

For this column ARC invites guest writers to discuss and debate current and burning airport-related matters.

Frankfurt Airport Pursues Sustainable Growth for the Future

Fraport AG, the owner and manager of Frankfurt Airport (FRA), is responsible for Germany's biggest employment complex at a single location – with more than 71,000 staff directly on site – and gives decisive impulses for business and economic development of the entire Frankfurt/Rhine-Main-Neckar region.



Robert Payne

One could say that FRA is of strategic importance for Germany and even Europe as a whole. It also underscores the important role that airports can play as economic engines driving global business and trade, travel and tourism, innovation and technology, and sustainable business.

Located in the heart of the New Europe, Frankfurt has been a major trading center and crossroads for over twelve centuries. Today, Frankfurt Airport plays a vital role in continuing this tradition on a global scale. FRA has an expanded catchment area of more than 38 million inhabitants – almost half of Germany's total population – located within a 200-kilometer radius of the airport, far greater than for any other European airport. The new FRA Winter Timetable 2009/10 features some 110 scheduled passenger airlines flying to 265 destinations in 110 countries.

With competition in the global air transportation industry intensifying Frankfurt cannot afford to stand still. Facilities and infrastructure must be developed to secure the future of Germany's leading aviation gateway, which ranks among the world's top 10 airports: 53.5 million passengers and 2.1 million metric tons of air cargo in 2008. In recent years and even during the current world economic and financial crisis, Fraport has had to turn away airline customers because insufficient availability of more takeoff and landing "slots" at FRA. That's why, despite the economic downturn, Fraport is moving briskly ahead with its extensive capital investment program.

From 2007 through 2015 Fraport AG will be investing a massive €7 billion at its FRA home base. On top of this various partners are investing several billion euros in new real estate developments that will greatly enhance Frankfurt Airport City. Fraport's heaviest invested years at FRA will be 2009, 2010 and 2011 when approximately €1 billion will be spent per year for modernizing and expanding existing passenger terminals and for the Airport Expansion Program (AEP).

Already during the first nine months of the year Fraport awarded contracts totaling more than €1 bil-

lion. With a total investment volume of more than €620 million, the majority of these contracts was awarded under competitive tenders to firms throughout the airport region. Thus, Fraport continued to serve as a major economic engine during the first three quarters of 2009 – particularly in the Frankfurt region. By comparison, in 2008 more than €640 million in contracts were placed in the first three quarters – of which about €423 million went to companies in the Frankfurt/Rhine-Main region.

The strong climb in the contract volume in 2009 was due largely to the numerous reconstruction and expansion projects now in full swing at Frankfurt Airport. These include fire safety enhancements at the terminal facilities as well as construction of the new Pier A-Plus at Terminal 1. Civil engineering contracts for the new Runway Northwest alone reached about €75 million. Furthermore, approximately €45 million were spent on nature protection projects for reforestation and environmental improvements.

In the first nine months of 2009, 46.9 percent more contracts overall were placed with companies in the Frankfurt/Rhine-Main region year-on-year. Contracts were mainly placed with medium-sized companies and tradesmen businesses. This clearly speaks for the competitive performance of regional businesses and their employment security. According to available estimates, €1 billion in annual investments at FRA secure more than 25,000 jobs at the contracted companies.

The majority of Fraport AG's purchasing volume in the first nine months of 2009 benefited smaller companies in the airport vicinity. Some 86 percent of all contracts placed in the first nine months of 2009 had a maximum value of €10,000 – thus ensuring the

A 19-year veteran of the airport industry, Canadian-born Robert A. Payne is Senior Manager for International Press & PR at Fraport AG, the Frankfurt Airport company. He is a member of the German-Canadian Business Club Frankfurt and the Heidelberg Club International. Studying the importance of all types of GATEWAYS is one of his hobbies and lifelong pursuits.

viability of numerous small and medium-sized companies. In detail, Fraport AG's contracts in the first three quarters of 2009 break down as follows: Nearly half of the contract volume (€500.2 million) went to construction companies in the region. Well over €275.2 million were spent on goods and services. Architectural, engineering and consulting services amounted to €102.6 million. Another €135 million of Fraport AG's total contract volume were spent on building maintenance, IT services as well as the purchase of technical services.

Visionary Growth Through Sustainability:

Not only is FRA a founding member of the new Airport Carbon Accreditation (www.airportcarbonaccreditation.org) scheme that was launched by ACI Europe (Airports Council International) in June 2009, it is the first European airport to receive the important accreditation status. Commenting on this commitment, Fraport AG's executive board chairman Dr. Stefan Schulte said: "We are delighted to be the first airport certified according to the stringent criteria of Airport Carbon Accreditation program. This is a validation of our efforts and underscores the actions taken by Fraport to minimize our impact on climate change. Reducing carbon dioxide emissions per passenger and per 100 kilograms of freight by 30 percent by 2020 is a strategic goal that Fraport is vigorously pursuing." As part of these initiatives, for example, Fraport's Airport Expansion Program will be carbon neutral.

Fraport's initiatives and accreditation of CO2 emissions will be carried out in conjunction with Frankfurt Airport's regular EMAS (Eco Management and Audit Scheme) certification. Frankfurt Airport is Germany's first airport to achieve 10 years of EMAS, a voluntary European Union program. Fraport will also be developing a Stakeholder Engagement Plan to involve the various airport partners in the common goal of reducing FRA's CO2 emissions.

Through the improved efficiency of various business processes Fraport will strive to uncouple CO2 emissions in relation to air traffic volumes. FRA's Airport Expansion Program will not result in additional CO2 emissions because of the application of low-energy standards. The future Terminal 3, part of FRA's Airport Expansion Program, will be designed as an "eco terminal" and will benefit from geothermal energy, photovoltaic technology or other environmental technologies. With this eco-friendly design, Fraport's climate protection goals will be properly met.

Along with the expansion initiatives, specific projects reducing emissions of existing infrastructure include: refurbishing the Terminal 1 central air conditioning system, energy upgrading of service and administration buildings, using energy efficient lighting in buildings, expanding the 400 hertz ground-power supply system for aircraft parking positions, and demolishing older buildings.

Fraport's overall environmental activities are heavily influenced by efforts to reduce significantly the impact of air traffic. For example, this will be achieved by further advancing intermodal strategies and concepts for the intelligent integration of air, rail and road transportation networks - FRA is already a world leader in

this area. Along with climate protection, Fraport's environmental management focuses on noise abatement, water management and biodiversity.

In 2008 Fraport created the organizational platform for all-encompassing holistic sustainability management within the Fraport Group by setting up a "sustainability board" or committee reporting directly to the executive board. It includes representatives from Fraport's environmental management, Group strategy, auditing, human resources, corporate communications (sponsoring/public affairs), legal affairs and contracts departments.

Fraport has received impressive recognition for its ongoing efforts towards sustainable business practices. Once again, Fraport is the world's only airport operator listed on the Dow Jones STOXX Sustainability Index (DJSI STOXX) and the DJSI World Index, following the recent renewed listing in the Sustainability Yearbook 2009 from the SAM Group (a leading asset manager for sustainability investments) and accountancy firm PricewaterhouseCoopers.

The Frankfurt Airport company continues to be listed on the renowned FTSE4Good Index as well. These sustainability indices only list companies that show exemplary corporate sustainability performance in terms of economic, ecological and social success factors. Fraport is also striving to contribute to a more sustainable and fairer world economy. In July 2007, the company became a member of the United Nations' Global Compact (www.unglobalcompact.org), which has 10 basic principles covering the key areas of human rights, labor, the environment and anti-corruption.

Robert Payne