

Sustainability Report *2017*

The world beyond.
Close. Kind. Safe.



Sustainability Report 2017

The world beyond.
Close. Kind. Safe.



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Fraport Slovenija in figures

2017



428

Number of employees (31. 12. 2017)

1,688,558

Total number of passengers, number of passengers in public traffic: 1,683,071



34,444

Total number of aircraft movements, number of aircraft movements in public traffic: 26,045



26 + 26

Scheduled flight connections

Charter flight connections



24,314 t

Total cargo, air cargo: 12,327 tons

Sustainability Reporting

The company's sustainability report is published annually. This year's report is the third in a row. Through this report we communicate our sustainable footprints through time; yesterday - today - tomorrow. In line with the company's commitment to sustainable development we upgrade the reporting annually. Sustainability Report 2017 is prepared in line with GRI (Global Reporting Initiative) Standards - the basic version. Its reporting is transparent and based on reliable data and information available in the company. When choosing the report's content we proceeded from the matrix of materiality. The following criteria are the key to the content selection: relevance, involvement of stakeholders and sustainable context. In shaping the content our main focus and aim were balance, comparability, accuracy, clarity and reliability of the data presented. Different company's departments were involved in the report production, which is evident from the table on page 66. Primož Primožič, environmental expert, is responsible for the implementation of the project.





Address of the Managing Director

Year of Breaking Records

Annual reports represent the moments of the final company's accounts of the previous year. We can really be proud of our company's business performance in 2017. The forecasts made in last year's sustainability report have become reality. In 2017 we surpassed the previous record number of passengers and handled the most cargo by that time. All further company's objectives will be implemented by the company's employees under the new name Fraport Slovenija, which was the final step to the integration of Aerodrom Ljubljana into Fraport Group. In 2017 we exhibited all the flexibility and knowledge of the employees in order to operatively respond to the highest growth in the region; we achieved almost 20% growth in passenger traffic and 23% growth in cargo traffic. Nearly 1.7 million passengers travelled by using our airport in 2017, and the airport handled more than 24,000 tons of cargo. By exploiting favourable economic conditions globally and in Slovenia, and with a well-thought decision-making process we took advantage of the existing opportunities and also created some new ones, which reflected in a very successful business year. The year was marked by events having a lasting impact on the company's performance. In 2017 the new by-pass road or the access road to the airport was completed, a new strategy of the company's operations was adopted and the company entered a new investment cycle. Our primary investment is the new passenger terminal which is scheduled to be opened in 2020. By doing so, the company wishes to adjust its basic infrastructure to the current needs of traffic growth and, above all, to raise the level of services for all users of our airport services. This investment means an introduction into the implementation of the company's strategy which is based on four basic pillars of future business development: passenger traffic, business activity, cargo traffic, and development of aviation academy.

At this point, the acquisition of the certificate for the airport infrastructure and for the airport operator should also be mentioned. This certification was conducted and finally issued, after its multi-year procedure, by Civil Aviation Agency of the Republic of Slovenia. We also continued investing in sustainable development and were awarded for our sustainability report. Bearing in mind that the cornerstone of sustainable development means investing in employees, their knowledge and well-being, we continued with the development of our personnel policy and confirmed our status in the category of the best employers. The integrity of the company's business success we have achieved with knowledge and professionalism of our employees, and by following the mission, vision and values of the company. With the new strategy, sustainable development is becoming one of the main corporate guidelines of the company's operations. The aim of our environmental management system is to assure sustainable care for the environment via development and improvement of our protective measures and minimisation of negative effects. The environmental management system was implemented in the integrated management systems, and we also fully complied with ISO 14001 requirements. Now we are continuing to promote and train employees. We are raising awareness of environmental impacts of individual tasks performed by employees, and we are promoting transparency, communication and a lasting dialogue. Bearing this in mind, by adopting the new company's strategy we have also committed ourselves to maintaining the environmental management system, protecting the environment from the effects of noise, allowing transition to a low-carbon society, separating waste, obtaining energy efficiency, and using renewable energy sources.

Since the company's business result and its comparative advantage lie in the hands of our employees who, with their knowledge, offer our customers and business partners the highest level of services, our investments in employees will even be greater. We will keep the status of a reliable and caring employer offering a respectful, responsible, safe, pleasant and healthy work environment for our employees. We are going to encourage a healthy and socially responsible life style among our employees. At the corporate level we are going to proceed with the envisaged socially responsible activities and include a wider airport community into the sustainable activities. In 2016 we predicted investments in traffic growth which proved to be justified and correct. We are going to continue with the policy of investing into new connections, and to build on the existing and new partnerships. The implementation of the new company's strategy will positively affect our competitive position among the neighbouring airports. Above all, it will enable passengers a much greater range of good quality services. The above described business development will be directed through the prism of sustainability policy. We are pursuing development and growth where a sustainable environmental orientation, care for our passengers and good quality life standard of our employees will be taken into consideration. By using the new company name Fraport Slovenija and with a clear sustainability strategy we are entering the new investment cycle which will enable to upgrade our infrastructure development and consequently our business growth.

Zmago Skobir,
Managing Director

The forecasts made in last year's sustainability report have become reality. In 2017 we surpassed the previous record number of passengers and handled the most cargo by that time.



97%

of the total air passenger traffic in Slovenia is provided by Ljubljana Airport.

Basic Information about the Company

Name of the company:
Fraport Slovenija, upravljanje letališč, d. o. o (Fraport Slovenija)

Core business:
Fraport Slovenija is the operator of Ljubljana Jože Pučnik Airport (hereinafter Ljubljana Airport). Its core business comprises airport management and operation, development of the airport infrastructure, provision of ground handling services and various commercial activities.

Headquarters and locations of the company's operation:
Zg. Brnik 130a, 4210 Brnik-Aerodrom. All company activities take place at the headquarters of the company.

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

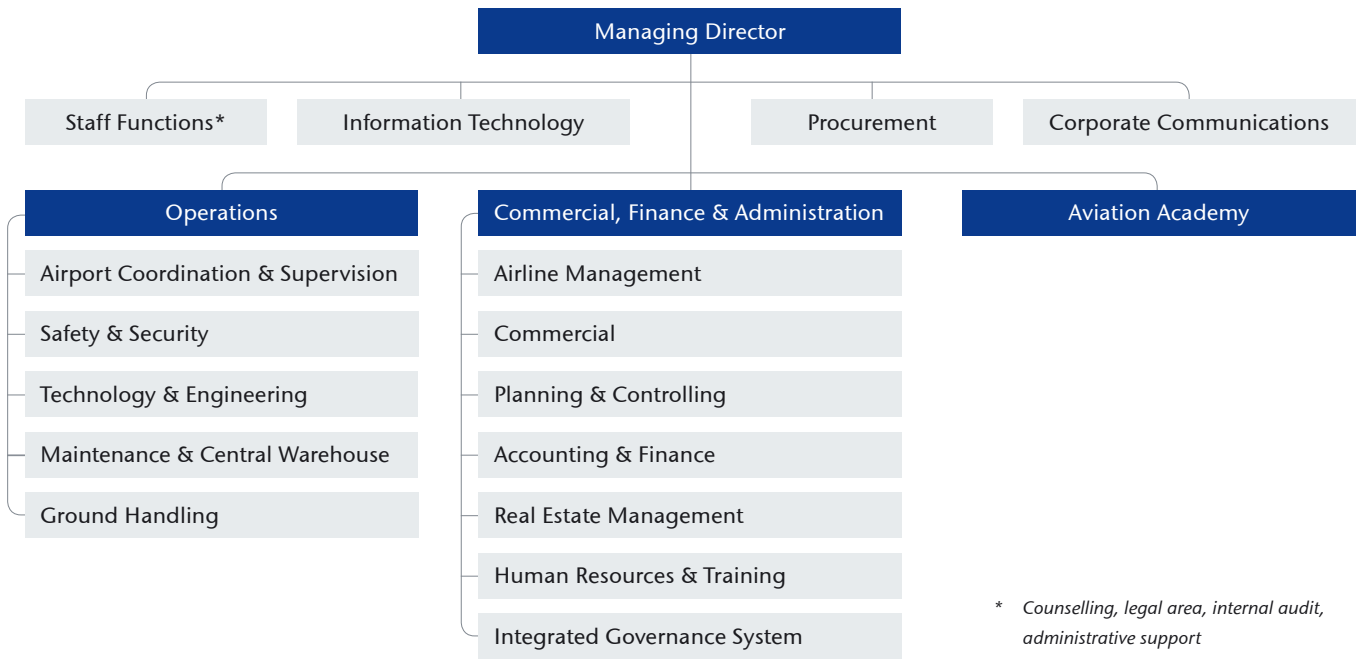
About the company

Fraport Slovenija, which used the name Aerodrom Ljubljana until April 2017, is the operator of Ljubljana Airport, the central Slovenian international airport, which provides 97% of the total air passenger traffic in Slovenia. It is an economically viable and economically and socially responsible company with over 50 years of tradition. It has been owned by the German company Fraport AG since 2014. The strategic location of the airport is ideal for development of flight connections and activities related to airline industry, since it is located at the crossroads 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 accounts for over four million inhabitants. It comprises places located up to 120-minute drive from the airport including some border places of Austria, Italy and Croatia. 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 IIIB category. The company owns several pieces of land, which enables a further airport expansion and development of complementary activities.

Company management and control
Zmago Skobir is the managing director of the company. He graduated from the Faculty of Law, the University of Ljubljana, and passed the bar examination at the Higher Court in Ljubljana, and his specialisation at the Faculty of Law in Belgrade. He has long experience in the field of aviation and tourism. The company's business activity and work of the management board is supervised by a three-member Investor's Committee. The committee consists of: Christoph Nanke, Pierre Dominique Prümm, PhD and Kai Peter Holger Zobel, all from the company Fraport AG. Aletta von Massenbach replaced Christoph Nanke on 1 May 2018.

Figure 1: Organisational chart (effective from 1 April 2018)



* Counselling, legal area, internal audit, administrative support

Committees and organisations where we actively participate

In 2017 we continued being active as members of various expert groups operating under ACI Europe (Airports Council International Europe).

The advisor of the company's management board is a member of the Advisory Group within the Policy Committee with its task to prepare strategic guidelines for ACI Europe management and to coordinate and provide links to other committees and work groups.

We are still a member of Aviation Security Committee, which deals with the issue of civil aviation security at airports and suggests solutions in this particular field. We are also a member of the regional airport stakeholder Regional Airport's Forum which provides proposals in the interest of small and medium-sized airports, member of ACI Communications Group, which joins communication experts of European airports and also a member of Digital Communications Forum.

From Ljubljana Airport it is possible to fly to 52 destinations.

Information on important changes in the reporting period and after the end of 2017

2017

April

On **4 April** the Dutch low-cost carrier Transavia, a member of Air France KLM group, established scheduled flight connection between Ljubljana and Amsterdam by providing three scheduled flights per week. The carrier's decision to enter the Slovenian market was adopted on the basis of an exceptional interest in this tourist segment. On **19 April** Aerodrom Ljubljana was renamed Fraport Slovenija. With the use of the new name the company also started using the new corporate image.

May

On **16 May** Fraport Slovenija sold its 30.5% share in the company Aerodrom Portorož, d.o.o.

September

September was one of the most busiest months in the year 2017 because of two records. Namely, we had the largest number of passengers compared to other Septembers in the past, and the largest daily number of passengers in the history of the airport. Gratitude for this goes to our golden basketball players. The atmosphere at the airport grew exponentially after the quarterfinal, when Slovenia beat Latvia.

Thus some carriers had to provide additional flights to Istanbul. After beating the Spain, the airport became a truly base of lively and loud basketball supporters, and tired but proud and cheerful airport staff. Our staff made sure that only on **Sunday, 17 September** almost 2,000 passengers, were able to fly to Istanbul. Beside the scheduled Sunday flights, also 11 additional flights were organised to fly to Turkey. Only the biggest among the aircraft, Boeing 777-300 was crowded with 332 loud basketball supporters.

October

On **29 October** the carrier Adria Airways established a new flight connection Ljubljana-Kyiv with three flights per week. By adding this new flight connection, the network of flights from Ljubljana Airport to Eastern Europe has been improved.

December

On **6 December**, the existing FIS system at the airport was replaced by the new information system SKYport as part of Initial Airport Operations Plan (IAOP) project, part of the Connecting Europe Facility programme 2015, in which we have been included since 2014.

At the beginning of December an update of existing master plan for the airport development was adopted, which is a strategic development document that enables coordination of phase spatial planning of the airport and influential areas beyond its borders. The plan, designed for 2010–2040 period, was updated in those segments that had to undergo significant changes - mostly due to the global financial crisis and the following sale of the airport, which significantly affected the traffic indicators and the investment dynamics. **At the end of December** we also obtained the certificate from the EASA for the aerodrome and for the aerodrome operator. Airport certification has been one of the most relevant projects recently. The agency prepared rules for the implementation of airport safety in 2014, which were then adopted by the European legislative institutions. All EU airports exceeding a certain volume of annual traffic are subject to this certification. Upon obtaining the certificate we also proved that our airport infrastructure, its organisation and airport services, fully comply with the EU and local safety regulations and standards. This certification also proved that we had so far built, maintained and operated the airport correctly mostly by using our own knowledge and efforts, while keeping the level of good quality.

In September 2017 we had the largest daily number of passengers in the history of the airport. Gratitude for this goes to our golden basketball players.



2018

January

On **26 January** a new regional road Kranj–Spodnji Brnik was opened. The construction of the road started in the middle of 2016 and was completed at the end of 2017 in the total worth of 5.5 million euros. Fraport Slovenija, as a co-investor of this project (with the Republic of Slovenia and the Municipality of Cerklje na Gorenjskem), contributed 1.2 million euros. On **30 January** the leading European air carrier EasyJet introduced a new direct flight between Ljubljana and Berlin. The flights of this summer flight connection will be offered three times per week as from August 2018. On **31 January** Fraport Slovenija adopted the new Airport User Regulations on the use of the airport, which must be known to all airport's passengers, users and employees.

Carrier EasyJet introduced a new direct flight between Ljubljana and Berlin.

February

On **1 February** the Slovenian torch arrived at the airport, and it remained until the end of the Olympic Games. Ljubljana Airport was a Golden Partner of Olympic Committee of Slovenia, which was one of the reasons to deck the airport out with the five-ringed symbol of the Olympic Games. Beside the torch, we also provided a book of wishes at the airport for our travellers and airport visitors to write in their wishes and express their support for our athletes, heroes, who flew from our airport to the distant Korea.

March

On **9 March** the company signed an amended Collective agreement of Fraport Slovenija with Trade Union Aerodrom Ljubljana which came into effect for all employees of the company on the day of signing it, and it has been applied since 1 April 2018.

On **25 March** Adria Airways announced transition to summer timetable and seven new flight destinations with a grand opening of the new flight connection to the Bulgarian capital Sofia. Since March Ljubljana Airport has been connected to Bucharest and Geneva, and since April also to the cities of Hamburg, Düsseldorf, Dubrovnik and the island Brač.

May

We obtained ISO 45001 certificate after a successful external audit of our occupational safety system.

June

On **1 June** we stopped the operation of our small municipal waste water treatment plant, which has been in operation since 1980 and connected the whole complex of the airport to the Central Waste Water Treatment Plant Domžale - Kamnik.



A new regional road Kranj–Spodnji Brnik is opened.



We act sustainable and base our actions on economic, environmental and social criteria.

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, and
 - leading skills academy of aviation industry.

Values

Sustainability 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 sustainable 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.

Airport 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

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, commitments to reducing air emissions from international aviation, guidelines for transition to a circular economy, Universal Declaration of Human Rights, conventions of the UN Conventions and ILO fundamental labour standards, as well as OECD guidelines for multinational corporations. Fraport AG is directing its development in accordance with its values and its sustainable development strategy. Its sustainability indicators are managed in all its local companies, which enables us an insight into the rich base of the best sustainability practices of airports around the world. Within this context, sustainable development for company means much more than just socially responsible conduct in compliance with applicable laws, rules and regulations. It also means taking on our own responsibility in the fields of economy, ecology and social matters, and by doing so, the company helps strengthen a wider social welfare.

Our development encourages development of the environment where we live. The development level of the business and infrastructure of the company directly affects the local and wider environment in the economic, social and environmental settings. It encourages the development of new jobs, entrepreneurship and infrastructure.

We are committed to act in the manner of not endangering the natural and social environment. So, by carrying out several different activities in the environment where we operate and live, we also strive to give something back and to make the environment richer. And this we do thoughtfully and well-planned. Our knowledge, time and financial resources are directed to the local environment and to activities at the national level.

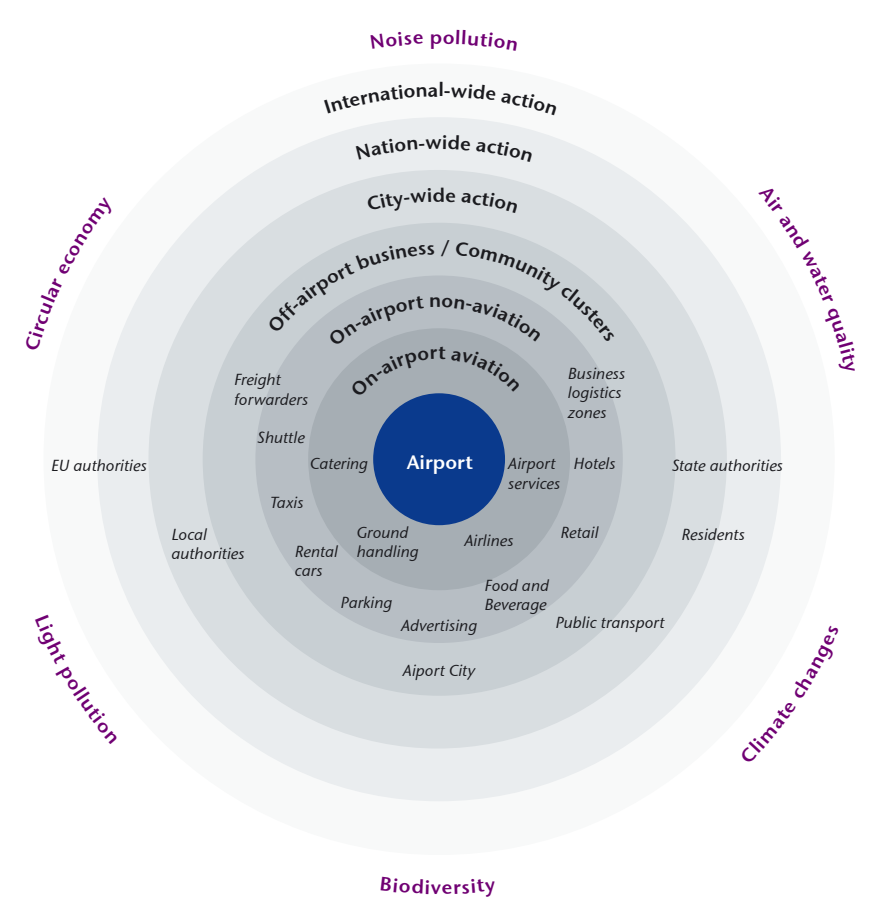
However, we are also aware of the fact that our main business activity causes some negative impacts on the environment, as well. It is crucial to timely recognise such negative impacts, and to manage them fully and reduce them constantly.

Future and sustainable development of aviation in Europe

The EU aviation sector brings significant economic and social benefits, since it comprises 4.7 million jobs in air traffic, at airports and in manufacturing industry, thus altogether contributing 510 billions euros to the European GDP. It is a fundamental part of European traffic network for ensuring connectivity. At the same time, however, it has some unfavourable effects as it contributes to climate change, it pollutes the environment with noise and it affects air quality in the local environment, which has further consequences on health and the quality of life of citizens. In the last 20 years the number of passenger kilometres in air traffic in the EU jumped by around 74%. However, the levels of environmental footprint reduction have not followed this upward trend of air traffic due to technological and other improvements in the industry. European Aviation Environment Report 2016 highlights an increase in environmental impacts, particularly growth in emissions and noise. The level of CO₂ emissions during 1990 and 2014 increased by approximately 80%.

During 2014 and 2035 this level is forecast to increase by another 45%. The level of NO_x emissions during 1990 and 2014 doubled, and during 2014 and 2035 this level is forecast to increase by another 43%. The level of aviation noise has in general declined by approximately 4 dB per decade. Recently, this advancement has slowed down to approximately 2 dB per decade. These are just a couple of data indicating how environmental issues of the aviation sector will increase in the future, so the aviation growth will also in the future be inseparable linked with environmental sustainability. More serious changes will require a comprehensive and effective package of measures (development of alternative fuels, more efficient aircraft, green airports) to help the aviation sector to respond effectively to sustainable challenges in the future. One of such measure is the so-called Airport Carbon Accreditation Programme which strives for carbon neutrality of airports. Fraport Group airports are also part of this programme.

Figure 2: Sustainable impacts and challenges of the airport



Strategic pillars in the period 2017–2025

To accomplish the company’s mission and vision we set four strategic pillars:

- 1. Aviation (aviation services and ground handling).
- 2. Commercial services.
- 3. Cargo.
- 4. Aviation Academy.

Aviation business is the basic activity of the company on which depend the majority of others. By increasing passengers’ experience commercial activities represent also an important marketing tool that increases competitiveness of an airport. In the field of cargo services we will focus on provision and marketing of adequate infrastructure. Fraport Slovenija operates its Aviation Academy. The aim of the Academy is to fulfil training requirements within the Fraport Group, as well as for third parties. Knowledge and development of human resources are key factors to ensure efficient performance and implementation of our objectives. These four pillars will be the main revenue streams for the company.



Development of the strategic pillars will enable:

- 1. Increasing traffic of passengers, aircraft movements and cargo.
- 2. Increasing revenues, particularly from commercial services.
- 3. Ensuring the essential investment in infrastructure and equipment to allow for further development of passenger and cargo traffic.
- 4. Providing development opportunities for logistic players and reliable handling to become the preferred air-cargo hub in the western Balkan region.
- 5. Developing investment opportunities in Airport City and attracting different businesses.
- 6. Developing company as a well-known provider for training in the field of aviation.

The passenger terminal is a development priority for the airport.



Figure 3: Conceptual design of new passenger terminal (bird’s-eye view)



Strategic objectives by 2025 Update of the Master Plan for the airport development

We expect to reach 2,2 million passengers in 2025 and roughly 40,000 air traffic movements. In cargo traffic expected quantity to be handled in 2025 is 49,000 tons. The traffic forecast comprises the total for all types of traffic, as given specific nature of Ljubljana Airport (the main airport in the country and by size a regional airport). The company does not rely solely on development of a single aviation segment, but it develops together with cargo traffic and general and business aviation all segments:

- legacy carriers (domestic and foreign);
- charter traffic (including long-haul flights);
- low-cost carriers.

Master Plan is a strategic development document for the period 2010–2040 and is not merely a development concept, but is a milestone in the development of the airport as a sustainable, high-quality and safe traffic infrastructure.

The Master Plan for the development of the airport is a strategic development document which enables the coordination of a multi-phase spatial plan for the airport and the impacted areas outside its borders. The Master Plan is not merely a development concept, but is a milestone in the development of the airport as a sustainable, high-quality and safe traffic infrastructure. It ensures that the airport is ready to meet future demands in traffic growth by reserving the necessary space, while taking account of the company’s financial capacities and changing environmental impacts.

The Master Plan for the period 2010-2040 was drawn up in 2010 on the basis of the results of the high rate of traffic growth in the preceding years. The global economic crisis which followed and the process of the sale of the airport subsequently had a significant effect on transport indices and the dynamics of the investment projects. As a result of this, we started in 2017 the update of the Master Plan. The update applies to those sections of the Master Plan that have undergone significant changes: air traffic forecast, development of the airport infrastructure, and phases and cost estimates.

Key infrastructure

The key infrastructure which has to be developed in the upcoming period includes:

- passenger terminal;
- cargo terminal;
- aprons;
- internal road system, utilities and energy infrastructure.

The passenger terminal is a development priority for the airport, since it has been established that the existing terminal creates a bottleneck particularly during the summer season and during peak periods. The terminal expansion will be completed in 2020, which will increase its capacity from the existing 500 to 1,250 passengers per hour in departure. The existing areas of passenger terminal will be connected to the new part of the terminal into one whole. A further terminal expansion is envisaged after the year 2030, according to air traffic forecast. The cargo terminal is another bottleneck, which cannot be expanded in its existing location. The existing cargo terminal with a total area of 3,543 m², has a calculated annual capacity of 17,715 tons and a daily capacity of 49 tons. Due to unexpected 20% growth, the annual capacity has been reached already in 2017.

The biggest difficulties are caused by the daily cargo volumes on peak days, when the daily capacities can be exceeded by more than three times. Expansion of the cargo terminal is not possible on the existing site due to its spatial restrictions, therefore space in the eastern part of the airport has been allocated for its development, where Phase 1 includes the construction of a 6,000 m² warehouse and a separate ground handling apron for cargo aircraft by 2022, as well as access roads and a handling platform on the landside. The new location will include space for the construction of a logistics building for one or more foreign cargo operators. Warehouse capacities are planned to be expanded in Phase 2, provisionally by 2028. The aprons will also be expanded in phases, depending on traffic demand. The expansion of the passenger apron is planned in three phases: 2025/26, 2033, 2040. The aircraft maintenance aprons will be expanded to the existing general aviation apron, therefore a new general aviation apron will have to be built to the west of the passenger apron. A cargo-handling apron will be built and expanded in parallel with the cargo terminal.

Upon the relocation of the G2-104 Kranj–Spodnji Brnik main road past the airport, three roundabouts were built which provide access to the airport complex. The western roundabout provides access to the passenger terminals and car parks. The middle roundabout will provide access to the service and maintenance area of the airport and the commercial buildings in Airport City. The eastern roundabout provides access to the logistical facilities, the cargo terminal and the military airbase. A fourth point of access to the airport complex is planned from a roundabout on the Vodice–Sp Brnik road, which will connect to the logistics part of the airport. With the construction of the planned Airport City, the company wishes to transform the central Slovenian airport into a traffic terminal which will become a logistical, business and economic zone in the true meaning of the word - a junction of road, rail and air routes. The airport will become a city where various logistic functions of transshipping goods to different transportation modes will be performed. It will be intended for storing goods and for some other logistic needs of cargo handling.

With the construction of the planned Airport City, the company wishes to transform the central Slovenian airport into a traffic terminal which will become a logistical, business and economic zone in the true meaning of the word - a junction of road, rail and air routes.

Figure 4: Conceptual design of new passenger terminal (north-west view)



Other infrastructure

No major projects are foreseen on the airside except for the construction of a new connector TWY J and the construction of shoulders on the taxiways. New aircraft ground handling and winter maintenance facilities are also planned. On the landside we are planning to build a practice area and buildings for the Aviation Academy, to move the general aviation terminal, build commercial premises, expand the parking garage, and expand the facilities of the fire and rescue and maintenance departments. Third-party investors will be able to build aircraft maintenance hangars, erect a new control tower, build logistics facilities and aircraft fuelling facilities, and commercial buildings in Airport City.

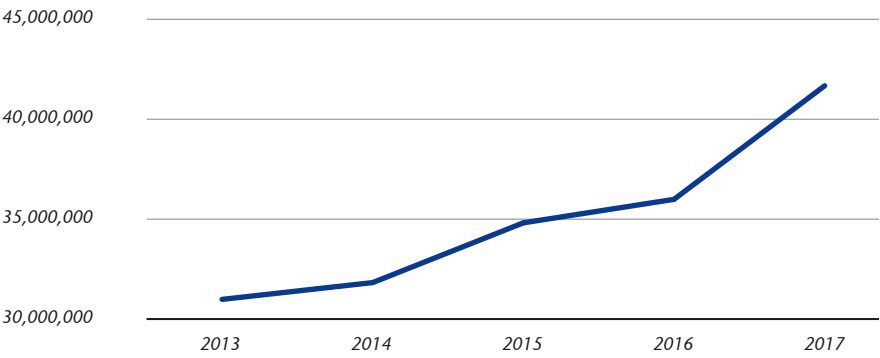
The two largest renovation projects are the renovation of the existing passenger terminal from 2032–2035 and the reconstruction of the runway from 2028–2031.



Business activity

Fraport Slovenija is an economically stable company with its operating revenues and net profit rising from year to year. In 2017 the company gained almost 42 million euros operating revenues, which is 34% more compared to the year 2013. The company made 9.6 million euros of net profit in 2017, which is 85.7% more compared to the year 2013. Operating expenses are perpetually optimised and we regularly invest in fixed assets. Due to a small market of Ljubljana Airport, individual market segments, and diversity of travel needs of our passenger, the marketing policy of the company focuses on all passenger segments.

Graph 1: Business revenues increase in the period 2013–2017 (in EUR)



The company made 9.6 million euros of net profit in 2017, which is 85.7% more compared to the year 2013.

Table 1: Economic indicators

Category	2013	2014	2015	2016	2017
Balance sheet total	131,027,281	106,075,424	112,614,155	116,809,665	109,706,000
Investments in fixed assets	87,711,763	91,267,011	89,305,107	86,254,776	85,555,704
Equity	124,785,005	92,781,304	100,110,897	102,385,495	93,545,931
Operating revenues	31,265,191	32,048,626	34,899,065	36,068,568	41,889,645
Net sales revenues	30,986,744	31,827,518	34,816,006	35,990,655	41,673,031
EBITDA	10,651,352	11,183,843	13,100,556	14,053,218	16,042,145
EBIT	6,132,027	6,695,484	9,142,293	9,978,103	11,686,200
Net profit	5,194,384	3,593,911	8,441,597	9,047,712	9,646,547
EBITDA/average fixed assets	0.140	0.139	0.159	0.174	0.198
EBITDA/operating revenues	0.341	0.349	0.375	0.390	0.383
Operating expenses/revenues	80.4%	79.1%	73.8%	72.3%	72.1%

The marketing policy of the company focuses on all passenger segments.



Traffic

In 2017 there were a record-breaking number of passengers at Ljubljana Airport. Having 1,688,558 passengers in a year, we exceeded the record number of passengers from 2008 (1,673,382 passengers). This was an almost 20% growth in passenger traffic compared to 2016 (1,411,476 passengers). Such traffic growth is mainly the consequence of strengthening the network of flight connections in the last two years, and consequently of more competitive offers. Passengers are frequently choosing our airport when travelling short direct distances, and in cases of more remote destinations which are available via major European hubs. The traffic growth is also the consequence of an increased number of domestic and foreign carriers, a current favourable economic climate and growing recognition of Slovenia as a tourist destination. In 2017 it was possible to fly from Ljubljana Airport to 26 scheduled and 26 tourist destinations. In April we also introduced a new low-cost carrier Transavia flying from Ljubljana to Amsterdam, and in October the new destination Kyiv was launched by carrier Adria Airways.

Table 2: Traffic figures in the period 2013–2017

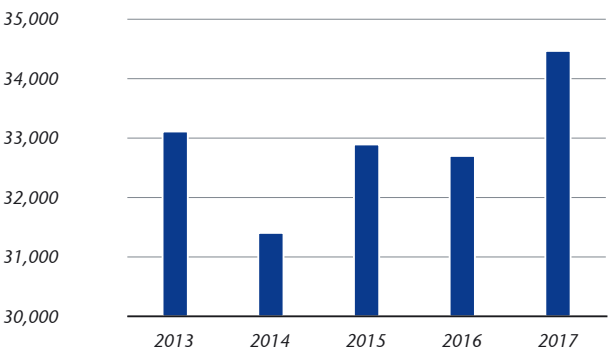
Airport traffic	2013	2014	2015	2016	2017
Passengers	1,321,153	1,338,619	1,464,579	1,411,476	1,688,558
Public traffic	1,267,479	1,307,379	1,438,304	1,404,831	1,683,071
Aircraft movements	33,112	31,405	32,894	32,701	34,444
Public traffic	23,162	22,361	23,212	23,181	26,045
Cargo (in tons)	17,777	18,983	18,852	19,802	24,314
Aircraft	9,255	9,833	10,143	10,379	12,327

Table 3: Number of passengers in the period 2013–2017

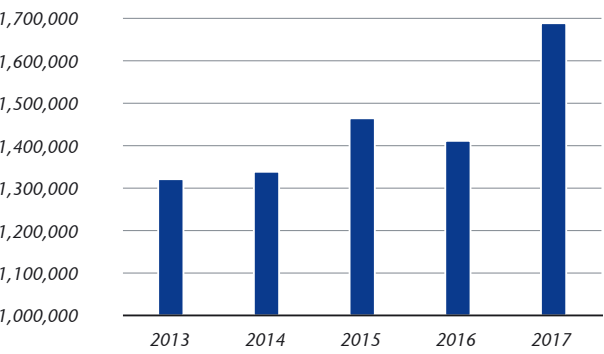
Passengers	2013	2014	2015	2016	2017
Public traffic	1,267,479	1,307,379	1,438,304	1,404,831	1,683,071
Scheduled airlines	1,102,388	1,156,146	1,297,124	1,306,280	1,557,412
Low-costers	159,234	157,152	171,076	204,316	305,632
Charter airlines	165,091	151,233	141,180	98,551	125,659
General Aviation	3,280	3,200	3,639	3,811	4,506
Others*	50,341	28,040	22,636	2,834	981
Total	1,321,100	1,338,619	1,464,579	1,411,476	1,688,558

* Passengers on training, positional or technical flight

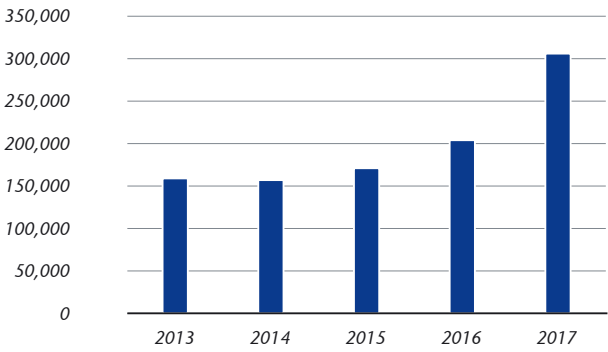
Graph 2: Number of aircraft movements in the period 2013–2017



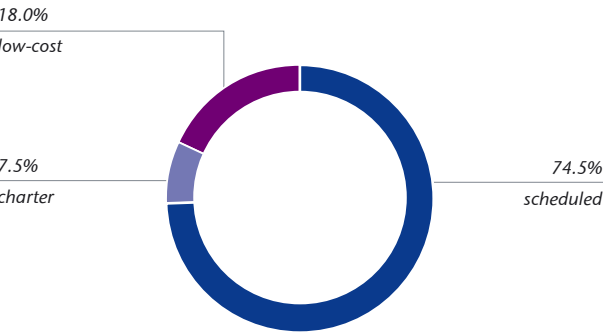
Graph 3: Number of passengers in the period 2013–2017



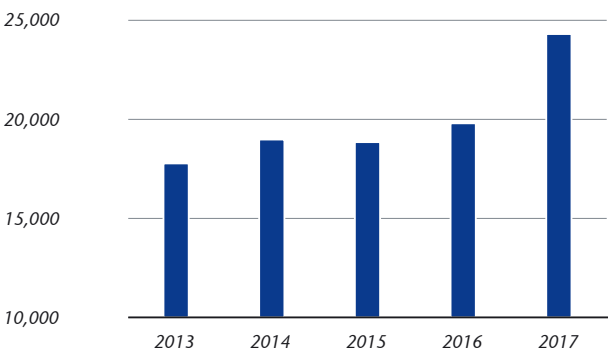
Graph 4: Number of passengers travelling with low-cost airlines in the period 2013–2017



Graph 5: Types of airlines in year 2017



Graph 6: Cargo in the period 2013–2017 (in tons)



1,683,071 passengers in public traffic were handled at the airport in 2017, which is almost 20% more than the year before. Air cargo volume increased by 19% amounting to 24,327 tons, while the total cargo weighed 24,309 tons, which was 23% up from the year before.



Figure 5: Network flight connections



In the total share, 74.5% of regular airlines, 7.5% charters and 18% of low-costers are recorded. In the period 2013-2017 number of passengers travelling with low-cost airlines increase by 92%.



Record number of passengers in 2017

1,688,558 passengers used our airport services in 2017, which has been the record number of passengers since the airport opening in 1963. And we also had record growth in the number of passengers. It was the biggest among all the airports in the region, including Venice and Zagreb. Namely, the growth in passengers added up to 19.6% at Ljubljana Airport. The domestic carrier provided flight services for 15.5% more passengers than in 2016, and the growth in air travel of foreign carriers added up to 26.5%. The highest number of passengers travelled on three routes to London (Stansted, Luton, Gatwick), following Istanbul, Frankfurt and Zürich. And we introduced the new carrier Transavia which provided three flights per week on the route Ljubljana-Amsterdam, and new flight connection Ljubljana-Kyiv, launched by carrier Adria Airways. Our new tariff system upgraded our price offer of airport services, and also passenger and cargo handling. An essential contribution to our marketing of airport services is creation of a new special incentive scheme which helps to mitigate business risks of air carriers especially when establishing new routes, dealing with a growing number of flights for existing routes, extending their flight timetables into the winter season, etc. I need to highlight our cooperation and key contribution to the formation of Sustainable growth strategy of the Slovenian tourism 2017–2021. We have, namely, made a suggestion for a systematic regulation of the method and the allocation of necessary funds intended for promoting Slovenia as aviation destination in selected foreign markets for Slovenian receptive tourism.



Janez Krašnja, Head of Airline Management

Integrated governance system

The company’s top management and all employees are committed to the management systems, so we operate in compliance with ISO 9001 and ISO 14001 standards. In 2017 we started to prepare all necessary documentation for the certification of the occupational safety system in line with ISO 45001 standard and assembled all three systems into an integrated management system. Our good work is reflected through a successfully completed external audits of our partners and inspectors. In 2017, we successfully completed 14 external audits performed by air carriers, 102 inspections and 2 external audits of the quality and the environmental management system in compliance with ISO standards. Where necessary, we prepared corrective and preventive measures in order 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 also regularly checked through internal controls to achieve business compliance and to seek for new improvement opportunities. Internal auditors dedicated 174 hours to scheduled internal controls.

Compliance management system

Compliance Management System (CMS) Guidelines of Fraport Slovenija are based on the system of Fraport Group guideline on the compliance management system. CMS is defined as a systematic procedure aimed at ensuring that conduct throughout the company is consistent with laws and regulations. The CMS encompasses the prevention and detection of non-compliance as well as the reaction to identified incidents and risks. It helps to protect the company, its employees and organs from financial damages, liability claims and reputation damages. Early preventive measures are implemented in order to reduce the identified compliance risks. In particular, this includes clear and appropriate internal regulations, specific communication measures, exemplary behavior on the part of managers, and fostering our culture of ethical values.

The compliance management system is defined as a systematic procedure aimed at ensuring that conduct throughout the company is consistent with laws and regulations.

Airport certification

Airport certification has been one of our most relevant projects in recent years. In March 2014 the Commission Regulation (EU) No 139/2014 on laying down requirements and administrative procedures related to aerodromes pursuant to Regulation (EC) No 216/2008 of the European Parliament and of the Council came into effect. The deadline for obtaining the certificate was 31 December 2017. Fraport Slovenija project team of experts had been managing the project for over three years. Some other work colleagues in the areas of administration and operation also participated in the project, if necessary. The certificate includes physical characteristics of the airport infrastructure, operation and maintenance of the airport, and equipment. We had to prove that all physical characteristics of the airport infrastructure were in line with the regulations and standards, and that the airport did not have any features or characteristics that would negatively impact its operation, maintenance and equipment. Prior to obtaining the certificate, our airport, as one of three exemplary airports in the EU, was examined by an inspection team of European Aviation Safety Agency (EASA). The inspection concluded its assessment that the airport and the airport services were fully in line with the EU regulations. Civil Aviation Agency of the Republic of Slovenia, the national competent authority for certification and supervision of aerodromes, granted by decision the airport with the Aerodrome Certificate and the Aerodrome Operator Certificate on 18 December 2017. Since the work in aviation is a life process, we will need to continuously maintain the obtained certificates and to adjust the airport infrastructure and the organisation of airport departments to new stricter future regulations.



Stanislav Bobnar, Advisor to the Management

We are implementing appropriate instruments for the detection of misconduct. Examples include basic elements of the Internal Control System such as functional separation and the principle of dual control for key processes. The appropriate reaction of the management to cases of misconduct is necessary in order to rectify the misconduct, protect the company’s interests, and safeguard the credibility of the CMS. We improve long-term CMS with the prevention-detection-reaction cycle. The effectiveness CMS is annually checked through management review.



Risk management

The company is 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. 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 the risks associated with the reduction of air traffic hazards caused by birds, safety events 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 internal controls are harmonisation with the applicable legislation and regulations, achieving strategic objectives and implementing the company’s strategy.

Protection of information

The company is aware of the importance of information and secure information system, so the company adopted in 2016 a Master Security Policy of information management and information system owned by the company. The aim of protecting information is to prevent or reduce the 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 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 partnersbeing or coming in contact with information owned by the company or declared by the company as being significant for its operations, are committed to information security.

Professional secrecy, data protection and privacy

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

All employees of the company, their contract workers, students, other external partners with their employees or partnersbeing coming in contact with information, are committed to information security.

Safety and protection

High-quality safety and security system is a prerequisite for long-term successful operations of the airport. Safety and protection of passengers and aircraft movements are of key importance for the company. Various facilities, infrastructure and operative procedures at the airport comply with various international safety regulations and standards/ recommendations (ICAO, ECAC, European Commission and national applicable regulations in the field of civil aviation). Internal and external auditing and inspections in connection with airport safety and protection are implemented by responsible competent organisations or professional services. In compliance with the Regulation No. 216/2008 of the European Parliament and the European council, the Commission Regulation No. 139/2014 and with company's safety policy Fraport Slovenija adopted in 2016 Safety Management System (SMS) which includes safety reporting system for all the staff and operating organisations providing services at the airport.

SMS is documented in a company's manual which is regularly improved with internal and external controls.

As additional SMS support, the company:

- determines safety indicators and objectives in order to constantly raise the level of safety in the company;
- performs processes including the reporting system;
- monitors and meets all legal requirements;
- ensures that all employees are provided with adequate information and trainings to enable them to work safely;
- ensures that employees are qualified enough, and have financial and other type of support to perform the company's safety policy and SMS;
- defines safety responsibilities for all the company's staff;
- establishes, maintains and promotes positive safety culture through a free exchange of information on safety.

The purposes of SMS are continuous identification of hazards and risk management. The aim is to keep minimum risk for any harm to humans and their property. Furthermore, SMS seeks to reduce potential damage to an acceptable level or even below that level. For this reason,the company:

- performs the safety reporting system for all the staff and the organisations providing services at the airport;
- requires from all the staff and organisations at the airport to use the safety reporting system as mandatory reporting in cases of accidents, serious incidents and events;
- ensures that the safety reporting system can be used as voluntary reporting on any failure, defect or hazard which could affect safety.

There is a safety group (Airport Safety Action Group) at Ljubljana Airport, which defines and provides implementation of commonly agreed safety measures.

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Table 4: Safety objectives

Organisational safety objective	Measurable unit	Monitoring of measurable unit	Unit's safety objectives
1. Bird strikes (for common buzzard) – 5% reduction of index (normalized for 10,000 operations) in year 2017 and 2018 compared to 2015 and 2016.	Calculated index – number of bird strikes (common buzzard) for 10,000 operations	Galiot - modul Wildlife Birds Management >> Reports -> Birds Strike >> All Bird Strikes by Month of Year	Maintenance, Airport Coordination and Supervision
2. Damage to aircraft above 5,7t – major (incapable of flying) – 10% reduction of index (normalized for 10,000 operations) in year 2017 and 2018 compared to 2015 and 2016	Calculated index – Number of occurrences with damage to aircraft above 5,7t for 10,000 operations	Galiot - modul SMS Safety (SMS) >> Safety Assurance >> Performance Measurement & Monitoring >> SMS Performance – Custom Performance Indicators >> SPI – Impact of Event	Airport Coordination and Supervision, Airline Management, Ramp Handling
3. DRG safety occurrences / incidents – 10% reduction of index (normalized for 10,000 operations) in year 2017 and 2018 compared to 2015 and 2016	Calculated index – Number of DGR occurrences / incidents for 10,000 operations	Galiot - modul SMS Safety (SMS) >> Safety Assurance >> Performance Measurement & Monitoring >> SMS Performance – Custom Performance Indicators >> SPI – Impact of Event	Cargo Handling, Safety & Security, Passanger Handling, Airline Management, Ramp Handling

Promotion of safety

Promotion of safety and upgrade of safety culture remain our priorities. At the end of 2017 we carried out a safety campaign for 2018. Each month we are going to expose one of the twelve factors affecting safe work of an individual. In 2017 three specific safety trainings were performed with regard to work assignments and raising awareness by introducing 23 basic safety rules.

In 2017 three specific safety trainings were performed with regard to work assignments and raising awareness by introducing 23 basic safety rules.

Among the most important safety events was a slide of a plane from the take-off and landing runway, where our services responded exemplary and removed the plane without any major complications. We note an increasing number of attempts to transport hazardous substances in postal consignments, which we detect and stop their transport in time and send them back to their senders.

In the field of control over wildlife animals we have invested a lot of effort in the last several years and introduced numerous preventive measures, which is reflected in a reduced number of birds strikes with aircrafts. There are many challenges we have to encounter in the field of safety issues, which we tackle successfully, also by using systemic approach in management of the safety system. Order in the field of safety was at the end of 2017 also confirmed by Civil Aviation Agency of the Republic Slovenia, which, in accordance with the European legislation, granted us an Aerodrome Certificate and an Aerodrome Operator Certificate.

Culture of justice

A high level of safety is central to quality performance of our services. With the purpose of continuous improvement of safety standards the company encourages all employees to preventively warn and report on any potential or actual threats, incidents, accidents, safety deficiencies or any other safety-related issues or circumstances. Safety reporting is based on the so-called 'culture of justice' in compliance with the Regulation (EU) 376/2014 on the reporting, analysis and follow-up occurrences in civil aviation and the Non-punitive Reporting Policy Statement of Fraport Slovenija.

Safety reports submitted by employees are a valuable source of information used to improve safety. Safe air traffic requires thorough and independent reporting on all safety events which affect or could affect air safety. Reporting to employees is provided via several different channels of electronic safety reporting. We have also established a safety reporting system via Safety Box mail boxes. Within safety reporting we ensure confidentiality of the person who reports and the persons being mentioned in safety reports. Safety reporting can also be done anonymously. With all available options we are striving to establish a trusted environment in which employees will be able to report on any safety event freely and without fear of possible consequences. However, it should be clear to all employees where the line between acceptable and unacceptable safety behaviour is. Unacceptable safety behaviour includes a deliberate violation, a serious non-compliance with the risk factor, a serious lack of professional accountability, work under the influence of alcohol or any other psychosomatic substances. In such cases, contrary to the principle of non-punitive policy, also punitive measures can be taken against the violator.

Safety management system

Air traffic is growing every year. So, the airport community has developed the safety management system in order to systematically approach to managing air traffic safety. An integral part of the complex aviation system is also our airport where all employees do their best to enable our passengers to safely reach their destinations. Aviation safety is a concept that everyone interprets differently. There is the prevailing attitude of passengers to aviation safety as being a state when there are no accidents. However, it is a fact that 100% safety is an unrealisable goal. Therefore, the safety management system at the airport focuses mainly on an proactive approach. Unlike the reactive approach, where causes of accidents are sought subsequently, our proactive approach means active search for possible hazards and risks, and we manage risks before it comes to such accidents. Successful risk management can provide an acceptable level of safety. The safety management system in the company Fraport Slovenija is quite new, so it will need some time to become mature. At the same time, it is important to keep mutual trust, teamwork and cooperation of the management as well as of other employees.



Peter Jakša, Airport Safety Expert

Airport security

Airport security is intended to secure the airport, its passengers and the airport staff against any eventual acts of unlawful interference. The security includes the control of all accesses (guard rails), control of the aircraft, the passengers, the staff, vehicles, hand luggage and already check-in luggage, materials and cargo. The airport operator Fraport Slovenija takes responsibility for civil aviation security at the airport. Preventive and additional security measures at the airport are often defined by national threats. Security assessments prepared by the national civil services directly affect the scope and intensity of security measures of the airport. General and permanent security procedures at the airport are performed by external security services providers. Fraport Slovenija has control over the implementation of security services and owns the major part of the security equipment (i.e. x-rays, metal and explosives detectors, liquid explosives detectors). The airport is equipped with a video surveillance system and an access control system.

The technical security system of the airport is state-of-the-art technology and controlled from the security operation centre, which is operated by Fraport Slovenija. At present, over 230 cameras are installed in all access points and car parks of the airport. X-ray control of hand luggage is performed at several levels and in compliance with the international standards. We have achieved a high level of security standards with the introduction of a 5-level system for security control of hand luggage and the use of EDS x-ray devices which meet ECAC standard 2. In line with good practice those 5 levels include:

- level 1: automated EDS system for detecting explosives;
- level 2: interpretation of x-ray images by an operator;
- level 3: review of x-ray images by a supervisor;
- level 4: matching individual pieces of hand luggage with adequate passengers and manual luggage check;
- level 5: the procedure is taken over by bomb blast protection units.

In accordance with the European Commission regulations all goods delivered to the airport are subject to a comprehensive security control upon their entry to the secured area. Screening of passengers, the staff and hand luggage is performed with the use of metal and explosives detectors, and liquid explosives detectors, and interconnected x-ray devices.

Security assessments prepared by the national civil services directly affect the scope and intensity of security measures of the airport.



New corporate image of the company

Renaming the company and changing its corporate image in line with Fraport Group guidelines represented the last major step within the integration process of the group that lasted more than two years. This integration means a full membership in the global group of 26 airports located in three continents. The unified strategy of the global brand determines and reflects relationships among associated companies within the group, and it strengthens the brand awareness, its power and visibility in an international environment. In addition to renaming the company, we have also introduced a new brand Ljubljana Airport which will address our passengers and strengthen the airport’s visibility and good reputation. By using the new company name and a new corporate image we will continue paving our envisaged route; with rich tradition marked by development, progress and continual improvement of services and air traffic safety.



Jure Murko, Communication Expert

Sustainable Communication

We cherish a planned and systematic in-house and external communication. When communicating with public, we pursue the principles of proactive, honest, transparent and non-discriminatory communication style and timely response.

Our communication supports our business objectives, and is adjusted to each stakeholder group individually. We pursue the following objectives:

- enhancing reputation and credibility of the company;
- raising awareness of the company’s identity and benefits;
- building trust in the company;
- establishing a direct relationship with our service users, based on a dialogue;
- highlighting advantages, positioning of the company as an advanced, well-regulated, development-oriented organisation which intensively monitors trends in the field of aviation, and which cares for the needs and wishes of all users by providing them a comprehensive care.

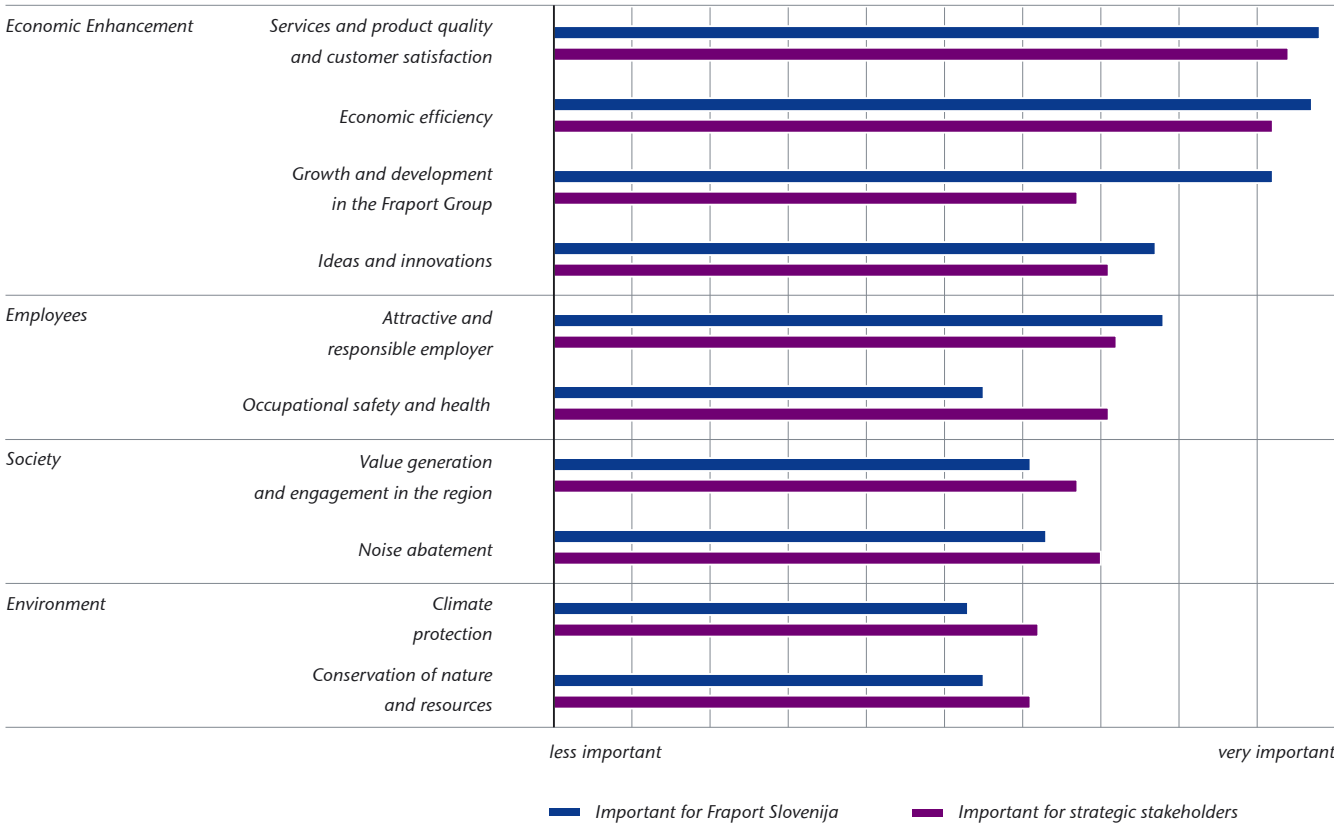
The matrix of materiality

The matrix of materiality is a tool with which the company identifies and manages risks and opportunities in its relation to the strategic public. The key materiality fields in our communication have been determined by GRI guidelines and an interactive dialogue with groups of our key stakeholders. The matrix of materiality reflects a deeper understanding of the company, in terms of sustainable development, which is not limited only to environmental issues but it also addresses economic and wider social aspects. Quality of services and products, and satisfaction of passengers and business partners are at the heart of all our business processes.

We wish to create added value with all what we do with fully respect for applicable legislation.

Jointly with our strategic stakeholders we constantly ensure increasingly effective protection against noise. We emphasise the importance of personal development and satisfaction of our employees, since highly qualified and highly motivated employees are our key competitive edge. In 2017 the matrix of materiality was harmonised with sustainability guidelines of the owner Fraport AG.

Graph 7: Matrix of materiality



Creating sustainable relations with strategic stakeholders

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



7%

more employees at the end of 2017 compared to 2016

Sustainable Employees Relations

The business activity and the strategic objectives of Fraport Slovenija require employees with excellent specialised knowledge, experience, affiliation and competences to cooperate and use innovative thinking. Without such work colleagues Fraport Slovenija could not have grown for more than a half of the century, in qualitative and quantitative perspective. In our strategic documentation we continuously push the boundaries and set higher objectives. Thus, the establishment of Fraport Aviation Academy at Ljubljana Airport, which is operated by Fraport Slovenija, was not a surprise.

At the end of 2017 there were 428 employees in the company (which is just over 7% more compared to the same period a year before), 415 employees for an indefinite period of time and 13 for a definite period of time. As typical for this industry, the prevailing employees in our company are men - just over 73%. With a strategic recruitment process and human resources management we provide such an age structure of our employees that can enable an intergenerational exchange of knowledge and experience. There are more than 11% of employees in the age group up to 30 years of age, almost 35% of employees fall into the age group 31–40, and 36% of employees fall into the age group 41–50. There are 15% of employees in the age group 51–60, and only 2% of employees are older than 60.

Employees according to the level of education

10% of employees have primary education (completed elementary school), almost 17% of employees are qualified workers, 39% of employees have secondary education. Just under 34% of employees have tertiary level of education: 8% of employees have short-cycle higher education level, almost 10% of employees have completed professional college, 14% of employees completed a university study, six employees have completed a master’s degree (1.4% of employees).

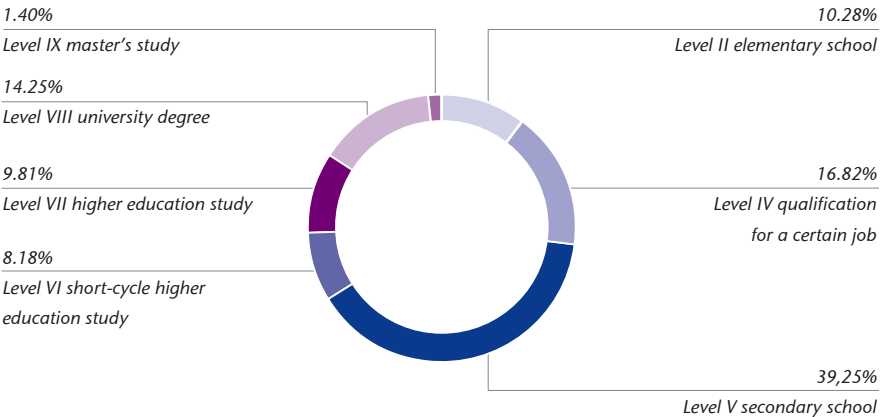
Table 5: Employees according to age and gender dated on 31 December 2017

Age group	Number	%	Male	Female
21–30	49	11.45	37	12
31–40	149	34.81	112	37
41–50	155	36.21	107	48
51–60	66	15.42	53	13
Older than 60	9	2.10	6	3
Total	428	100.00	315	113

Table 6: Employees according to level of education dated on 31 December 2017

Level of education according to SOK (Slovenian qualification framework)	Number	%
Level II according to SOK (completed elementary school)	44	10.28
Level III according to SOK (incomplete secondary school)	0	0.00
Level IV according to SOK (qualification for a certain job)	72	16.82
Level V according to SOK (completed a secondary school)	168	39.25
Level VI according to SOK (completed a short-cycle higher education study)	35	8.18
Level VII according to SOK (completed a higher education study)	42	9.81
Level VIII according to SOK (completed a university degree)	61	14.25
Level IX according to SOK (completed a master’s study)	6	1.40
Level X according to SOK (completed a doctoral study)	0	0.00
Total	428	100.00

Graph 8: Employees education level in 2017



Partnership relations with the employees

All employees are provided with a possibility of direct influence on their working conditions, and the rights and obligations of the employer and of employees, since the collective agreement and general acts of the company are adopted by coordination between the management, trade unions and the works council of the company. The collective agreement applies to all employees in the company, apart from the managing director and the procurators. All employees are included in collective Voluntary Supplementary Pension Insurance.

Employee loyalty and fluctuation

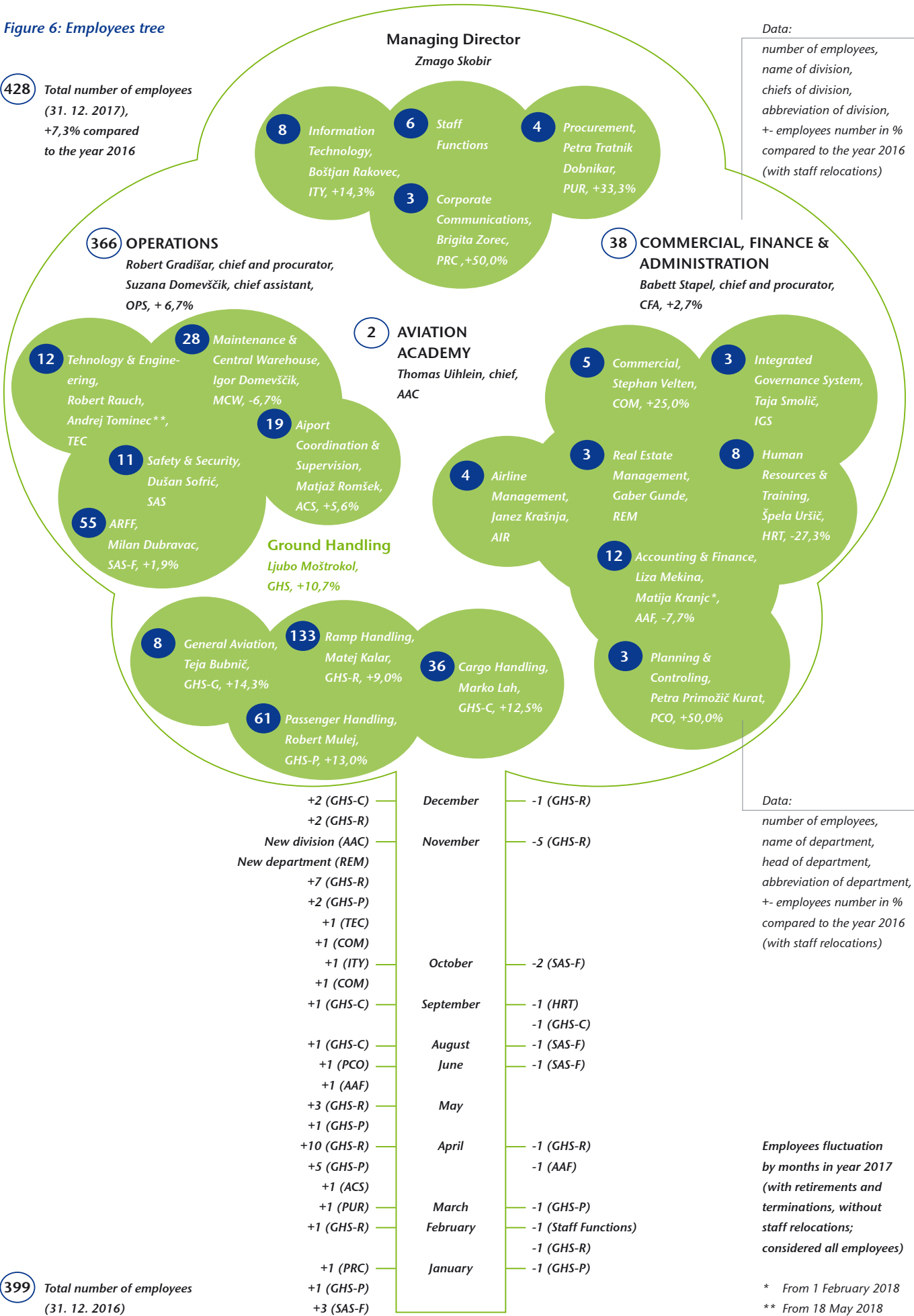
We build employee loyalty on the basis of continuous, honest and comprehensive information and with an open dialogue thus contributing to a more relaxed organisational climate. Satisfaction with working conditions and with interpersonal relations actively contributes to commitment and motivation of all employees. Consequently, our job fluctuation is quite low. In 2017 only five employees of the company terminated their employment contract for an indefinite period of time.

Table 7: Employees fluctuation in 2017

Age Group	Number of terminations (voluntary)*
Up to 30	1
31–40	4
41–50	0
51–60	0
Older than 60	0

* Excluding retirement, death and terminations under Article 108 of the Labour Relations Act, considered are only employees for an indefinite period of time.

Figure 6: Employees tree



We are educating our employees

Knowledge and staff development are of great importance in our company. Considering current and future needs for fresh knowledge, the company prepares annual education plans consisting of internal and external education programmes and trainings within educational institutions in Slovenia and abroad. The company performs a business activity that requires a lot of specific knowledge and skills. Most of specific knowledge and skills require licences that are obtained from Civil Aviation Agency of the Republic of Slovenia. Regular trainings are the basis for obtaining and renewing the licences. All evidence in terms of trainings and education programmes are available in personal files in human resources and training department. All procedures of specific knowledge or skills (operative and ground handling) are documented and regularly updated and also aligned with requirements of regulations and air carriers.

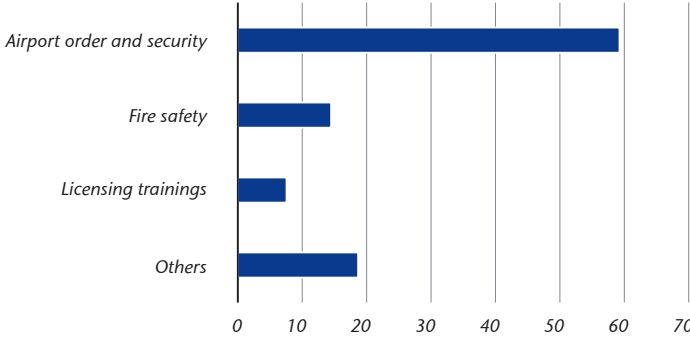
It is assured in the company that all specific knowledge and skills are widespread among employees, so there is always enough staff available possessing such knowledge in order to perform fundamental company's processes. Within the human resources and training department of the company there were 12,023 hours of trainings performed for regular employees and attended by 2,994 employees. On average, each employee participated in 28.9 teaching hours annually, which represents 1.2 hours more than the year before. Most of the trainings were performed regarding renewals of licences for professional airport staff, airport order and security, and for induction trainings of recruits. Other trainings were performed in cooperation with external providers, mostly regarding computer trainings, andragogical training of lecturers and instructors, learning foreign languages and communicational skills with customers.

Beside in-house trainings also 3,553 teaching hours were performed for 621 external candidates in 2017. On a yearly basis, each candidate performed 5.7 teaching hours of training. Most of the trainings were aimed at revising knowledge in the fields of order and security at the airport, fire safety and licensing. In 2017, the employees attended 97 out-of-house trainings in total. The prevailing trainings among them were vocational trainings dedicated to knowledge upgrade of professional qualifications of employees required for their job, and trainings for mentors. 151 participants attended external trainings. They performed 4,635 teaching hours in total. There were 30.7 teaching hours performed per individual participant, and 11 teaching hours per employee.

Table 8: Training of external participants in 2017

Lectures	Number of participants	Number of teaching hours	%
Airport order and security	368	1,215	59.26
Fire safety	90	117	14.49
Licensing trainings	47	1,090	7.57
Others	116	1,131	18.68
Total	621	3,553	100.00

Graph 9: Types of trainings of external participants in 2017 (in %)



Within the human resources and training department of the company there were 12,023 hours of trainings performed for regular employees and attended by 2,994 employees. On average, each employee participated in 28.9 teaching hours annually, which represents 1.2 hours more than the year before.



Aviation Academy

In November 2016 Aviation Academy was established at Ljubljana Airport, the operation of which was entrusted to Fraport Slovenija. The main purpose to establish the academy was to meet educational needs of the airports from Fraport Group and from the wider market. Aviation Academy is currently offering 25 trainings in the fields of airport operation, aircraft ground handling, firefighting and rescuing, and crisis response. Several new trainings were developed in 2017. Their development was among others related to the acquisition of the new helicopter simulator.



Events

Intersec 2017

In January Aviation Academy took part in Intersec in Dubai, the world’s leading Trade Fair for Safety, Security and Fire Protection. A wide range of Aviation Academy courses about protection, rescue and emergency response were presented to over 33,000 experts from around the globe. A team of our work colleagues from Aviation Academy also promoted, in addition to our partners and services, our country Slovenia - a green destination with rich cultural and natural heritage.

Case Study Competition

The Conference on Organizational Sciences Development, run by the Faculty of Organizational Sciences, was held in March 2017. Aviation Academy, along with other partners, was invited to participate in this year’s exchange of knowledge, ideas and experiences. Besides the lectures, the Case Study Competition is a permanent feature of the conference. Nearly 30 students contributed their ideas for the development of Aviation Academy online learning platform.

Broken Wing Exercise 2017

An exercise called Broken Wing was executed at Ljubljana Airport in June where rescue procedures and investigation in cases of air accidents were demonstrated by airport fire fighters, military and civil investigators of air accidents, police and representatives of the Republic of Slovenia Administration for Civil Protection and Disaster Relief.

The exercise was organised in cooperation with Fraport Slovenija, a permanent commission for investigations of air accidents and incidents of military aircraft under the Ministry of Defence of the Republic of Slovenia, and the National Forensic Laboratory under the Ministry of Internal Affairs of the Republic of Slovenia. Procedures of extinguishing wreckage of aircraft, securing locations of accidents and evidence, identification of dangerous objects and their neutralisation, identification of victims and investigations of accidents were demonstrated there.

ARFF Summit 2017

Commanders of airport firefighters from across Europe encountered at the Ljubljana Airport in October, during ARFF Summit. A few more than twenty participants of the meeting had the opportunity to get acquainted with the operation of the Frankfurt and the Ljubljana Firefighting Service, the updates of legislation and NFPA standards, and also Aviation Academy training courses. An indispensable part of the event was the demonstration of fire extinguishing on a new helicopter simulator.

Plane Crash Exercise 2017

Administration of the Republic of Slovenia for Civil Protection and Disaster Relief and Fraport Slovenija organised an exercise called Aerodrom Ljubljana Plane Crash in November. The purpose of the exercise was to check the level of preparedness of protection, rescue and relief forces, and coordination of their operation in case of a plane crash. Over 200 representatives of various organisations took part in the exercise: fire fighters, rescuers, police, state services for psychological assistance, centre for social affairs, Red Cross units.

At the end of 2018 we are planning to perform firefighting trainings at Ljubljana Airport, when a new training centre will be completed. In the future we mainly wish to join knowledge from various aviation fields and to incorporate all the knowledge into a comprehensive educational concept. For this reason, we prepared a new study programme in the field of crisis management in 2017 in cooperation with the Faculty of Organisational Sciences in Kranj of the University of Maribor, and we also established partnerships with several significant stakeholders within the aviation industry.



Aviation Academy is currently offering 25 trainings in the fields of airport operation, aircraft ground handling, firefighting and rescuing, and crisis response.

Aviation Academy

Joining Aviation Academy is a new challenge in my professional career. The role of instructor enables me to use my acquired knowledge in practice, not only during my every work but also in the process of sharing it with others. Exchange of knowledge and experiences with firefighters from different countries is, in my opinion, a significant contribution to an increased level of air traffic safety. Personality, my work in an international environment gives my a lot of opportunity for my additional professional development.



Gorazd Zupančič, Instructor at Aviation Academy

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 business activity on the health of our employees. In order to achieve even higher quality of occupational safety and health, we started in 2017 with activities for certification of occupational safety system accordingly to ISO 45001 standard.

Strategic objectives of occupational safety system

- We set strategic objectives by 2025:
- maintenance of occupational safety system (ISO 45001);
 - reduction of the number and severity of injuries through regular trainings referring to safe work, through additional 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 (health aspect, etc.);
 - update and improvement of work equipment;
 - update and improvement of personal protective equipment;
 - improvement of cooperation with external providers of occupational safety by providing information and concluding written agreements and regular controls;
 - promotion of health at work (organising internal and external sports events, various workshops, trips and others).

All employees together made 792 kilometres of running and 1,400 kilometres of cycling in 2017.

Occupational injuries

In recent years the number of occupational injuries has on average stood at around ten injuries per year. However, in 2016 we recorded only three occupational injuries. Although those injuries have been merely minor injuries, such as injuries to legs, arms, fingers, backaches and similar injuries, we are continuously striving to improve the rate of such injuries. Occupational diseases have not been recorded yet.

Non-occupational injuries

Similar to injuries at work we also monitor injuries that happen outside of work. There are 20 to 30 such non-work related injuries per year in the company. The most common reasons for this are different types of fall (tumble, stumble, slip) and sports injuries. There were 21 non-work related injuries in total in 2017.

Absence from work

There were 5,589.25 days of absence from work in 2017. Approximately 62% of all absences were due to sick leave, and the second most frequent reason was maternity leave (almost 22%).

Maternity and paternity leave

There were eight female employees on maternity leave in 2017, and nine male employees decided to take their paternity leave directly at the time of the child birth (in duration of 768 hours). Ten employees took their paid leave (48 days in total) to care for their older children.

While seven employees decided to take 39 days of unpaid paternity leave for the same reason. One girl and eleven boys were born to our employees in 2017. The employees were rewarded with 150 euros for each newborn baby (1,800 euros in total).

Health promotion

We place a strong emphasis on promotion of active leisure activities. Each year we prepare a plan and provide resources for sports activities. In 2017 we took part in five running and two cycling events. All employees together made 792 kilometres of running and 1400 kilometres of cycling in 2017. In June 2017 we organised two running workshops in cooperation with an external partner. 25 our employees participated in them. The company’s management is aware of the importance of good relations in the company, so it organised two sports days and two excursions for employees in 2017. Especially excursions play a significant role in getting to know each other and strengthening bonds among employees from different departments. We also organised vaccination against tick-borne meningoencephalitis attended by 66 employees (15.7% of all employees). To achieve a high level of occupational safety and health of employees we raise employee’s awareness by organising topic-related regular trainings and by using a consistent control over the use of personal protective equipment.

The company encourages and actively supports employees to take on personal responsibility for maintaining their health.



Graph 10: Number of injured employees according to departments in 2017

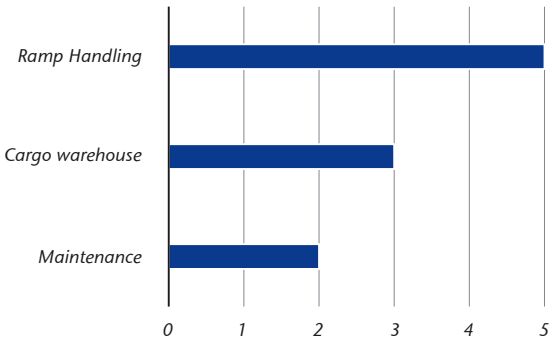
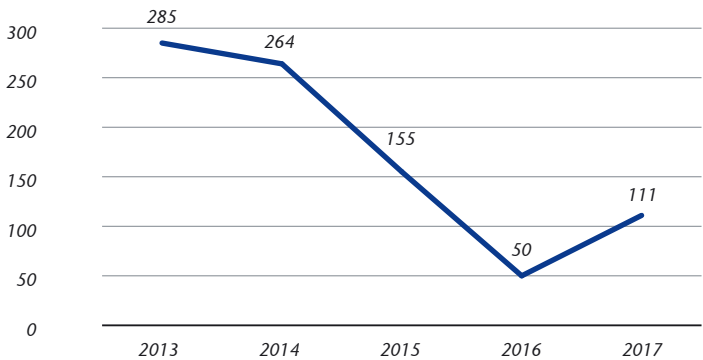


Table 9: Employees absence from work in 2017

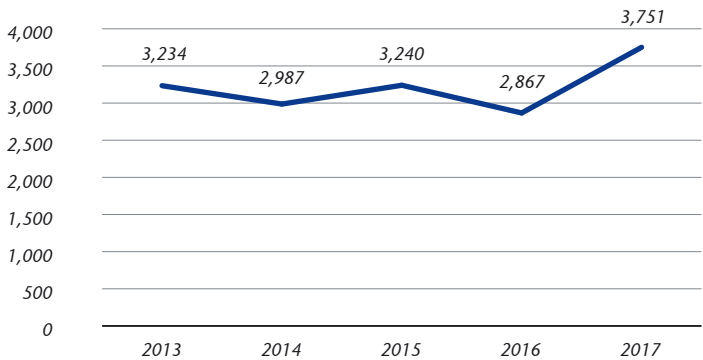
Absence less than 30 days	Number of days
Sick leave	2,813.00
Occupational injury	100.25
Total	2,913.25

Absence more than 30 days	Number of days
Sick leave	660
Occupational injury	0
Non-occupational injury	278
Nursing care and escort	324
Maternity leave	1,205
Disability leave	130
Blood donations	79
Others	0
Total	2,676

Graph 11: Absence from work in days due to occupational injuries in the period 2013–2017



Graph 12: Absence from work in days due to sick leave, occupational and non-occupational injuries in the period 2013–2017



Occupational safety and health

The company Fraport Slovenija is one of the first companies within organizations in Slovenia and Fraport Group to be certified with ISO 45001 standard. We are convinced that the introduction of the certified occupational safety system will be a new step in obtaining even better safety and greater satisfaction of our employees while offering better service quality. It will be an intertwined system of different tasks, activities and responsibilities of individuals from different professional areas. The purpose of this system is much greater transparency of documenting, monitoring legislation and taking responsibilities of individuals, timely identifying risks, providing responsiveness in cases of extraordinary events, regular exercises and legal and other requirements.



Boris Možek, Occupational Safety Expert

Code of Conduct and Standards of Behavior

Guidelines for ethical and moral conduct of employees and other persons working in or for the company are laid down in the company’s Code of Conduct for Employees and Standards of Behavior. 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. The Ethics Committee did not receive any complaint about violating the Code of Conduct in 2017. Any serious infringements can be reported to the external human rights ombudsman of Fraport AG, while anonymity of applicants is ensured.

Ensuring equal possibilities

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.

Freedom of association and the right to collective bargaining

We respect the fundamental right to freedom of association and the right to collective bargaining with the purpose of determining general working conditions in the company. The authorised corporate bodies that represent employees provide an open and trusted cooperation aiming at assuring fair exchange of interests of all in the company. Two new trade unions were established in 2017.

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 workplace 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.

Matej Valič Award

Each year a reward for special achievements is granted to an employee or a team of employees. The reward is named after our ex employee, the late Matej Valič, who personified in his unique way the company Fraport Slovenija. He promoted the values of integration, loyalty, sacrifice and fellowship. With this award we would like to encourage work colleagues to sacrifice and commitment to work at the airport. Among proposals of 2017 Matej Valič Award we did not select a person but a brand; a common denominator of time and values which Matej also lived and practised. The award was granted in honour and memory of the brand - to the brand Aerodrom Ljubljana and to all those who had helped to create and identify the brand. The brand Aerodrom Ljubljana had been synonymous with the company and all its employees for more than 50 years.

Winners of Matej Valič Award

- 2011 Matej Valič (posthumous)
- 2012 Tomaž Škofic
- 2013 Zimska služba
- 2014 Igor Krušič
- 2015 Ciril Kern
- 2016 Tomaž Prezelj
- 2017 the brand Aerodrom Ljubljana

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.

Family Friendly Enterprise

In April 2017, Fraport Slovenija became a holder of a full Family Friendly Enterprise Certificate and joined the group of companies that were committed to facilitate work-family balance and to increase its social responsibility. The company continued implementing all its family-friendly commitments, among which we need to highlight child care and corporate volunteering. During the winter holidays we had for the first time organised daily child care for school-age children (aged 6–10) of our employees free of charge. The child care took place in the indoor Olympic swimming pool in Kranj where a vigorous team of animators from the sports club Kranj took care of the children. The children enjoyed outdoor activities (searching for a hidden treasure, basics of orientation) and water joyful activities (relay games, water polo, water basketball). The children were served with healthy local dishes. Within the corporative volunteering a group of six employees paid a visit to the residents of Dom Tabor in Cerklje (home that provides social care for elderly citizens) and demonstrated a typical day at the airport for the residents there, and also prepared a quiz for them, in which the enthusiastic residents showed a lot of interest and knowledge about the airport procedures and equipment. They also showed much gratitude upon the departure of the group and expressed their wish to be visited once again.

Families with children gather at the festival Entertaining airport.

Committee for Improvements

Committee for Improvements cares for a systematic introduction of improvements in the company. It has operated since 2014. The committee consists of members from different company departments, and this additionally contributes to a variety of suggestions for introduction of new improvements.

Respectable employer

Fraport Slovenija was again awarded for a respectable employer of the year by the employment portal MojeDelo.com in 2017. This employment portal had already for the sixth time in a row carried out an in-depth professional survey on most respectable Slovenian employers by 2017, and Fraport Slovenija (under the brand name Aerodrom Ljubljana) have already received five awards and three awards in a row. This year we had also for the first time received the certificate for 1st place for most respectable employer in the transport, procurement and logistics sector. This is by all means confirmation for all the effort the company has invested in its visibility in the market. The survey included thousands of jobseekers who assessed reputation of Slovenian companies in the job market according to different criteria.

Fraport Slovenija was again awarded for a respectable employer of the year by the employment portal MojeDelo.com in 2017.

European Green Office Certificate

Measures for greening the offices are part of our endeavours to continuously reduce adverse effects on the environment caused by our business activity. For doing this, we were awarded the European Green Office Certificate in 2013, and we have been renewing the certificate since then. We are also a holder of a special prize for the best green office management system. Within the European Green Office project also a Green Team of the employees was established who committed themselves to take care of greening our office activities. The Green Team members are incorporated in all key areas of the company’s operations (energy, water and fuel consumption, waste management, occupational health and safety, etc.). They take care of regularly keeping other employees informed and educating them about sustainable contents, encouraging them for their cooperation and keeping their close eye on realisation of their action plan.





20%

growth in total number of passengers compared to 2016

Sustainable Relations with Passengers, Contractors and Visitors

Within the commercial activities at the airport we provide retail and food & beverage facilities, as well as transport services to the airport, advertising and car parks. Passengers, contractors and visitors are at the heart of our business process management and the strategic development planning, allowing us to build on our long-term relations. A lot of attention is paid to regular monitoring of the needs and wishes of the airport users, and at the same time we wish to surpass their expectations. For this reason, we aim to adjust the capacities and quality of the airport infrastructure, and also the efficiency of our business processes. By doing this, we care for good quality of the airport services and satisfaction of the airport users. Consequently, our business performance will be improved.

Providing information for passengers

Particular attention is paid to clear and correct airport marking, since we care for the well-being of the passengers and for keeping them well-informed. Passengers with reduced mobility are provided with necessary information in the information points and with signs showing them the way to find the staff who will assist them with all airport formalities and escort them to board their plane. In the covered car park there are several free parking places reserved only for persons with reduced mobility, which are visibly marked and in a close proximity of the lifts and the car park exit. In case of outbreak of any contagious disease, passengers are informed about the typical signs of a particular disease and preventive measures on screens in the passenger terminal. There were no inconsistencies detected in labelling.

Web check-in

The company follows the state-of-the-art electronic channels, thus simplifying passenger's preparations for their flight. Web check-in is available for the passengers holding an electronic ticket and travelling from Ljubljana Airport with scheduled air carriers only. Flight check-in can be made until 60 minutes before their plane departure, so the passengers can avoid eventual crowd in front of the check-in counters.

Upon their check-in, passengers can also choose via internet to receive boarding pass on their mobile phone in the form of a text message. This e-boarding pass is equal to the printed boarding pass.

Premium services for passengers

With a special arrangement our passengers are offered premium services. Our highly qualified staff are available for such passengers from the first to the last contact with the airport. The passengers are provided with quick and discreet care by avoiding the passing through the terminal and spending their time at the airport more unconcerned and relaxed.

Transport to the airport

Travel time to an airport takes the first place in the choice of business passengers. According to the latest data (Passenger Satisfaction Survey conducted in July 2017), the majority of passengers and airport visitors (43%) use cars to get to the airport, 15% of them use taxis, around 13% of them use airport shuttle service, and less than 10% of passengers use public bus transport service. Along with the Slovenian government and some other strategic partners, the company is aiming, in the long run, to establish such an intermodal transport network which could be most optimal for passengers, visitors and employees, while keeping favourable carbon footprint.

Children at the airport

The company pays a special attention to children and families with children. Under special circumstances, children can travel by plane unaccompanied if their parents or carers bring them to the airport, and someone is waiting for them at the destination airport. The parents or carers leave their children to the ground staff and the ground staff takes care of them and escorts them to the final boarding where the children are handed over to the flight cabin crew. The parents or guardians should not leave the airport before the takeoff of the plane. This is necessary due to eventual flight cancellations or long delays at the takeoff. Our ground staff will make sure that children are not bored while waiting for their flights. Kids' corners are waiting for them in the Schengen and non-Schengen sections of the passenger terminal. In the enclosed play area there are several aircraft-shaped toys, games and other features, and a large Učila book collection. The toys and other playground equipment there may only be used under the supervision of an adult person. Beside playground equipment, families with children can find available pushchairs which they can collect at their check-in. After the check-in, the passengers can use the airport pushchairs until they board the plane. The changing rooms for babies are located in female sanitary facilities.



Web check-in simplifies flight preparation for passengers.



Analysis of complaints and compliments

In 2017 we handled 64 complaints and 13 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. Most complaints were related to services provided to passengers; the majority of them were about the check-in procedures. There were also some complaints about the airport infrastructure, maintenance and commercial services.

Compliments were mostly related to kindness and professionalism of the staff at the check-in and also to an excellent organisation of tours around the airport. Compared to 2016, we managed to reduce the number of complaints by 12%.

Satisfaction with the security control

The company's mission is also the provision of high quality airport services, so, we decided to keep a close eye on passenger satisfaction with our security control. As a measuring method we took a user-friendly device named 'Sophie'. A respondent presses the buttons which indicate four different levels of satisfaction. They can simply and quickly express their satisfaction about the service they have received. The advantage of this method is measuring satisfaction directly after a passenger has been treated. In the period from 1. 1. 2017 till 31. 12. 2017 we recorded 46,492 replies, of which 28,687 passengers (59%) were very satisfied, 10,611 passengers (24%) were satisfied, 2,649 of them (6%) were dissatisfied and 4,545 of them (11%) were very dissatisfied.

Mystery shopping

Mystery shopping service is anonymous customer relationship research with which we want to examine the airport staff's attitude to their customers, whereby we do not obtain such data from real customers but from 'apparent' customers – mystery shoppers.

In 2017 we performed mystery shopping in the fields of food & beverage services (F&B), security control, Duty Free service and check-in procedures. The research was made to check the quality of the operations provided by our F&B, security control and commercial services contractors, and also by staff at check-in desk.

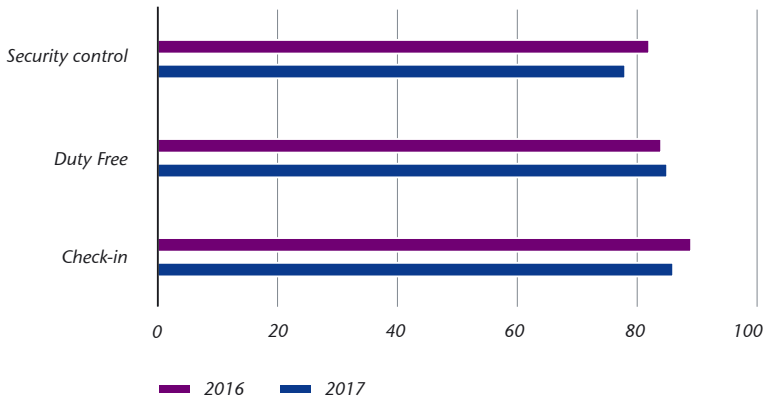
The areas measured for F&B were the following: F&B served, the procedure of serving, tidiness of the staff, additional sale, communication among the personnel and some other criteria defined by the shopper. In 2017, all nine locations providing F&B services at the airport achieved the score between 88% and 94% based on 20 visits of the mystery shoppers. These results can confirm high quality of F&B offered by the contractors. 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 shopper. An average score based on 20 visits was 77.61% (compared to 82% in 2016), so the required level of satisfaction (85%) was not reached.

The areas measured by the mystery shopper in the field of Duty Free were the following: orderliness of the shop, presentation of a product, additional sale, tidiness of the sales staff and some other criteria of the shopper. The average score based on 20 visits was 85% (compared to 84% in 2016).

The areas measured by the mystery shopper at the check-in desks are the following: orderliness of a check-in desk, check-in procedures, tidiness of the staff and communication among the employees. The average score based on 20 visits was 86% (compared to 89% in 2016).

These results were presented to all our contractors and staff at check-in desk and we jointly determined corrective measures to improve the level of satisfaction.

Graph 13: Mystery shopping in 2016 and 2017 (average score in %)



Passenger satisfaction survey

In July 2017 a survey on airport passenger satisfaction was conducted, which included 1,001 passengers.

The survey sample comprised:

- 13% of business passengers (n=127) and 87% of tourist passengers (n=874);
- 12% of passengers of charter flights (n=125) and 88% of passengers of scheduled flights (n=876);
- 12% of passengers of low-cost flights (n=123) and 88% of passengers of the rest of the flights (n=878).

The results showed our biggest advantages:

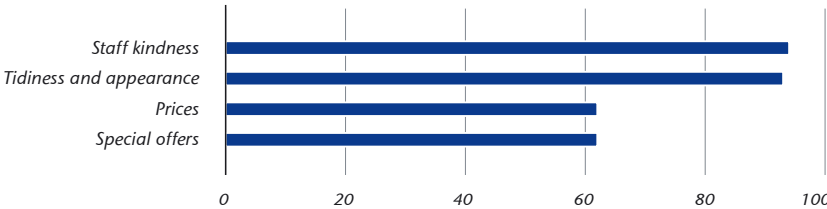
- high level of passenger satisfaction with the majority of car park properties (tidiness, marking of parking places, size and kindness of the staff);
- a very high level of passenger satisfaction with their transport to the airport (taxi, rent-a-car, airport shuttle service);
- kindness of the airport staff in general (an outstandingly good result of passenger satisfaction with the staff at the check-in desk and in Duty Free shop);
- a very high level of satisfaction with all the properties of security control;
- arrangement, tidiness and comfort of the departure hall;
- tidiness and layout of the Duty Free.

The respondents of the survey also mentioned possibilities for potential improvements, in particular:

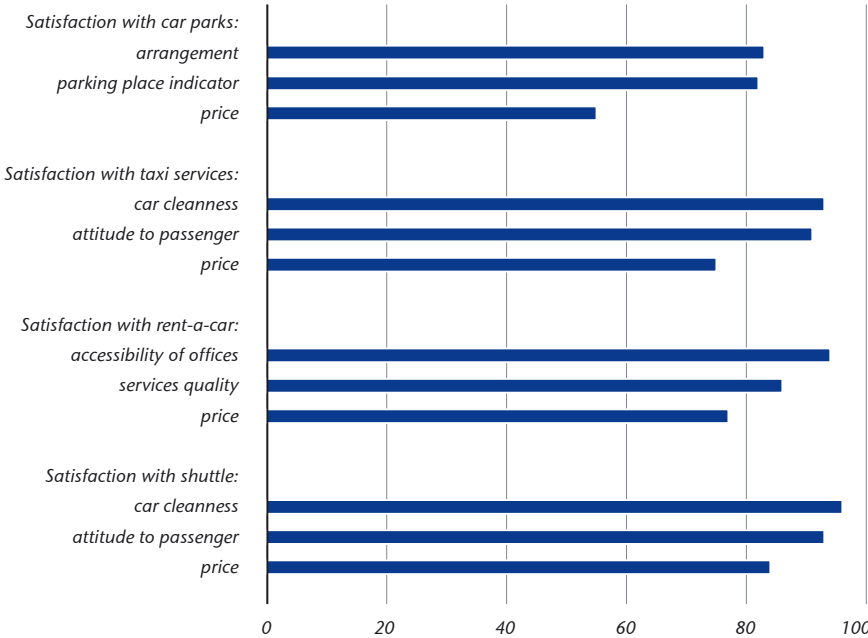
- a more favourable price for car parking at the airport;
- more opportunities for expressing their opinions regarding the airport services (for business passengers particularly);
- promoting the book corner and the art gallery;
- more special offers, discounts in the Duty Free to attract a greater number of customers;
- to refresh the stores in the check-in area in order to increase their visibility and to attract more customers (favourable prices, diversity of offers, etc.);
- to provide new offers (pharmacy, more choice of Slovenian products, books and magazines, a bank, etc.);
- availability of more restaurants (particularly the ones suitable for business passengers);
- to exploit the potential of additional F&B: cafes, healthy food stores, bakery, Slovenian dishes, etc.)



Graph 14: The results of passenger survey – satisfaction with Duty Free (in %)



Graph 15: The results of passenger survey – satisfaction with car parks and transport (in %)





Sustainable Relations with Suppliers and Business Partners

Our socially responsible and sustainable mission we understand within the context of broader involvement, thus including our numerous business partners - maintenance, suppliers of energy products and personal protective equipment, transport organisations, performers of operational monitoring and similar measurements, construction contractors and some others. Our supplier relationships are based on the Code of Ethics for Suppliers, which was adopted in 2016. It is expected from all of our suppliers to commit themselves to following provisions of this Code.

Our suppliers and service performers shall comply with all applicable national laws and regulations, and other adequate internationally accepted standards, guidelines and principles. They must respect relevant anti-corruption laws and regulations, international anti-monopoly legislations and regulations, and competition law. Business partners shall provide a safe, secured, healthy and hygienic working environment, and take necessary measures to prevent accidents and adverse health effects. They must respect their employee rights to freedom of association and the rights to negotiate to conclude collective agreements. They must also protect them against any potential adverse effects. They shall not allow any form of forced, compulsory or involuntary prison work that could violate human rights. We expect from our business partners to comply with environmental protection rules in terms of applicable international standards and statutory provisions. In all our new lease contracts and new contracts with contractors an environmental clause is included with which a lessee or a contractor gets informed about the environmental protection policy of the lessor, as being laid down in details in our General Terms and Conditions of Environmental Protection. In the future, we are going to systematically transfer all elements of our sustainable commitment into our supplier relations at all levels.

Prevention of corruption

We reject all forms of corruption and bribery, and strive for compliance with international and local anti-corruption laws. We constantly check eventual price and condition settings in cooperation with competitors, and all various kinds of agreements or arrangements for competition restriction, particularly the ones with the purpose of sharing the market and clients. In case of any non-competitive conduct of suppliers we will terminate our business relations with them. In accordance with the implementation of ABC-supplier assessment, we also pay attention to the mentioned topic.

We reject all forms of corruption and bribery.

Sustainable Procurement Policy

Supplier relations are regulated among others in our Sustainable Procurement Policy. When procuring office paper, we have been following the principles of 'green' public procurement since 2013. We procure the office paper that is not bleached with chlorine and that is primarily made of wood originating from legally cultivated and sustainably managed forests and/or the paper with a recognised environmental symbol. We only order office paper from 100% recycled primary raw material.

Local procurement

The company wishes to affect economic development of the environment where it operates with its successful business performance. According to our estimation, approximately 90% of our suppliers originate from the local environment, i.e. having their registered office in the Republic of Slovenia.

Environment-friendly cleaning service

Orderly and clean environment is essential to the well-being of all stakeholders of the company Fraport Slovenija. The employees use ecological cleaning agents on a daily basis, and also the contract with the cleaning provider defines cleaning service by using environment-friendly cleaning agents.

Green energy

Electricity provided to the airport by suppliers is generated from 100% renewable energy sources.

Logistics centre

Beside the passenger traffic Ljubljana Airport also provides cargo traffic, and the airport plays the role of a neutral agent for cargo supply. Our customers are air carriers, freight forwarders, sales agents and road hauliers. Numerous air carriers only have their sales agencies operating in Slovenia. Preparation of goods, and its physical and documentary supply are performed in the air cargo warehouse. We have signed contracts with our customers on the basis of the standards on ground cargo handling, air traffic safety regulations, and requirements of customs legislation. Owing to a high quality of our services we have developed good business relations with a number of freight forwarding companies from Slovenia and abroad. We have permits as an authorised consignee for registration and preparation of goods on the basis of in-house customs clearance in cases of import, and the permits as an authorised consignor of customs goods. Cargo handling is performed in the cargo warehouse, where also the handling of shipments by TNT cargo operator is handled, and also in DHL and UPS warehouses.

Owing to a high quality of our services we have developed good business relations with a number of freight forwarding companies from Slovenia and abroad.





Sustainable Relation to the Environment

In addition to numerous stimulating sustainable effects, the airport activity also comprises some environmental burdens which we manage with great responsibility. Integrated Governance System Manual is considered the master document on environmental protection which defines the environmental management system (ISO 14001), the company’s environmental policy, the main environmental aspects, their impacts and environmental objectives and programmes.

Environmental policy

The environmental policy, derived from the integrated governance system policy, incorporates environmental commitments, strategic objectives and policies, and action plans in individual professional areas which affect the environment.

Environmental commitments

Our environmental commitments are:

- taking measures to reduce aviation noise and noise from other sources;
- reducing CO₂ emissions and other greenhouse gas emissions;
- encouraging 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;
- reducing pollution, soil degradation;
- incorporating environmental guidelines into public procurement;
- encouraging 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;
- providing trainings for all individuals that might cause significant environmental impacts;
- 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 who perform 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, legal 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 by 2025 are:

- environmental management system: keeping the documented system of environmental management (ISO 14001);
- noise protection: keeping noise at such a level that enables the local citizens an improved life quality;
- transition to a low-carbon society: carbon neutrality (the programme scheme ACA - Airport Carbon Accreditation);
- waste management: 90% separation of recyclable materials from waste;
- waste water management: connecting the company’s sewage system to the public sewage system (to the public waste water treatment plant in Domžale);
- 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 professional areas:

- Green Team’s Action Plan;
- Mobility Plan;
- Sustainable Procurement Policy;
- Carbon Management Plan;
- Energy Strategy;
- Printing Policy;
- Wildlife Management Plan for years 2017/18.

Responsibilities, mechanisms and tools to assess meeting environmental objectives

The authorized Representative of the environmental protection and the Head of energy management are responsible for the implementation of corporate sustainability policies, while the top management examines realisation of these policies within the annual management review of ISO 14001 standard. 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 periodic measurements of waste waters, 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);
- self-assessment - a system of internal audits, and corrective actions and opportunities for improvement;
- results of external audits (ISO, EGO);
- monitoring the implementation of the Carbon Management Plan (referring to the programme scheme ACA);
- review of environmental objectives within the management reviews;
- Green Team acting - taking care of the promotion of their activities in terms of greening the office activity and monitoring the implementation of the targets within their Action Plan;
- honest, transparent and fair reporting on sustainable operation of the company:
 - Sustainability Report;
 - communications and press releases on the company’s website and social networks;
 - informing and raising awareness of the employees on the intranet.

The environmental policy incorporates environmental commitments, strategic objectives and policies, and action plans.

Planning the environmental management system

Planning and performing the environmental management system comprises the following elements:

- checking and managing legal and other requirements and performing regular monitoring;
- identifying and assessing environmental aspects with regard to a life cycle model of a service;
- determining implementation of environmental targets with programmes.

Compliance obligations

The activities performed in our company are subject to the binding 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, while 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. We also perform periodical evaluation of compliance with the legislation and other requirements in three ways:

- to determine environmental aspects (compliance with statutory requirements is one of the criteria);
- within the company’s internal audits and the management review.

Environmental aspects and the lifecycle model of a service

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 and the lifecycle model. The register also comprises a detailed description of criteria used for assessing the importance of each aspect. It includes aspects that can directly be managed, aspects that can only be 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 in 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 categorized in the way to include the lifecycle of services. The lifecycle model of a service is defined in 4 phases according to it nature and specificity of our processes and services:

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

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

Environmental implementation targets with programmes

The basis to determine targets can be the environmental policy, importance of an aspect, legal or other requirements, savings, urgency of improvement, and financial and technological capabilities. Targets should be determined for important aspects. Targets can also be determined for the remaining aspects of lesser importance. However, they are not obligatory. Concrete programmes are then determined on the basis of targets. More demanding or complex programmes are implemented through projects.

All implementation targets and programmes are collected in the Objectives Register with Programmes, which beside targets also comprises the programme description, communication activities, the person responsible for programme, deadlines, measuring indicators, the link with costs and savings (if they occur), the implementation phase, the status of the target and its relation to an environmental aspect.

Meeting targets and execution of programmes are reviewed once a year within the company’s management review.

Replacement of the existing lighting system with the energy-efficient LED system is one of the accomplished targets.



Table 10: Targets with programmes in 2017 and 2018

No.	Objective	Programme description	Status
1.	Formalisation and improvement of relations with stakeholders regarding aviation noise emissions	Dealing with complaints and regular communication with stakeholders	
2.	Complete renovation of the heat supply system (in phases)	Construction of new energy facility with the installation of cogeneration with natural gas + SPTE	
3.	Energy rehabilitation of old buildings (in phases)	Execution of rehabilitation works / addition insulation of facade and changing the fixtures (windows)	
4.	Performing energy review	Preparing and publishing tender for execution of energy review Preparation of the final report Top Management decision about future energy strategy	
5.	Reduction of the amount of mixed municipal waste in the following 4 years by 40% regarding the base year 2015	Redevelopment and a new concept of the existing eco-island Implementation of measures in collaboration with a provider of local public services for reducing mixed municipal waste at the source	
6.	Connection of municipal, industrial and rain waste waters to the public sewage system	Connection to the Central waste water treatment plant Domžale - Kamnik	
7.	Gradual establishment of targeted monitoring of energy consumption	Installation of calorimeters Procurement of targeted energy monitoring software	
8.	Reduction in relative carbon footprint of the company by at least 10% regarding the 2014–2016 average	Measures to reduce fuel and energy consumption Establishing sustainable forms of mobility	
9.	Replacement of the existing lighting system in the multi storey car park with LED technology	Replacing of the existing lighting system with the energy-efficient LED system	
10.	Implementation of the measures from the action plan for the management of wild fauna (particularly birds)	Management of animal habitats (particularly birds) in the ares around the airport	

Noise protection

Noise is considered an important environmental aspect which we manage carefully. Our environmental permit for noise emissions caused by the operation of Ljubljana Airport is valid until 30. 11. 2020. The main sources of noise on the territory of the airport are aviation operations on the takeoff and landing runway. In December 2008 we established a systematic approach to monitoring noise by continuous noise measurements in immediate surroundings of the airport. We have provided measuring terminals in four most exposed settlements under the landing or takeoff surfaces. The measurement locations are determined on the basis of previous manual noise measurements around the airport.

- location 1: measuring point Šenčur 1 - DWOR antenna - the company Air traffic control, Ltd.;
- location 2: measuring point Lokarje near a residential building on a private piece of land;
- location 3: measuring point Kranj, Oprešnikova street - in front of a residential house on a private piece of land;
- location 4: measuring point Šenčur 2, Rožna street.

Passenger and cargo traffic are considered as the source of noise at the airport. In the vicinity of measuring systems, various sources of noise can be detected that are related to the rest of the air traffic. We can also detect the noise coming from smaller school and sport aircrafts, from helicopter traffic, and occasionally also the noise coming from aircraft overflights at higher altitudes. Beside the air traffic, the measuring locations also detect some other sources of noise (the noise coming from road traffic, field work and other extraordinary events, etc.), since all the measuring points are placed in the urban area. Other sources of noise are not considered in 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.

Passenger and cargo traffic are considered as the source of noise at the airport. According to airport information system records, 34,444 operations were recorded in 2017.

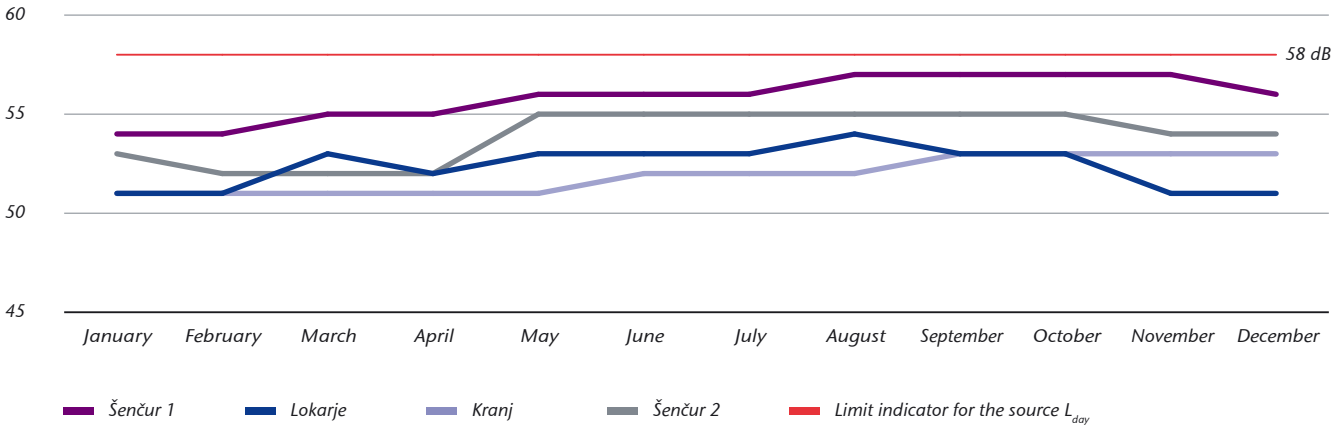
We monitor the number of flights via the airport information system and the measuring system which completes the measured parameters with the radar data. The time of each individual noise burden is obtained from the noise measurement system. The flyover time is recorded and later on included in noise burden calculations. According to airport information system records, 34,444 operations were recorded in 2017, and aviation flights accounted for approximately 96% of them. The remaining data were masked with other noise sources or they were impossible to be undoubtedly identified as air traffic.

Figure 7: Web application for aviation noise

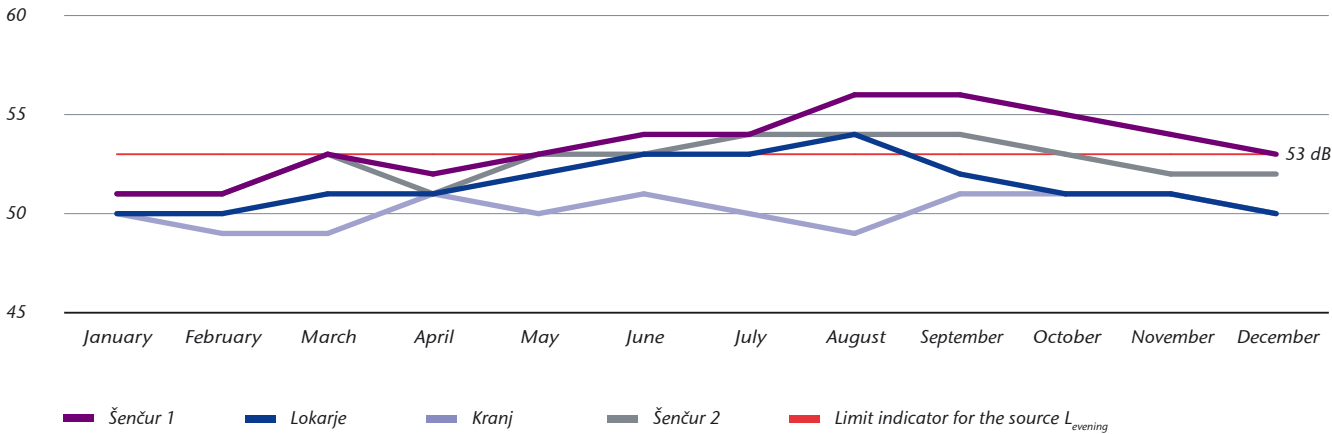


Aviation noise at the measuring points around Ljubljana Airport for year 2017

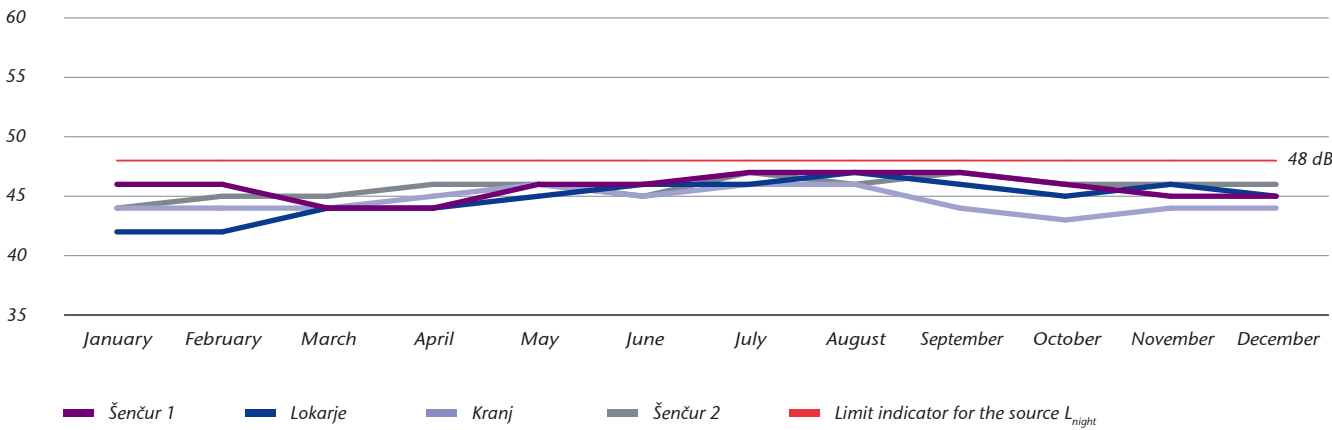
Graph 16: Fluctuation of average daily values of noise indicators on measuring points / Noise indicator L_{day} for year 2017



Graph 17: Fluctuation of average evening values of noise indicators on measuring points / Noise indicator $L_{evening}$ for year 2017



Graph 18: Fluctuation of average night values of noise indicators on measuring points / Noise indicator L_{night} for year 2017



Noise maps

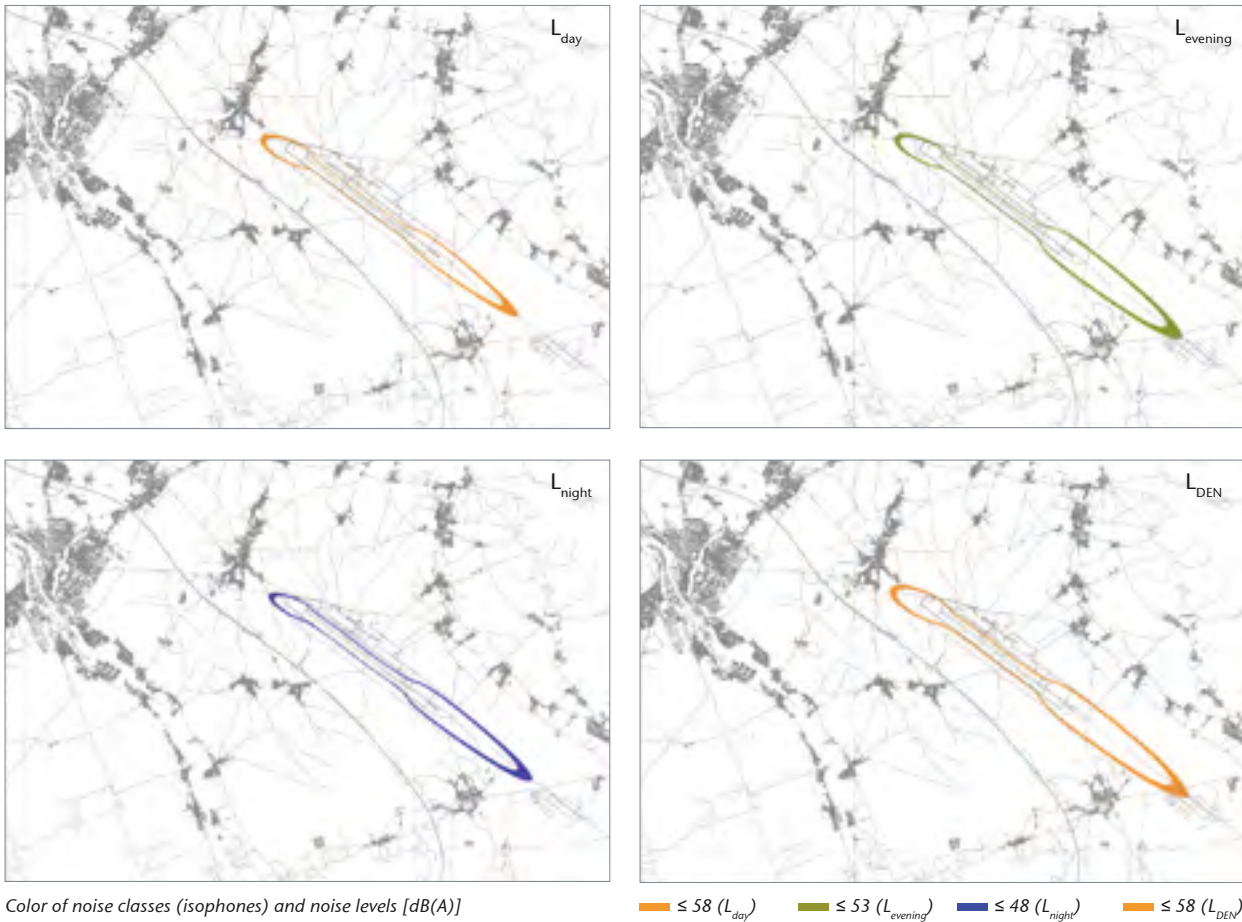
Noise maps are produced for the average noise of the whole year and show noise burden in bands of 5 dB or in individual isophones. So we show the course of noise level limits in relation to the indicators provided by the legislation. The base to produce a sound propagation model are the data about the 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 all four measuring locations show noise level limits measured and estimated for an individual months of the year. Overall estimation of noise tells us a lot about noise levels and noise distribution for each month of noise pollution in the year.

Aviation noise measurements and sound propagation model (noise map) for 2017 show similar noise burden from air traffic compared to the noise levels in 2016. There were 34,444 operations carried out in 2017, which is 5% more than in 2016. The increase in the number of operations accounted for approximately 0.2 dB(A) higher level of noise. Average annual noise burden in 2017 did not exceed the statutory noise indicators in the natural and residential environment, except at the measuring point Šenčur 1 in the evenings. 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 (lower noise levels are defined than for bigger airports with over 50,000 operations of air traffic annually). We know that as low levels of noise emissions as possible are essential to maintaining the quality of life of the surrounding residents. Therefore, we ensure to keep them regularly informed on noise measurements as much as possible. So, beside regular periodical reports we also provide for them an interactive application on our website, where they can check the average noise indicators of flyovers above their settlements during the takeoffs and landings.

Aviation noise measurements and sound propagation model for 2017 show similar noise burden from air traffic compared to the noise levels in 2016.

Figure 8: Noise maps - takeoffs and landings at Ljubljana Airport for 2017



Air protection

There are no accurate data on the air quality status for the airport area. The closest measuring station is located in Kranj, which is 7 kilometres away from the airport. The air quality 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. By gradual replacement of the old cooling devices with new ones containing environment-friendly freons, we are also reducing emissions of harmful substances into the air.

Mobility Plan

Our Mobility Plan is aimed at encouraging our employees, business partners, passengers and airport visitors to change their travel habits, reduce their travel needs, to use cars reliably and rationally, and to opt for a more sustainable transportation mode. The Plan takes into account the fact that the company headquarters is located far away from city centres (Ljubljana, Kranj) and from the nearest villages. 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 alternative ways of sustainable transport, f.e. walking or cycling. Sustainable forms of transport use only 8.5% of employees for daily commuting to work (online employee survey, June 2016).

- The key (measurable) mobility plan objectives by the end of 2018 are:
- to reduce carbon footprint of car business travel by 25% (average of 2016–2018);
 - to perform 20% of car business trips by using electric cars (car sharing concept);
 - to encourage 2–5% of passengers to use car sharing.
- All key objectives are operationally implemented on the basis of the action plan which defines measures categorised in the following groups:
- promotion and provision of information about the mobility plan;
 - reducing the need to travel;
 - encouraging of sustainable forms of transport;
 - investments in infrastructure and means of transport.

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 company’s environmental commitments. We also defined key energy efficiency indicators. Fuel and energy consumption is checked regularly. Optimum heating is achieved through the central control system, which indirectly reduces the amount of greenhouse gases.

In 2017, the company consumed 7,607,786 kWh of electricity which was 100% generated from renewable energy sources (energy generated by hydropower plants), 363,583 m³ of natural gas (NG), 12,943 L of liquefied petroleum gas (LPG), 173,582 L of diesel and gas oil, 11,833 L of gasoline, and 2,393 L of kerosene.

We completely abandoned the use of heating oil (HO) - only as a reserve energy source (in case of a supply interruption of natural gas). In our daily operations we use electricity acquired from the public network.

Airport Carbon Accreditation Programme scheme

In July 2017, the second-level Airport Carbon Accreditation Certificate was renewed under ACI Europe certification programme for reduction of greenhouse gas impacts. Compared to the average of the last three years (2014–2016), the level of CO₂ emissions was absolutely reduced by 10%. Including the data about the number of passengers and cargo weight in 2017, the emissions per individual passenger were reduced by 25.1%, or 28.9% per 100 kg of cargo respectively, compared to the period 2014–2016.

Relative carbon footprint (per 100 kg of cargo) was reduced by 28.9% compared to the period 2014–2016.

The competent operator of the power distribution network is currently in the process of constructing a new high voltage substation (110kV/20kV) at the airport, which will be completed in two phases. In the first phase, a 20-kV part of the substation will be fitted which will be connected to the two existing 20-kV feeders (Labore and Primskovo) with the capacity of 10 MW. This is momentarily enough power for the needs of the entire airport complex. However, several development projects are being in the phase of preparation now, so the need for electricity might rapidly increase. Therefore, the operator is planning in the second phase of the construction by 2021 to install the 110kV/20kV equipment and to connect it to the 110-kV distribution network, in order to enable the distribution network capacity to increase to 2 x 20 MW. Fraport Slovenija is planning to expand its internal 20-kV network and transmission substations in line with the construction of facilities intended for the airport activity. In 2017 we completed the project of installing calorimeters in individual buildings with the purpose of targeted energy consumption monitoring.

We will continue investing in the so-called smart meters and the corresponding software.

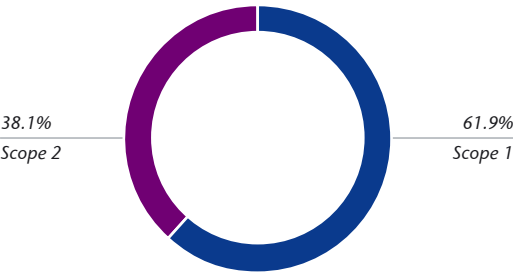
In the future we also plan the following investments in the energy infrastructure:

- the construction of a new central energy facility of a modular design in order to provide possibilities for future expansions (f.e. a boiler room for natural gas with cogeneration plant);
- expansion of district heating and cooling network;
- connection of the existing and old facilities to the district network;
- phasing out local wasteful cooling systems;
- increase in the power of the central energy facility in the phase of connecting new facilities by installing f.e. a heat pumps using groundwater as an energy source;
- relocation of the cooling energy facility 2 on the location of the central energy facility;
- expansion of the network of natural gas pipelines;
- in order to have constant energy supply we must assure an adequate redundant energy source.

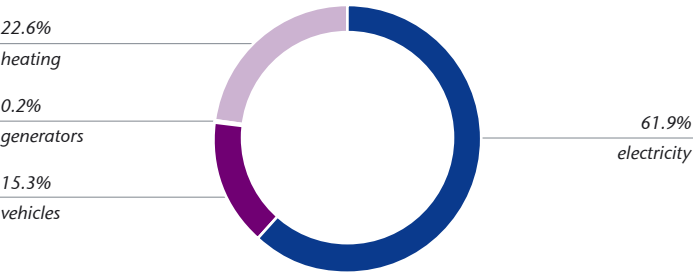
Table 11: Calculation of the carbon footprint for Scope 1 and 2 for 2017

Scope / Energy source:	t CO ₂	%
SCOPE 1	1,206.938	38.1
Direct emissions (combustion of fuels)		
Heating – stationary source	715.119	22.6
HO	0.000	0.0
LPG	20.432	0.6
NG	694.687	22.0
Generators – stationary source	6.660	0.2
Gas oil	6.660	0.2
Company-owned vehicles – mobile source (including business trips)	485.159	15.3
Diesel	451.887	14.3
Gasoline	27.237	0.8
Kerosene	6.035	0.2
SCOPE 2	1,961.605	61.9
Indirect emissions (consumption of purchased electricity)		
Electricity	1,961.605	61.9
SCOPE 1 + SCOPE 2	3,168.543	100.0

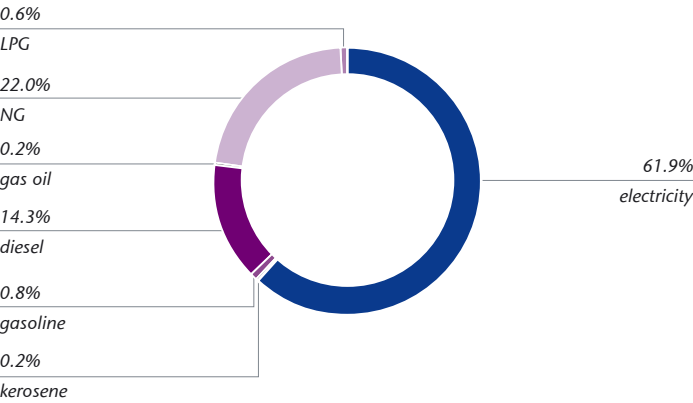
Graph 19: Share of Scope 1 and 2 emissions in the carbon footprint calculation for 2017



Graph 20: Carbon footprint of individual emission sources (Scope 1 and 2) for 2017



Graph 21: Carbon footprint of energy and fuel consumption for 2017



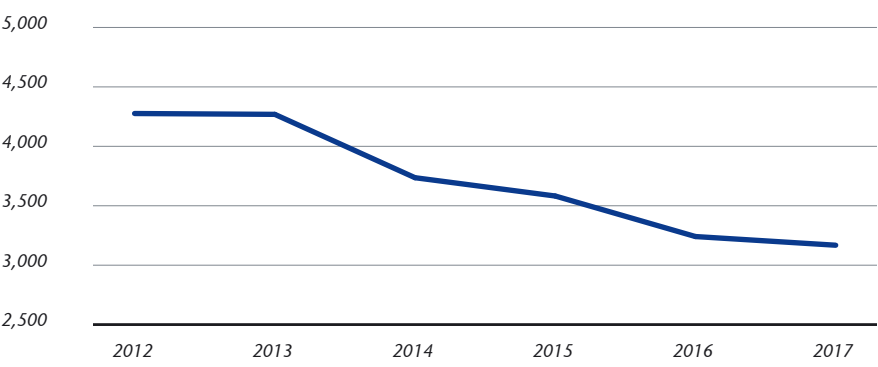
Absolute carbon footprint was reduced by 10% compared to the period 2014–2016.

Table 12: Carbon footprint in the period 2012–2017

Category of data	Year -5 (2012)	Year -4 (2013)	Year -3 (2014)	Year -2 (2015)	Year -1 (2016)	Average (2014–2016)	Year 0 (2017)	% of reduction of carbon footprint *
Absolute carbon footprint (t CO ₂)*	4,276,54	4,268,82	3,735,97	3,581,88	3,240,86	3,519,57	3,168,54	-10.0%
Number of passengers	1,198,911	1,321,153	1,338,619	1,464,579	1,411,476	1,404,891	1,688,558	-
Weight of cargo serviced (in tons / 100 kg cargo)	170,310	177,770	189,830	188,520	198,020	192,123	243,140	-
Relative carbon footprint (kg CO ₂ / passenger)	3.57	3.23	2.79	2.45	2.30	2.51	1.88	-25.1%
Relative carbon footprint (kg CO ₂ / 100 kg cargo)	2.51	2.40	1.97	1.90	1.64	1.83	1.30	-28.9%
Emission factor for electricity**	0.50	0.50	0.49	0.42	0.38	-	0.35	-

* Relative to average 2014–2016
** In 2017 we calculated new values for the amount of CO₂ emissions for the period 2012–2016, which take into consideration the average value of factors of the three-year period prior to the year for which carbon footprint is calculated. By 2017, the value of electricity factor 0.55 was taken into account, arising from the average factor for the period 2002–2008 and the energy mix in Slovenia in that time. Since this factor has changed considerably in the last decade, we have changed the methodology of determining such factor as the average value of past three years and for the historical years, as well.

Graph 22: Absolute carbon footprint in the period 2012–2017 (in t CO₂)



Relative carbon footprint (per individual passenger) was reduced by 25.1% compared to the period 2014–2016.

Waste management

Our business activity generates a wide variety of waste which is, in line with the concept of a circular economy, considered a raw material. According to the European waste management hierarchy it is our priority care to reduce waste production (endeavours of our Green Team and other actions), which is followed by reuse of materials and then recycling. Only then other forms of waste management can be used. Our waste management system is aimed at meeting the following objectives:

- to prevent or reduce waste production;
- to reduce the amount of mixed municipal waste;
- to increase the amount of waste that can be recovered;
- to prevent mixing of hazardous and non-hazardous waste;
- to keep our environment clean for future generations.

Waste is classified in three groups according to the source of waste:

- administrative part;
- maintenance-operations part;
- aircraft part.

All waste is collected and adequately separated in the areas of individual activities. In order to ensure waste separation we have established a central eco-island in an open or fenced area (for waste paper and cardboard, mixed packaging, waste glass, iron scrap, biodegradable kitchen waste or mixed municipal waste) and some other minor ecological collection centres (for some other types of waste like wood packaging, bigger pieces of cardboard, bigger quantities of foil, lamps, cartridges, waste oils, absorbents, oil filters, used batteries, discarded electric or electronic equipment, worn tyres, etc.).

Adequately separated waste, according to fractions, is collected by waste collectors, who hold necessary permits or certificates of their entry in relevant records by Slovenian Environment Agency in order to perform that kind of activity. A certain amount of aircraft cabin waste is destined for incineration. In 2018, we are going to build a new central eco-island with adequate municipal equipment and technology, which will enable better quality of waste management, particularly from the aspect of waste separation during waste production at source. Table 13 show collected waste according to fractions. When explaining the dynamics of waste generation, we must also take into account a huge conjuncture of the passenger traffic in 2017 which owing to our prudent waste management does not show the same level of rise (a rise in 11.1% compared to 2016 - including household fractions) as the rise of the number of passengers (19.6%). Nevertheless, we are falling behind the implementation target (40% less mixed municipal waste in comparison with the base year 2015). So, in 2018 and 2019 we will focus more on this issue in order to meet the target. At the same time, a negative trend in the area of collected packaging waste can be seen (-6.4% compared to 2015), which means a lower percentage of municipal waste separation.

Construction waste normally accounts for the biggest portion of waste within the waste structure. In the future we plan to constantly invest in the airport infrastructure, which is why we will put special care in construction waste management.

Table 13: Collected waste in the period 2013–2017 (in kg)

Type of waste	2013	2014	2015	2016	2017
Aircraft waste 1. Category (1)	6,806	7,690	8,414	10,604	8,804
Packaging (paper, plastic, glass, metals, wood)	117,170	138,580	165,770	161,046	155,228
Electrical and electronic equipment	1,420	3,097	1,454	5,316	7,026
Mixed municipal waste	183,640	168,100	161,720	155,580	178,600
Biodegradable kitchen waste	3,270	3,744	3,420	809	4,021
Worn tyres	2,504	2,898	3,205	2,507	3,620
Sludge in cesspit	64,890	108,000	159,000	76,500	115,000
Other waste	3,500	2,480	6,656	9,821	407
Construction waste	8,421,412	280,720	327,939	503,555	0
Total hazardous waste (2)	46,350	6,930	8,868	15,053	4,587
Total non-hazardous waste (3)	8,751,456	700,689	820,296	900,081	459,315
TOTAL (1+2+3)	8,804,612	715,309	837,578	925,738	472,706

Since we do not wish to expand the company’s business operations on account of increasing environmental footprint, we find it logically to put most of our efforts in reusing or recycling our waste in order to limit the material flows as much as possible, as shown in Table 14.

Table 14: Methods of waste management in 2017

Waste management method	in kg
Composting	119,021
Reuse	6,240
Recycling	156,277
Incineration	12,568
Land filling	178,600
Total	472,706

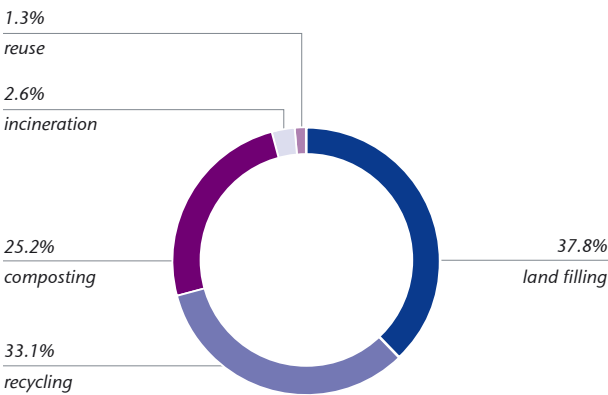
Construction waste that occurs at Ljubljana Airport normally accounts for the biggest portion of waste within the waste structure. The volume of construction waste depends on annual construction investments aimed at modernisation of the airport. There were no such investments in 2017, so there is no construction waste recorded in the company. In the future, the company is planning to constantly invest in the airport infrastructure, which is why we will put special care in construction waste management.

Management of hazardous liquids, substances and materials

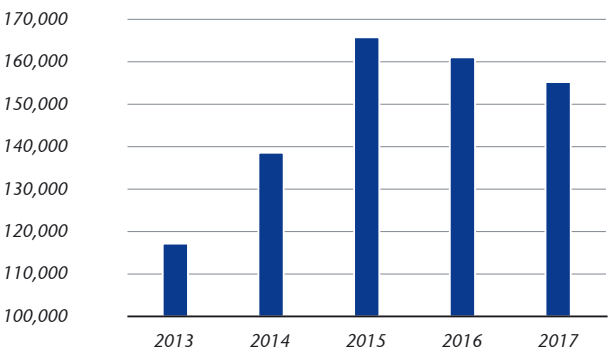
In accordance with the Decree on the storage of hazardous liquids in stationary storage containers, it was required to adopt a Hazardous Liquids Management Plan for the storage facilities with the capacity over 10 m³ in order to specify measures for prevention of leakage or spills of hazardous liquids 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 m³. It is used for storing HO, 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 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, are placed in several points of the airport. Oil separators 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 2017 was 0.31 tons (140 kg paints and 168 kg pesticides and thinners).



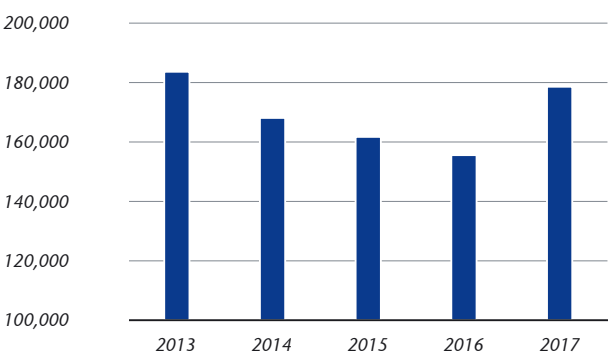
Graph 23: Methods of waste management in 2017



Graph 24: Collected packaging in the period 2013–2017 (in kg)



Graph 25: Collected mixed municipal waste in the period 2013–2017 (in kg)



When explaining the dynamics of waste generation, we must also take into account a huge conjuncture of the passenger traffic in 2017 which owing to our prudent waste management does not show the same level of rise (11.1%) as the rise of the number of passengers (19.6%).

Drinking water supply

Drinking water is supplied to the airport complex through the use of two main sources from the direction of Krvavec and Kranj. Inside the airport complex, the primary water supplies are connected to the secondary water supply. Water redundancy is provided through several different water sources. A reservoir with the capacity of 300 m² was built to provide fire extinguishing water or hydrant supply. The watershed of the water supply system takes place in corridors of roads with side branches leading to individual facilities or building plots. In 2018 the third water source will be provided from the direction of Adergas.

Discharge of waste waters

The company responsibly treats all categories of waste waters. Since the connection to the nearest central waste water treatment plant was not yet possible in 2017, our company remained the operator of a small municipal waste water treatment plant (TP) with the capacity of 1900 PE. This TP treats:

- 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 in different locations;
- rain water runoffs from solid surfaces.

All municipal waste waters from the airport complex are accumulated in a common sewage tank which ends up in the existing TP. There is also a connecting sewage tank from the existing TP to the connection Sp. Brnik. We have an environmental permit for the TP valid until 21.10. 2019. TP is designed for treating faeces from the airport facilities and from the aircraft. Waste fluids that occur in the process of aircraft deicing are also collected and treated in the TP, and are mixed with a deicing liquid. This procedure is performed on the main airport apron. Waste waters run off underneath into the underground storage tank, and from there into the TP. This waste water passage is under control. In the waste water treatment procedures in the TP sludge occurs and accumulates, which is collected by a local utility company for its further treatment. The public service provider performs regular operating monitoring of waste waters in the TP. At the effluent of the TP we ensure the prescribed limit values of:

- BOD₅: 30 mg/l O₂;
- COD: 150 mg/l O₂.

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 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 TP through the settlements Spodnji Brnik and Lahovče and is more than 2 kilometres distant from the TP. The river Sava flows south from the TP and is more than 4 kilometres away from the TP. Since there are no watercourses in the vicinity of the TP, and the soil texture allows good percolation, the treated waste water from the TP is indirectly discharged into the water bodies through an eco-remediation process in the near fields. The same way also rainwater comes from the airport facilities, through percolation. The percolation area of treated waste water is neither located on 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.

On 1 June 2018, the entire airport complex was connected to the Central waste water treatment plant Domžale-Kamnik. The existing TP will be discontinued and removed. By 2019, an expansion of the septic tank is envisaged which will enable connection to all new facilities at the airport area.

On 1 June 2018, the entire airport complex was connected to the Central waste water treatment plant Domžale-Kamnik.



We are aware of any potential environmental hazards and risks. We have established standby procedures and responses to emergencies.

Electromagnetic radiation

The following sources of electromagnetic radiation are located in the airport area: base stations for mobile telephony, air surveillance radar and transformation substations for the electricity supply of the airport area.

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.

Unexpected environmental events

The company is able to recognise eventual situations which could lead to emergency circumstances and accidents in the environment. In this perspective, 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;
- Waste Treatment Plant and 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. 22 spills of hazardous substances were recorded in 2017 (19 spills in 2016). Such accidents are divided into minor spills of up to 5 m² and major ones exceeding 5 m². Among 22 spills there were 18 minor spills (on average 3 L of substance) and 4 major ones (on average 100 L 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.



Sustainable coexistence with birds

It is necessary to monitor the coexistence of certain bird species in the airport area. We started using a completely new approach of preventing possible birds strikes with aircrafts. In 2012 we started implementing a long-term ecological study aimed at identifying the status of biological populations and monitoring efficiency of the measures. The 5-year study revealed the fact that the most problematic bird species for bird strikes are common buzzard, common kestrel and hooded crow. We keep searching and introducing new methods that are based on modern systems of monitoring and recording ‘soft’ approaches to redirecting birds, f.e. interventions into the environment by offering them food. In accordance with the recommendations of the above mentioned study we have procured appropriate technical tools and provided trainings for employees responsible for monitoring, redirecting or deterring wild animals from the airport by using a safe, efficient and at the same time ethical and legally accepted way.

As an extreme option, within the set of preventive measures, we will also have to use the method of killing birds. In order to additionally highlight the company’s activity of providing airport safety in a sustainable manner, we regularly attend trainings and learn about novelties in the field of bird and wildlife management. The annual report on bird strikes is based on the data obtained from SMS Galiot, the safety management documentation system, and the base of such data are the recorded safety reports on bird strikes. The technique of normalising the number of confirmed bird aircraft strikes enables to specify the ratio of confirmed bird strikes, provided that the number of aircraft movements varies. This data is comparable to other airports. According to the risk assessment for the period 2012–2017, common buzzard poses a very high likelihood to bird strikes which can have a high level of consequences due to its size and weight.

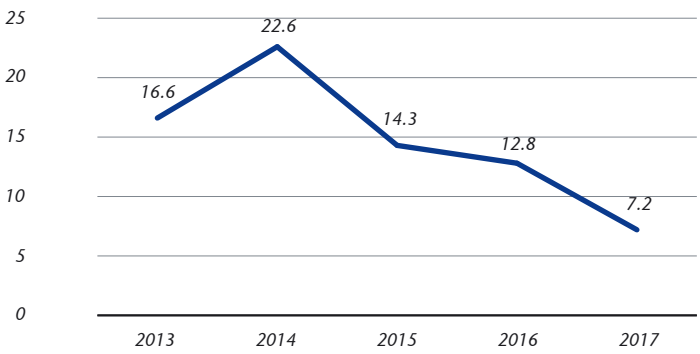
Permits and findings of the supervisory authorities

On March 2017 the company acquired the permit for killing birds for the period of 5 years and 9 months. The decision submitted by Slovenian Environment Agency, sets also the basis for implementing the measure of relocating bird nests during the time when there is no nesting. The annual killing quota in 2017 was not reached. Considering the risk assessment, there has been an evident downward trend in the number of bird strikes in recent years, which reflects our successful measures in this particular field. The Civil Aviation Agency of the Republic of Slovenia ascertained in March and November 2017 that our company provided the airport service by way of ensuring reduced aviation hazards caused by birds at Ljubljana Airport, and to implement the work in line with the Wildlife Management Plan.

Table 15: The total number of confirmed bird strikes in the airport zone A in the period 2013–2017

Year/Month	2013	2014	2015	2016	2017
January	0	0	0	0	0
February	0	1	1	0	1
March	1	1	3	2	0
April	3	4	1	4	3
May	3	6	8	7	2
June	3	6	1	6	3
July	11	26	12	16	5
August	23	22	13	5	5
September	5	3	7	1	5
October	2	1	1	1	0
November	2	1	0	0	1
December	2	0	0	0	0
Total	55	71	47	42	25

Graph 26: Bird strike ratio per 10,000 operations in the period 2013–2017



In 2012 we started implementing a long-term ecological study aimed at identifying the status of biological populations and monitoring efficiency of the measures.



Award for Best Sustainability Report in 2016

The company Fraport Slovenija was awarded for best sustainability report in the field of sustainable development at the 18th competition for professional awards in the field of business and financial reporting, organised by the Slovenian newspaper Finance.

At the ceremony, taking place in November 2017, the award was collected by the managing director Zmago Skobir and the environmental expert Primož Primožič, who was also responsible for preparing the report.

The competition is a platform for the highest standards in preparing annual reports. In particular, individual areas of the report content and the communication aspect are assessed in the reports by an independent committee. Through reporting we wish to present the wider public our attitude to sustainable development, our sustainable work practice and development plans.

Fraport Slovenija is well aware that as part of the aviation industry in its active role in providing public interest in safe, regular and undisturbed air traffic, the company significantly affects the environment in the economic, social and environmental aspects. Part of our sustainable pledge is also our annual sustainability report where we systematically and transparently collect all our endeavours in line with the envisaged sustainable development. Sustainability Report 2016 is our second such report in a row in which we primarily focused on our sustainable attitude to the environment, passengers, business partners and airport visitors, and on the strategy of sustainable communication, our relations with employees and suppliers, and socially responsible projects. The company’s top management is responsible for the adoption of the sustainability strategy and its programme. All employees are included in the implementation of our sustainability programme, in accordance with their powers and responsibilities. The report is prepared by experts responsible for individual professional fields, in collaboration with other employees, project groups and committees.

Zmago Skobir, Managing Director, newspaper Finance, 15. 11. 2017



1,000

visitors are guided through the airport world each year.



Socially Responsible Projects

We are doing our best to associatively link the projects and individuals, whom we provide help, with our main business activity and the social environment where we operate, and by doing this, to find a deeper meaning beside the commercial one; the meaning having short-term and long-term effects for both sides. We firmly believe that projects leaving a positive trail are those that are created mutually and in partnerships. Sponsorship and donation activities of the company are built on three pillars: sports, arts & culture, and humanitarian activity. In the following, some projects implemented and supported in 2017 are presented.

We remain faithful to the individuals we sponsor

In 2017 we kept loyalty to the individuals who we had sponsored and donated for several years. In sports we continued sponsoring the Slovenian Nordic ski teams and Marathon Franja. By sponsoring the Olympic Committee of Slovenia we cover all sports disciplines, support the Olympic values and positively influence the recognition of Slovenia and Slovenian sports around the world. Our sponsorship also covers the central summer cultural event in the capital city - Festival Ljubljana. We also support some other sporting events, local sports associations and talented athletes and other individuals with funds of a smaller extent. We also donate to humanitarian, cultural and health institutions and associations in neighbouring municipalities, and also to the organisations that are frequently visited by our employees.

Guided tours

Through our guided tours we want to bring the airport world closer to those who do not travel by plane, or to those who want to have a deeper look into its background. Most often we cooperate with kindergartens, elementary schools, secondary schools and faculties. We are happy about visits from various associations and other organised groups. We are often visited by various voluntary fire brigades, who are most interested in our airport facilities and the fire rescue equipment. Each year we are visited by more than 1,000 visitors in this way.

Festival 'Entertaining airport'

For the fourth year in a row we had organised a family day at the airport, which is characterised as a social educational event. The number of festival visitors is rising each year, and in 2017 it was visited by over 1,000 participants. We invited employees, retired employees, employees of partners' companies operating at the airport, their families and friends. Beside rich, geographical and adventurous animations for children there were some presentations of airport services and equipment. Representatives of Adria Airways Tehnika presented the maintenance of the aircraft, and also helicopter medical emergency services demonstrated their work there. For the second year in a row we had organised family games with the purpose of encouraging festival visitors, as a Family Friendly Enterprise, to jointly get acquainted with the airport and its activities. Some short guided tours were organised in the backstage of the airport for all participants.

Social events for employees

The company encourages socialising and building on informal relations among the employees by promoting various social events among them. Each year we organise sporting events, traditional New Year's party for employees and gift giving to their children, with the presence of Grandpa Frost, and also multi-day excursions. We regularly include some airport-related themes in our programmes, and we also use the airport location for venues.

Listening to social distress of employees

We regularly offer solidarity financial help in cases of death of our employees or their family members whom they supported. We listen to social distress of employees, which is reflected by our immediate response in such situations. We offer financial support in cases of elementary accidents and provide a couple of days off to employees who have been involved in accidents or have helped in such events. At the New Year's party, organised for employees, we also collected participation which was distributed among children of our deceased employees.

A booth of Center Sonček

Prior to the Easter time and December holidays we organise the so-called Sonček booth in the passenger terminal. Passengers and visitors and airport employees can find here various pieces of arts and crafts that are hand made by individuals suffering from cerebral paralysis from Center Sonček Kranj. These art products are an ideal present, especially for those holidays. All the funds earned at the booth are, as a reward for their work, distributed to the disabled, the employees of the daily care and working centres of the organisation Center Sonček Kranj. With all these activities, our company wants to strengthen our multi-annual cooperation with the association Zveza Sonček. We occasionally help the association with donations, and our employees also support the association and their activities in many different ways.

We invite employees, retired employees, employees of partners' companies operating at the airport, their families and friends to the festival Entertaining airport.



Books promoting Slovenia around the globe

With our book exchange project, better known as Book Crossing, we want to spread the reading culture. Two places in the passenger terminal have been decorated with two book shelves where passengers can find books about Slovenia, other Slovenian literature in the Slovene, English and other languages that passengers can take with or leave them for other passengers. The purpose of this project is to globally spread the voice and the word of Slovenia as a very pleasant and beautiful country, and to encourage reading habits of passengers. We also published the poetry collection Dotiki daljav (eng. Thouching the Distance) in cooperation with Prešeren Prize winners Association Kranj. The collection comprises 24 poems written by Prešeren Prize winners in the Slovenian language and translated into twelve foreign languages. The poems and the translation language were selected by the authors themselves. The collection is available to passengers in the terminal, and has been well accepted.

Rich art collection of Fraport Slovenija

The central airport of a country can also become gallery space suitable for presentations of the national art and culture. This mission is even more important considering the fact that we at the airport present the passengers’ first contact with Slovenia, upon their arrival, and also their last contact when they leave the country. Fraport Slovenija art collection is based on three pillars and represents a significant overview and presentation of the Slovenian modern art, and presentation of some artists from Gorenjska region which is also closely related to the airport. However, the large part of our collection was created by thirty-three Prešeren Prize winners.



Franc Rotar: Sphere, 1984, bronze

The art work of the Prešeren Prize winners represents the most noble and recognisable part of our collection.



Each year we organise traditional New Year’s party for employees and gift giving to their children, with the presence of Grandpa Frost.

Project Groups, Committees and other Company Bodies

Green Team

Members of the project group:
Primož Primožič, Project Manager
Tina Javor, Deputy
Monika Jelačič
Ciril Kern
Boris Možek
Peter Pintar
Boštjan Rakovec
Taja Smolič

Committee for Improvements

Members of the Committee for Improvements:
Taja Smolič, Chairman
Matej Arhar
Robert Bizaj
Klemen Bogataj
Teja Bubnič
Ines Lah
Biljana Marčeta
Boris Možek
Miha Rajgelj

Family Friendly Enterprise

Members of the project group:
Alenka Pečnik, Project Manager
Klemen Denša
Drago Ilič
Lea Jarc Smole
Mojca Lovrenčec
Damjan Mirošničenko
Bogdan Novak
Martina Serdoz
Igor Vertnik
Brigita Zorec

Ethics Committee

Members of Ethics Committee:
Jolanda Kovačič
Alenka Pečnik
Denis Talič

Selection group for Matej Valič Prize

Members of the selection group:
Eva Mordej
Gojko Setnikar
Elizabeth Troha-Jugovac
Brigita Zorec

Mobbing

Authorised persons for registering harassment and mobbing at work:
Tomaž Prezelj
Lea Jarc Smole
Tadeja Strupi
Jana Tišler

Commission to identify circumstances related to alleged harassment or mobbing:
Boštjan Šijanec, Chairman
Benjamin Markač
Špela Uršič

Works Council

Members of Works Council:
Matic Perovic, President
Tomaž Prezelj, Deputy
Ciril Kern
Damijan Kos
Primož Lubej
Boris Možek
Anže Musek
Bine Perič
Miha Rajgelj
Petra Romšek
Martina Serdoz

Trade Unions

Trade Union Aerodrom Ljubljana
Trade Union of Professional Firefighting Aerodrom Ljubljana
Free Trade Union Aerodrom Ljubljana

GRI Indicators

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This report is prepared in line with GRI Standards - the basic version.

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