noise level (L_{night})

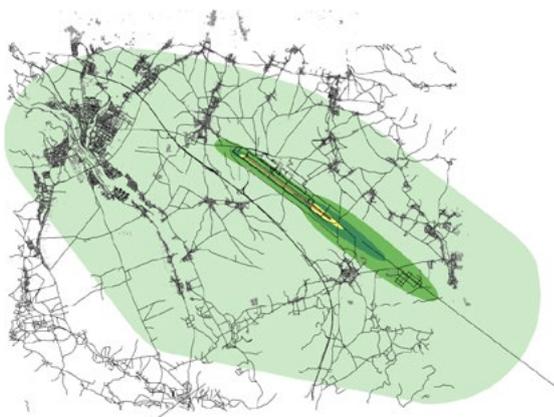
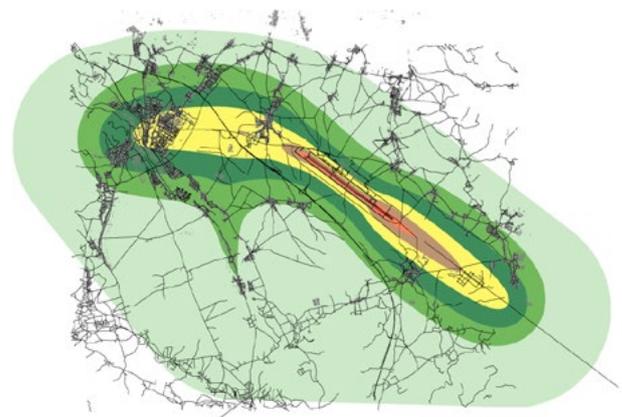


Figure 9: All-day noise level (L_{DEN})



■ Up to 35 dB
 ■ 35–40 dB
 ■ 40–45 dB
 ■ 45–50 dB
 ■ 50–55 dB
 ■ 55–60 dB
 ■ 60–65 dB

Carbon management

The air quality in the airport area is a consequence of road and air traffic emissions, airport activities, heating of the airport facilities and other facilities from the wider local area. The air quality in this area depends primarily on the inflow of polluted air masses coming from the direction of Ljubljana and Kranj, and also on weather conditions. In the airport area we use cooling and air-conditioning devices, and heat pumps which contain substances harmful to ozone. In the last years we replaced the old cooling devices with new ones containing environment-friendly freons, thus reducing emissions of harmful substances into the air.

Energy consumption

Efficient energy consumption, use of renewable energy sources or environment-friendly energy products, and reduction of CO₂ and other greenhouse gas emissions are considered important environmental commitments of the company Fraport Slovenija. We also defined key energy efficiency indicators. Fuel and energy consumption are checked regularly. In 2021, we consumed 6,200.705 kWh of electricity, which was 100% generated from renewable energy sources, 361,264 m³ of natural gas (NG), 21,141 L of liquefied petroleum gas and propane (LPG), 25,719 L of extra light heating oil (ELHO), 94,368 L of diesel and gas oil (GO), 9,122 L of gasoline, and 394 L of kerosene.

Commissioning of first solar power plant at the airport

In partnership with Resalta as the project provider, it built a solar power plant on the roof of the parking garage and the adjacent office annex. The power plant, which started operating in November 2021, generates around 530 MWh of electricity a year. Renewable electricity is generated by 1,347 high-quality photovoltaic modules, and covers 7% of the airport's total electricity consumption. It is estimated that this will reduce CO₂ emissions by 200 tonnes per year. The cost of the project, which helps to achieve the long-term goal of reducing CO₂ emissions and lowering energy costs, is estimated at €350,000. This is the first project of this kind, but certainly not the last, implemented at the airport.

Carbon footprint

The recovery of air traffic during the pandemic is slower than originally planned, which still have impact on the rules of ACA (Airport Carbon Accreditation) certification programme scheme for the reduction in the impact of greenhouse gases, run under ACI Europe, the association of European airports. Therefore, the association ACI Europe decided to adjust the accreditation rules for 2021 as well, especially as the vast majority of airports have difficulty proving a reduction in the relative carbon footprint for 2021 due to significant drop in passenger numbers compared to the pre-corona time. The association already decided in 2020 not to take the data on carbon footprint for 2020 into account in the future applications for renewal or extension of the accreditation. The reason lies in the fact that energy consumption and consequently air emissions cannot be reduced as quickly as the number of passengers. There is a minimum energy consumption (and associated air emissions) which is necessary for the airport to stay open and in operation, even with a heavily reduced number of flights and passengers.

Therefore, in the current situation facing airports, the only appropriate indicator is the absolute carbon footprint. The results of carbon footprint calculation for 2021 (not including year 2020) are shown below.

Compared to the past three-year average (2017–2019) the absolute amount of CO₂ emissions were reduced by almost 13%. Based on the data on the number of passengers and the weight of cargo for 2021, air emissions increased by 253% per passenger compared to 2017–2019 period, or decreased by 23% per 100 kg of cargo (almost 23% increase in cargo traffic in 2021 was recorded at our airport). An increase in carbon footprint was recorded in 2021 in segment of heating and generators. While reduction in carbon footprint was recorded in segment of electricity and company's vehicles.

Therefore, in the current situation facing airports, the only appropriate indicator is the absolute carbon footprint.

Table 13: Calculation of carbon footprint for scope 1 and 2 for 2021

Scope / Emissions source	t CO ₂ e	%
SCOPE 1	1,114.500	39.7
Heating	755.800	27.0
LPG	4.000	0.1
NG	682.600	24.4
ELHO	69.200	2.5
Generators (GO)	12.100	0.4
Fire training	31.200	1.1
LPG	31.180	1.1
Direct CO ₂ emissions (fire extinguishers)	0.020	> 0.1
De-icing chemicals (glycol)	48.900	1.7
Vehicles (business trips included)	266.500	9.5
Diesel	244.000	8.7
Gasoline	21.500	0.8
Kerosene	1.000	> 0.1
SCOPE 2	1,694.800	60.3
Electricity	1,694.800	60.3
SCOPE 1 + SCOPE 2	2,809.300	100.0

Actions of each individual contribute to a better tomorrow. We have successfully established the system of waste disposal located on the new eco-island. We have implemented the system of calculating carbon footprint of a flight for our passengers and installed a new photovoltaic power plant on the roof of the airport car park.

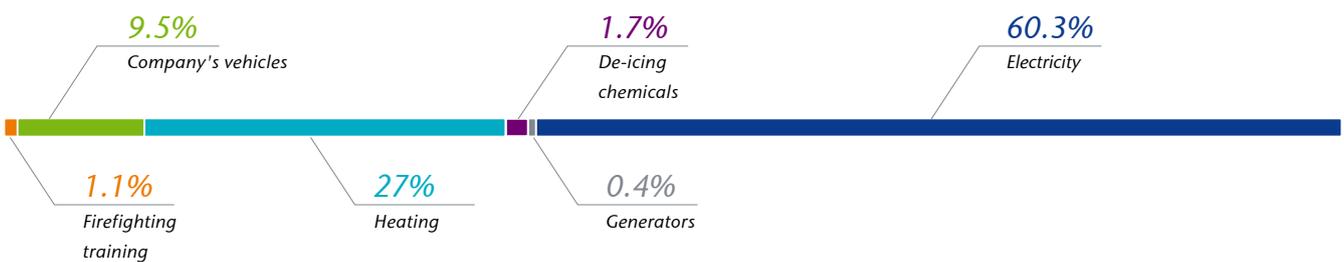


Primož Primožič, Environmental Expert

Graph 31: Share of scope 1 and 2 emissions in the carbon footprint calculation for 2021



Graph 32: Carbon footprint of individual emission sources of scope 1 and 2 for 2021



Graph 33: Carbon footprint of energy, fuel and chemicals consumption for 2021

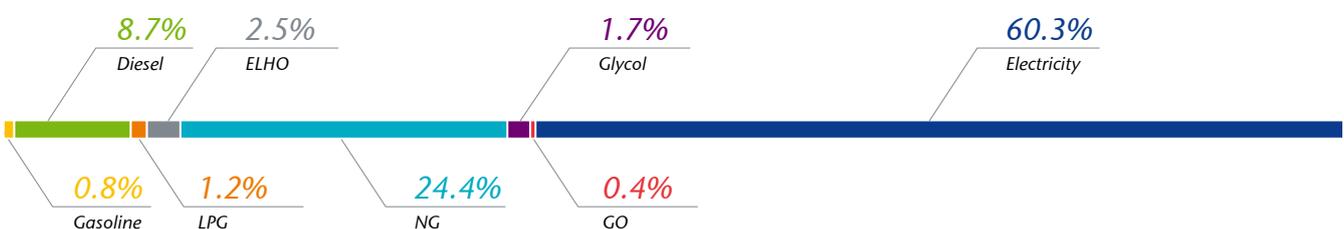


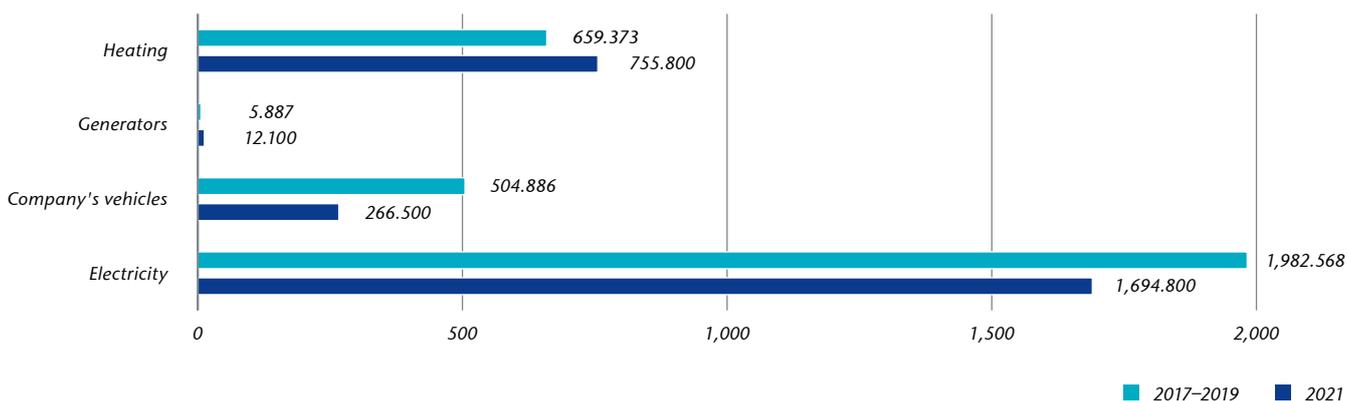
Table 14: Carbon footprint of scope 1 and 2 in 2021 according to the base year

Category of data	Year -3 (2017)	Year -2 (2018)	Year -1 (2019)	Base year Average 2017-2019	Year 0 (2021)	Carbon footprint in Year 0 according to base year (%)
Absolute carbon footprint (t CO ₂ / t CO ₂ e*)	3,168.543	3,417.000	3,080.000	3,221.848	2,809.000	-12.8 %
Number of passengers	1,688,558	1,818,229	1,727,136	1,744,641	430,943	-
Weight of cargo serviced (in tons / 100 kg cargo)	243,140	259,070	248,750	250,320	283,825	-
Realtive carbon footprint (kg CO ₂ / kg CO ₂ e* / passenger)	1.88	1.88	1.78	1.85	6.52	253.0 %
Relative carbon footprint (kg CO ₂ / kg CO ₂ e* / 100 kg cargo)	1.30	1.32	1.24	1.29	0.99	-23.1 %
Emission factor for electricity (for each year)	0.379	0.356	0.351	0.362**	-	-

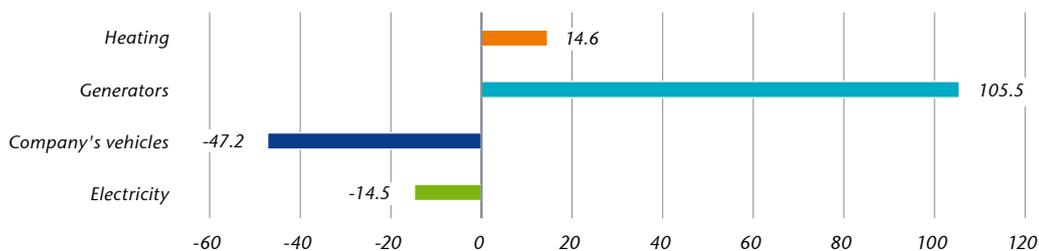
* From 2018 we report about CO₂e.

** Considered the average value of factors of three-year period prior to the year for which carbon footprint is calculated (excluding the year 2020).

Graph 34: Amount of individual CO₂ emissions sources in base year and in 2021 (in t CO₂e)



Graph 35: Display of changes of individual amounts of CO₂ emission sources in 2021 according to the base year (in %)



Sustainable mobility

Our mobility plan is aimed at encouraging our employees, business partners, passengers and airport visitors to change their travel habits, use cars reliably and rationally, and to opt for a sustainable means of transport. The company is aware of the difficulties with the mobility and accessibility in terms of sustainable means of transport, thus the mobility plan tries to comply with these limitations in the best way possible. The airport is namely connected with neighbouring settlements through a public transportation network. However, our employees cannot use it due to the shifting nature of their work.

Thus, employees mainly use cars to get to work, since the existing traffic infrastructure is quite inconvenient and unfriendly for walking or cycling. The key (measurable) mobility plan objectives by the end of 2022 are the following:

- to reduce carbon footprint of car business travel by 10% compared to 2019;
- to perform 30% of car business trips by using electric car sharing in 2021;
- to perform 40% of car business trips by using electric car sharing in 2022;
- to encourage 5% of passengers to use sustainable means of transport by end of 2022.

All key objectives are operationally performed on the basis of the action plan which defines measures by individual areas:

- promotion and provision of information about the mobility plan;
- reducing the need to travel;
- encouraging sustainable forms of transport;
- investments in infrastructure and means of transport.

In 2021, due to the still ongoing epidemic and occasional restrictions on public life, fewer service kilometers were performed by electric vehicles. 1,354 of totally 5,198 km were made by electric vehicles, which accounted for 26% of all car rides.

Graph 36: Share of car rides made by electric vehicles in the period 2018–2021 (in %)



Drinking water supply

Drinking water is supplied to the airport complex through the use of three main sources from the direction of Krvavec, Kranj and Adergas. Water redundancy is provided through several different water sources. Inside the airport complex, the primary water supplies are connected to the secondary water supply. The watershed of the water supply system takes place in corridors of roads with side branches leading to individual facilities or building plots. The water supply system not only supplies facilities with drinking water but also a hydrant network. A reservoir with the capacity of 300 m³ was built to provide fire extinguishing water or hydrant supply.

Discharge of waste waters

The company responsibly treats all categories of waste waters. In the airport area the following categories of waste waters are present:

- municipal waste waters, of which share is estimated more than 90% of the total waste water volume occurring in different airport facilities;
- industrial waste waters occurring at location of aviation academy;
- rain water runoffs from solid surfaces.

In 2018, the entire airport complex was connected to the central waste water treatment plant Domžale–Kamnik.

All municipal and industrial waste waters from the airport complex are currently accumulated in a common sewage tank which is connected to the system in Spodnji Brnik. From there, waste waters run off and accumulate into the public sewerage system, which ends up in the central waste water treatment plant in Domžale.

Rainwater from clean surfaces (roofs of facilities) runs off through percolation directly into the immediate soil.

Discharge of rainwater from polluted surfaces (roads, car parks, the airport apron) is carried out through the internal sewerage system with integrated adequate oil and grease separators and through percolation directly into the soil. There are no watercourses in a wider area of the airport. The brook called River flows west from the location of the airport through the settlements Spodnji Brnik and Lahovče and is more than two kilometres distant from the plant. The river Sava flows south from the airport and is more than four kilometres away from the plant. Since there are no watercourses in the vicinity of the plant and the soil texture allows good percolation, rainwater coming from the airport facilities is indirectly discharged into the water bodies through percolation. The percolation area of treated waste water is neither located in any water protection area nor at the drainage basin of the watercourses allowing bathing. A wider area of the airport is also not located in the area of Natura 2000.

Waste management

Airport activity is directly connected to the occurrence of various types of waste. A constant challenge, not only for our company but also for a wider waste management system is to recognise waste as a raw material which could circulate in closed loops in different systems. The company is the original producer of waste, which generates more than 150 tons of waste in average in calendar year or more than 200 kg of dangerous waste. In accordance with the legal requirements, which regulates the areas concerning the waste and waste oil handling, the company have waste management plan in place. In phase of preparation of the waste management plan the valid legislative framework concerning waste management and guidelines of National environment protection programme with programmes of measures until 2030, was taken into consideration. In the field of waste management, we pursue the medium-term objective of reducing the share of mixed municipal waste to 10% in the total amount of waste by the end of 2030. Waste is classified in three groups according to the source of waste in our company:

- administrative waste;
- maintenance-operations waste;
- aircraft waste.

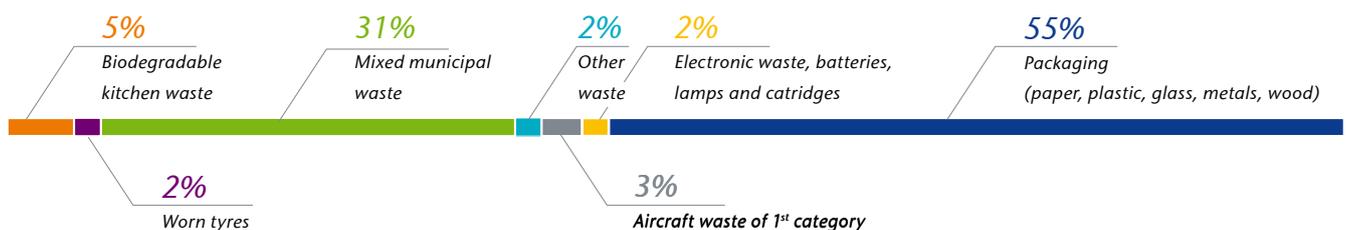
In waste management, the EU hierarchy is our guide, which gives priority to material utilisation over energy utilisation and final disposal. Therefore, all waste is collected and adequately separated in the areas of individual activities. In order to ensure waste separation by basic fractions we have waste central ecological island and some other minor ecological waste collection centres for some other types of waste like: cartridges, waste motor oils, absorbents, oil filters, worn tires, aircraft cabin waste, etc. Adequately separated waste, according to fractions, is collected by local public waste company and waste collectors who hold necessary permits or certificates of their entry in relevant records by Slovenian Environmental Agency in order to perform that kind of activity. A certain amount of aircraft cabin waste (so-called first category waste) is destined for incineration.

The newly built central ecological island, which started operating in 2020, is equipped with modern municipal equipment and technology which enable even better quality of waste management, particularly from the aspect of waste separation during waste production at source, when waste is transferred to the collection centre.

The coronavirus epidemic in Slovenia had still a certain impact on the amount of waste generated also in 2021. Due to slow recovery of business activity of the airport services and the gradual return of the number of passengers, we still recorded compared to pre-corona year 2019, a 51% decline in waste volumes in the separately collected municipal waste segment, a 65% decline in the segment of municipal waste disposed to landfill, and a 48% decline in waste volumes in the segment of municipal waste for incineration (aircraft waste). Compared to the corona year 2020, we recorded a 51% increase in the separately collected municipal waste segment, a 14% increase in the segment of municipal waste disposed to landfill and a 113% increase in the segment of municipal waste for incineration.

Construction waste occurring at Ljubljana Airport account for the biggest portion of waste in the waste structure. The volume of construction waste depends on annual construction investments aimed at modernisation of the airport. In 2021, the larger investment cycle of construction was completed, which resulted in lower amounts of construction waste compared to previous years.

Graph 37: Types of generated waste in 2021 (in %)*



Graph 38: Methods of waste management in 2021 (in %)*

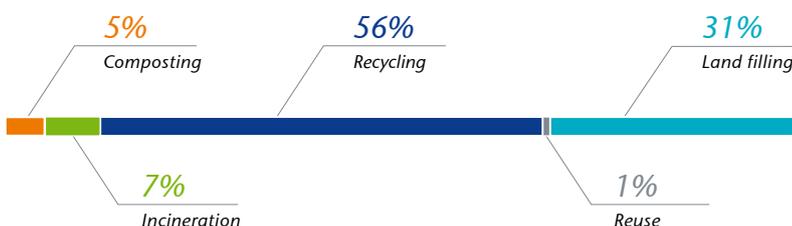


Table 15: Methods of waste management in 2021 (in kg)*

Waste management method*	kg
Composting	11,344
Reuse	2,180
Recycling	122,141
Incineration**	14,201
Land filling	66,540
Total	214,618

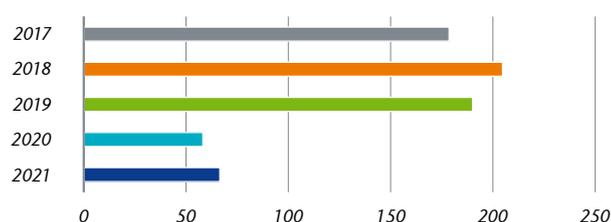
* Construction waste is not included.

** Non-municipal waste is also included.

Table 16: Collected waste in the period 2017–2021 (in kg)

Type of waste	2017	2018	2019	2020	2021
Aircraft waste of first category (1)	8,804	9,532	13,893	3,398	7,236
Packaging (paper, plastic, glass, metals, wood)	155,228	203,780	252,290	77,596	118,720
Electronic waste, batteries, lamps and cartridges	7,026	8,481	9,542	3,079	5,219
Mixed municipal waste	178,600	204,740	190,060	58,240	66,540
Biodegradable kitchen waste	4,021	4,707	7,164	7,164	11,344
Worn tyres	3,620	3,424	3,760	3,530	3,864
Other waste (oils, absorbents, filters)	407	189,658	15,323	69,811	3,483
Construction waste	0	18,707,381	47,396,929	5,563,424	163,616
Hazardous waste – total (2)	4,587	7,979	8,661	34,416	7,325
Non-hazardous waste – total (3)	459,315	20,048,192	47,866,407	5,748,428	365,461
Total (1 + 2 + 3)	472,706	20,065,703	47,888,961	5,786,242	380,022

Graph 39: Mixed municipal waste in the period 2017–2021 (in t)



Graph 40: Packaging in the period 2017–2021 (in t)

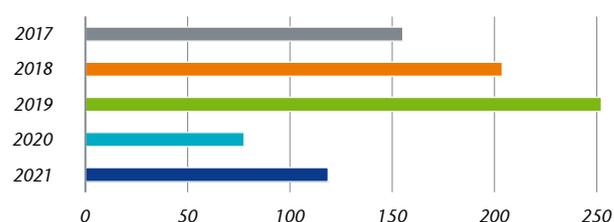


Table 17: Generated municipal waste in the period 2017–2021 (in kg)

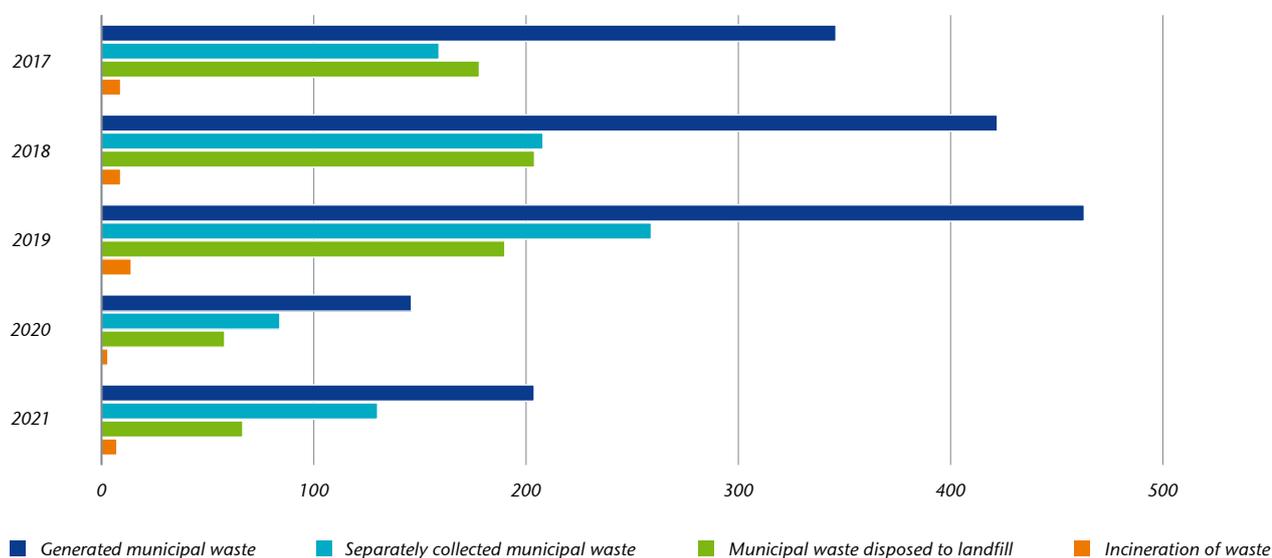
	2017	2018	2019	2020	2021
Generated municipal waste	346,653	422,759	463,407	146,398	203,840
Separately collected municipal waste*	159,249	208,487	259,454	84,760	130,064
Municipal waste disposed to landfill**	178,600	204,740	190,060	58,240	66,540
Incineration of waste***	8,804	9,532	13,893	3,398	7,236

* packaging (paper, plastic, glass, metals, wood), biodegradable kitchen waste

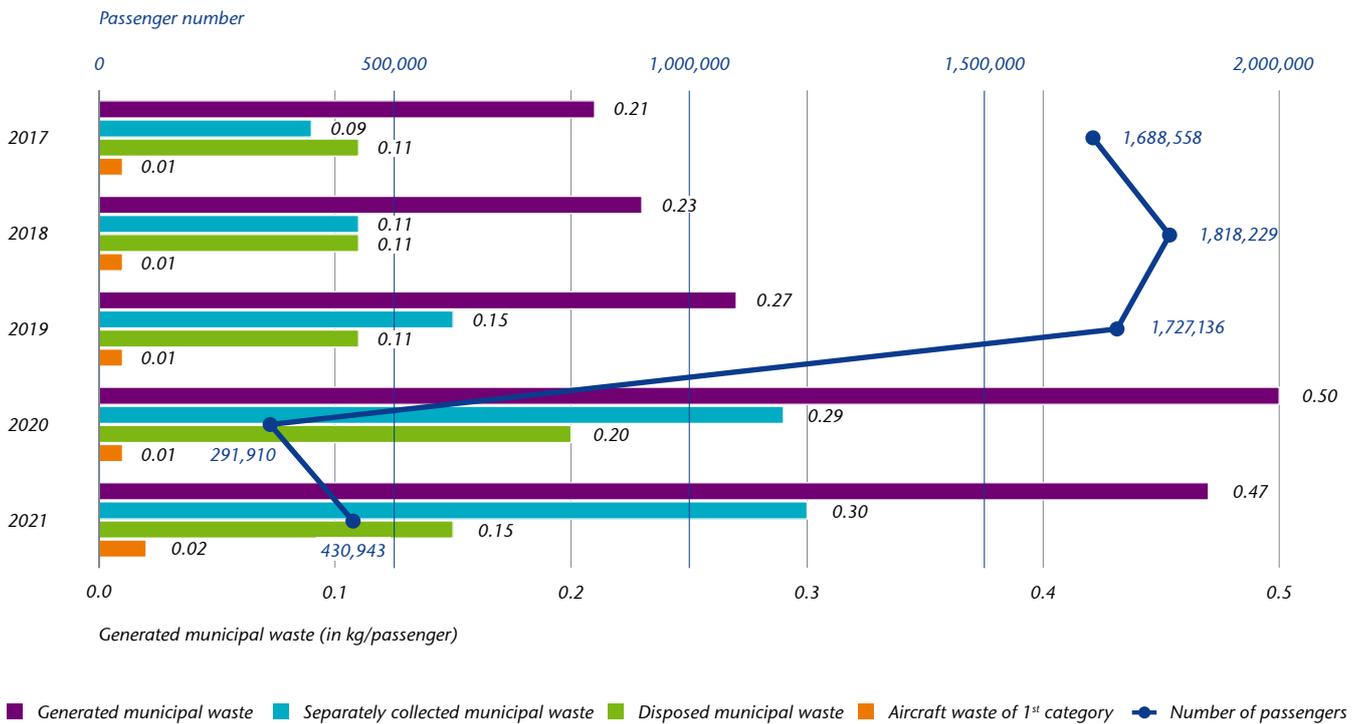
** mixed municipal waste

*** aircraft waste of 1. category

Graph 41: Generated municipal waste in the period 2017–2021 (in t)



Graph 42: Generated municipal waste in the period 2017-2021 (in kg/passenger)



Management of hazardous liquids, substances and materials

In accordance with the Decree on the storage of hazardous liquids in stationary storage containers, it was required to adopt a Hazardous Liquid Management Plan for the storage facilities with the capacity over ten cubic meters in order to specify measures for prevention of leakage or spills of hazardous liquids into the environment, and to determine methods of handling with hazardous liquids in case of their uncontrolled discharge from stationary tanks, pipelines or the equipment used for filling or emptying tanks. The company has an underground storage tank with the capacity of 50 cubic meters. It is used for storing heating oil, which is in its chemical and safety terms a substance with the same characteristic as diesel fuel, and regarding its distillation temperature it belongs to the category of medium petroleum distillates. Smaller amounts of hazardous substances or waste are stored or collected in the cargo warehouse and in workshop areas. Several oil separators and trap containers preventing oil from leaking and spill of hazardous liquids (f.e. fuels, waste oil,

deicing fluids), are placed in several points of the airport. Oil traps are regularly checked and maintained. In the past we replaced all the existing oil separators with the new ones, or we adjusted them to the SIST EN 858-2 standard by installing coalescence filters. Consumption of hazardous materials in 2021 was around 100 kilograms (paints, pesticides, diluents, etc), which is less than in 2020, especially due to lower consumption of paints for painting floor surfaces.

Electromagnetic radiation

The sources of electromagnetic radiation located in the airport area are: base stations for mobile telephony, air surveillance radars and transformation substations for the electricity supply of the airport area. Air surveillance radars, owned by the Slovenian Air Traffic Control, and base stations for mobile telephony are subject to mandatory monitoring in accordance with the legislation in the field of electromagnetic radiation. The monitoring results prove that the radiation exposure in the vicinity of the radars and base stations is below the legal limit values.

Light pollution

There are several lighted areas at the airport, particularly parking and road traffic areas (internal roads), and in the vicinity also the runway which has a light navigation system for the proper airport operation. Advertising areas are also lighted. The company has not yet established separate system for calculation of energy consumptions for lighting. Calculation of energy consumptions are carried out in every transformer station that is placed in location of individual terminals depending on their energetic needs. Switching the lighting is carried out via the on-off buttons installed on individual switchboards and facilities. To avoid switching the lighting on during the day is in switchboards installed photocell. All lights and panels are switched on based on the photocell principle. Lamps are switched on and off completely alone. The annual electricity consumption for outdoor lighting is estimated at about 300 megawatts. In compliance with the sectoral legislation governing light pollution we have drawn up a lighting plan.

Unexpected environmental events

The company is able to recognise eventual situations which could lead to emergency circumstances and accidents in the environment. We have established standby procedures and responses to emergencies.

The most significant documents describing the ways of taking measures in cases of emergency events are the following:

- Protection and rescue plan in cases of emergency security events at the airport;
- Aircraft emergency plan;
- Fire safety regulations;
- Extracts from Fire safety regulations;
- Evacuation plans;
- Hazardous liquids management plan;
- Oil separators manual;
- Notification schemes.

We are aware of any potential environmental hazards and risks. Individual environmental hazards are defined within the risk management system.

31 spills of hazardous substances were recorded in 2021 (20 spills in 2020). Such accidents are divided into minor spills of up to five square meters and major ones exceeding five square meters. Among 31 spills there were 28 minor spills (on average three liters of substance) and three major ones (on average 100 liters of substance). All spills were immediately remedied by absorbents and cleaned with highly efficient cleaning agents and fire-extinguishing medium for decontamination of the environment with mineral oils. The increase in spills is due to an increase in the number of operations in 2021.

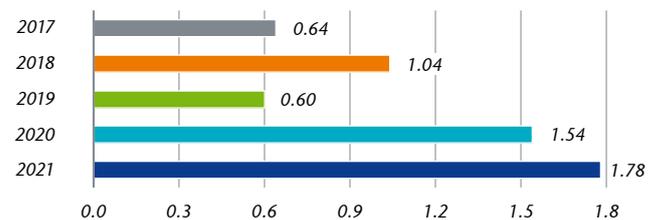
Sustainable procurement

When selecting a supplier, we pay attention to sustainable indicators, so our supplier relationship, among others, is based on our Sustainable Procurement Policy. We procure office paper that is not bleached with chlorine, and is primarily made of wood that originates from sustainably managed forests (FSC, PEFC, SCI). We also procure paper with a recognised environmental symbol (Ecolabel, Blaue Engel), and office paper from 100% recycled primary raw material. Employees and external cleaning providers use for cleaning only environment-friendly cleaning agents with recognised ecolabels. Electricity provided to the airport by suppliers, is generated from 100% renewable energy sources. We estimate that approximately 90% of our suppliers originate from the local environment or their registered office is located in the Republic of Slovenia.

Table 18: Spills of hazardous substances per 1,000 operations in the period 2017–2021

	2017	2018	2019	2020	2021
Number of operations	34,444	35,512	31,489	12,980	17,461
Number of spills	22	37	19	20	31
Split frequency / 1,000 operations	0.64	1.04	0.60	1.54	1.78

Graph 43: Spills of hazardous substances per 1,000 operations in the period 2017–2021



Coexistence with birds

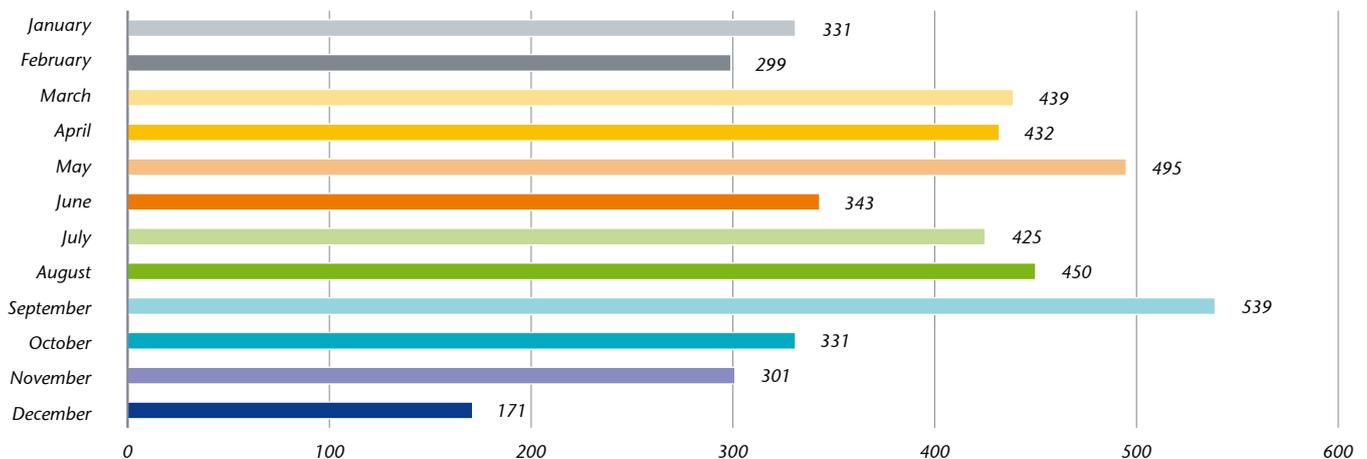
The take-off and landing runway (RWY) is an open space where coexistence with birds is essential. The airport operator is striving to achieve that by using different measures. However, the operator does not forget about its main responsibilities in the field of management of wildlife animals, including study, prevention, taking measures and continuous improvements. The basic knowledge for its coexistence with birds was obtained from a long-term ecological study. The study enabled an insight into the state of biological populations, the presence of the attractiveness factors, preparation of measures to reduce the presence of bird and their monitoring. We continuously seek and introduce new ways which are based on up-to-date systems for monitoring and reducing the presence of birds. Above all, by intervening in the environment we want to reduce the amount of food available for birds in the nature.

In accordance with the study's recommendations we have provided all suitable technical means in order to keep birds away from the airport, and we have adequately trained the staff to do so.

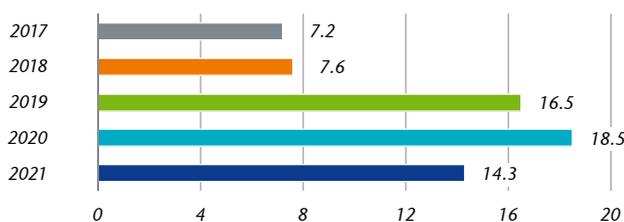
In order to additionally highlight our endeavours that help us provide airport safety in a sustainable manner, we regularly attend training and learn about innovations in the field of bird and wildlife management. We prepared reports on monitoring birds and keeping them away from the airport, and bird strikes with aircraft. The data are collected in WLM Galiot software tool, available for the operational staff in their vehicles. We drawn up atwo-year (2021–2022) action plan for the management of wildlife animals, where measures to reduce the risks of bird strikes at the airport are defined.

The measures are made on the basis of the risk assessment for aircraft bird strikes and are focused on risk reduction in cases of birds which pose the highest level of risk. The highest level of risk is still seen with the bird common buzzard. Regarding the increase of confirmed bird strikes in 2020 (estimated due to the pandemic consequences of fewer air operations and consequently a calmer environment for birds in the airport area), we strived in 2021 for its renewed downward trend. Namely, in action against the increase of available food for critical species of birds on airport (predators), especially field voles. In 2021 we are statistically, significantly reduced the number of confirmed birds strikes nominated on 10.000 flight operations.

Graph 44: Number of bird dispersal conducted in 2021 (by months)



Graph 45: Confirmed bird strike rate per 10,000 operations in the period 2017–2021



A lot of attention is paid to the inspection of the airport surfaces, as we take care of coexistence of animal species. Wild animals, like birds, rabbits and foxes, are regularly diverted from manoeuvring areas to wood areas and other land surfaces. Bioacoustics and some other technical tools are used at the airport to divert birds.

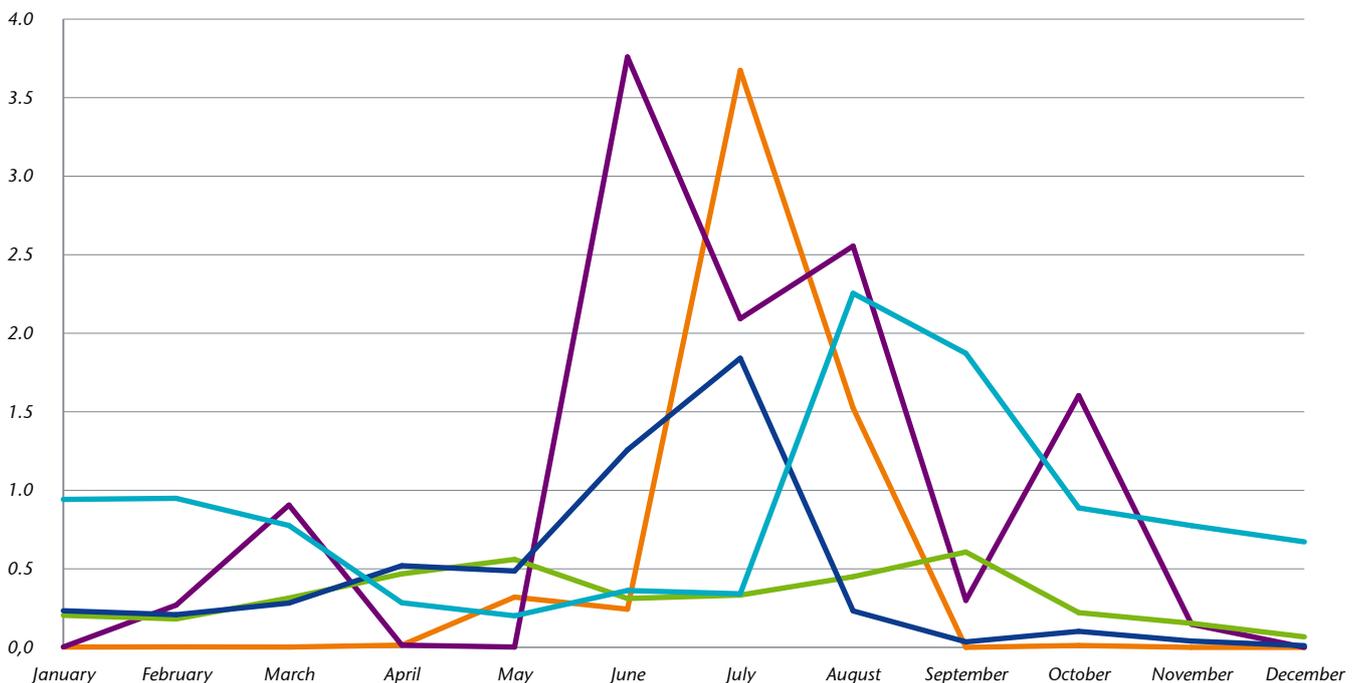


Matej Slapnik, Airport Area Supervisor

Table 19: Average bird presence on RWY for the five species with the highest presence in 2021

	January	February	March	April	May	June	July	August	September	October	November	December
Common buzzard	0.942	0.949	0.776	0.284	0.201	0.362	0.341	2.254	1.872	0.888	0.775	0.672
Hooded crow	0.233	0.208	0.282	0.521	0.486	1.257	1.841	0.232	0.035	0.102	0.040	0.011
Common kestrel	0.204	0.181	0.314	0.468	0.560	0.311	0.333	0.450	0.607	0.221	0.153	0.067
Common starling	0.002	0.270	0.906	0.014	0.002	3.760	2.093	2.555	0.299	1.603	0.147	0.000
Barn swallow	0.002	0.003	0.002	0.014	0.320	0.243	3.674	1.524	0.000	0.012	0.000	0.000

Graph 46: Average bird presence for the five species with the highest presence in 2021



GRI Indicators

Table 20: Indicators

	Page		Page		
Organisational profile		Reporting practice			
102-1	Name of the organisation	15	102-46	Defining report content and topic boundaries	3, 17
102-2	Activities, services	15	102-47	List of material topics	17–18, 46–47
102-3	Location of headquarters	cover	102-50	Reporting period	3
102-4	Location of operations	15	102-51	Date of most recent report	3
102-5	Ownership and legal form	15	102-52	Reporting cycle	3
102-6	Markets served	37, 38	102-53	Contact point for questions regarding the report	3, 88
102-8	Information on employees	2, 51–56	102-54	Claims of reporting in accordance with the GRI Standards	3, 87
102-10	Significant changes to the organisation	9, 11–13, 44	102-55	GRI content index	86–87
102-11	Precautionary principle or approach	21–23, 70			
102-13	Membership of associations	16			
Strategy		Economic performance			
102-14	Management statement	5–8	201-1	Financial results	35–36
102-15	Key impacts, risks and opportunities	9, 17–19, 46–47	201-3	Defined benefit plan obligations and other retirement plans	55
			201-4	Financial assistance received from government	6, 11, 35
Ethics and integrity		Indirect economic impacts			
102-16	Values, principles, standards and norms of behaviour	9, 16, 20, 54–55	203-1	Infrastructure investments and services supported	32–34
102-17	Mechanisms for advice and concerns about ethics	23, 54			
Governance		Procurement practices			
102-18	Governance structure	15, 16	204-1	Cooperation with local suppliers	83
102-20	Executive-level responsibility for economic, environmental and social topics	3, 17, 69			
102-22	Composition of the highest governance body	15	Materials		
102-23	Chair of the highest governance body	15	301-2	Recycled input materials used	83
102-28	Evaluating the highest governance body's performance	15, 30–31	Energy		
102-29	Identifying and managing economic, environmental and social impacts	17–18, 29–31, 46–47, 71	302-1	Energy consumption within the organisation	76
102-30	Effectiveness of risk management processes	21–23	Water and effluents		
102-31	Review of economic, environmental and social topics	46–47	303-1	Interactions with water as a shared resource	79
102-32	Highest governance body's role in sustainability reporting	3, 17	303-2	Management of water discharge-related impacts	79
Stakeholder engagement		Biodiversity			
102-40	List of stakeholder groups	48	304-1	Operational sites of high biodiversity value outside protected areas	84–85
102-42	Identifying and selecting stakeholders	18, 46, 48	304-2	Significant impacts of activities on biodiversity	71, 84–85
102-43	Approach to stakeholder engagement	40–49	304-3	Habitats protected	84–85
102-44	Key topics and concerns raised	17–18, 46–47			

	<i>Page</i>
Emissions	
305-1 Direct (Scope 1) GHG emissions	76–78
305-2 Energy indirect (Scope 2) GHG emissions	76–78
305-5 Reduction of GHG emissions	76, 78–79
Effluents and waste	
306-1 Waste discharge by quality and destination	79
306-2 Waste by type and disposal method	80–82
306-3 Significant spills	83
Environmental compliance	
307-1 Compliance with environmental laws and regulations	70
Supplier environmental assessment	
308-1 Suppliers screened using environmental criteria	23, 83
Employment	
401-1 New employee hires and employee turnover	51–53
401-3 Parental leave	59
402-1 Management/labour relations in terms of notification	48, 54–55, 60
Occupational health and safety	
403-1 Employee health and safety	58–61
403-2 Rates of injury, occupational diseases	58–59
403-4 Worker participation, consultation, and communication on occupational health and safety	58–60
403-5 Worker training on occupational health and safety	56, 58
403-6 Promotion of worker health	59
Training and education	
404-1 Scope of employee training	56
404-2 Training programmes	56–57
Non-discrimination	
406-1 Non-discrimination	54

	<i>Page</i>
Security practices	
410-1 Security practices	21–26
Local communities	
413-1 Relations with local communities	48–49
413-2 Operations with significant actual and potential negative impacts	71, 73
Customer health and safety	
416-1 Assessment of the health and safety impacts of product and service categories	26, 43, 60–61
Marketing and labelling	
417-1 Product and service information for the protection of customer interests	41–44
Customer privacy	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	23
Socioeconomic compliance	
419-1 Compliance with laws and regulations in the social and economic area	20, 23, 54

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	Aleš Beno	12
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	Matic Kremžar	12 (awarding of the certificate)
	Iztok Medja	7, 27, 40–41 (on the photo Biljana Marčeta), 62–63

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