

Environmental and Social Data Sheet

Overview

Project Name: FRANKFURT FLUGHAFEN TERMINAL 3
 Project Number: 20120310
 Country: Germany

Project Description: The project concerns the construction of the first phase of the new Terminal 3 at Frankfurt Airport in the State of Hessen, Germany. It will be located on the southern side of the parallel runway system. The additional terminal capacity and its related infrastructure will enable the airport to handle future growth in traffic and improve passenger service standards across the airport as a whole.

The airport is Germany's main international transport hub and ranks amongst the top five airports in Europe in terms of passenger and freight traffic, handling 61 million passengers in 2015. It is operated by Fraport AG (Fraport), an entity recognised as one of the leading airport operators, with interests around the world.

The project includes the provision of the main terminal building with two piers and 24 stands, the expansion of the existing baggage conveyor system, the extension of the Sky Line people-mover for connecting the new terminal to the existing facilities and various associated airside and landside works. It will increase the peak hour capacity of the airport and raise the annual handling capacity from 64 to 78 million passengers per year.

EIA required: yes

Project included in Carbon Footprint Exercise¹: no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project falls under Annex II of the EIA Directive 2011/92/EC. The project components are included in the Frankfurt airport expansion plan that Fraport started to develop in 1997 to cope with growing aviation volumes and which included the provision of a fourth runway and associated terminal, airside and landside facilities. The first phase of the approval procedure, the so-called Regional Planning Procedure (Raumordnungsverfahren or ROV) was concluded in June 2002. The second phase, the Zoning Procedure (Planstellungsverfahren or PFV) began in the fall of 2003. After nearly a decade, the Ministry for Industry, Transport and Regional Development of the State of Hessen (HMWEVL) granted the planning approval decision on 18 December 2007.

The PFV integrated as part of the planning procedure an Environmental Impact Assessment (EIA), a Biodiversity Impact Assessment in accordance with the Habitats and Birds directives, including an appropriate assessment on nearby Natura 2000 sites, and a Landscape

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Conservation Plan. The findings of these analyses were reflected in the planning approval decision in a series of auxiliary conditions in order to ensure that all the relevant environmental requirements could be preserved.

The main environmental impact of the project is an increased level of noise associated with future aircraft operations. The main mitigation measure as a consequence of the PFV is the ban on night-time flights between 11 p.m. and 5 a.m. and the limitation on the number of flights in the shoulder hours. In addition, active noise mitigation measures include a package of 27 measures formulated by the expert committee "Active Noise Abatement" of the Airport and Region Forum (FFR) where Fraport AG cooperates closely with partners from the airline industry, the State of Hessen Government and the region. These include noise-reducing approach and take-off procedures, a concept involving alternating use of runways and financial incentives to promote the use of quieter aircraft. An aircraft noise monitoring station network has been expanded to a total of 29 stationary measuring stations and three additional mobile measurement containers in the neighbourhood of the airport. The measuring stations provide continuous monitoring of aircraft noise development and document unusual noise events. The results are posted on the FraportNoise Monitoring (FRA.NoM) website. Moreover, in relation to passive noise abatement measures, Fraport meets all the existing statutory regulations as they are defined in the Aircraft Noise Abatement Act (FluglärmG) in conjunction with the corresponding implementation regulations of the Federal Government and in the "Directive for Defining the Noise Abatement Area for Frankfurt Airport" from 2011. Approximately 86,000 households located in the surrounding area of Frankfurt Airport are entitled to submit claims for passive noise abatement. These are located in a specific noise abatement area which has been determined by the State of Hessen Government in accordance with the relevant noise abatement regulations. Furthermore, Fraport has set up a Regional Fund together with the State of Hessen that provides additional funds to finance supplementary measures. Finally, the "Casa Program" offers real estate owners exposed to increased nuisance due to the operation of the northwest runway financial compensation on a voluntary basis through purchase of the property or settlement payments.

As part of the EIA carried out in the scope of the PFV, a detailed inventory of natural resources including flora and fauna at Frankfurt Airport and in the surrounding areas were recorded in detail in 2005. The subsequent assessment concluded that two major impacts of the expansion plan were the deforestation of 282 ha in the protected areas of "KelsterbachForest", "Markwald" and "Gundwald" where the species mostly affected were bats and woodworm beetles. As a result of this assessment a comprehensive package of measures was established including protective, avoidance, compensatory, replacement and coherence measures. As an example, 288 ha of land in the Frankfurt-Rhine Main Area have been reforested. In addition, action plans and auxiliary regulations from the competent authorities were added to the Landscape Conservation Plan included in the PFV approval.

Since 2010, there has been an intensive and long-standing environmental monitoring system in place in 10,000 ha of land around the airport. This helps in the early identification of any changes in the local ecology. In parallel to this, the effectiveness of all compensation measures is monitored on an ongoing basis so that improvements can be made where necessary and additional measures can be implemented if the environment is not developing as planned.

A comprehensive part of the PFV addressed the environmental management of the project construction works (i.e. construction-logistics and groundwater management) and assessed the impacts associated with increased construction traffic and noise, management of soil pits and potential contamination of the groundwater. Mitigation measures were established and auxiliary regulations concerning groundwater-metering and groundwater management were included and transport routes regulated.

Besides the impacts associated with the traffic increase and the construction works, planning of the new Terminal 3 also aims at delivering an energy efficient building aligned with the EU

Directive on Energy Performance of Buildings and aims at emitting the lowest CO₂ emissions possible. The technical concept of the building envisages operation of the facility completely without both fossil energy sources and the supply of external heating energy.

Approval for the first phase of Terminal 3 component in accordance to building regulations law (building permit) was granted by the competent building regulatory authority (City of Frankfurt am Main) in August 2014.

Frankfurt Airport has become Germany's largest employment complex at a single location, with more than 500 companies and organizations providing jobs for more than 80,000 people. The project will facilitate the continued growth of the airport and it is likely the project will create additional direct employment. In the context of the PFV and in order to assess the impact of the Frankfurt expansion project on the economy of the region, Fraport commissioned a study which was conducted by Professor Huyer from the Goethe University of Frankfurt/M. The chapter dedicated to employment analysed the development of the workforce number in conjunction with the expansion plans and establishes a significant correlation between traffic development and number of jobs at the airport in the past. Should the correlation remain valid for the future increase in traffic, total employment at the airport could increase from the current 80,000 jobs to 90,000 jobs once the project reaches capacity.

Public Consultation and Stakeholder Engagement

Since the Frankfurt expansion plan started in 1997, there have been three successive fora to involve the stakeholder community of Frankfurt airport.

In the summer of 1998, the State of Hessen Government proposed a mediation procedure on the expansion of Frankfurt Airport. Representatives of local communities, the airport and other aviation companies as well as other regional and local representatives were involved. The mediators' final report was submitted in January 2000 and the recommendations included there were taken on board to a great extent, at the next planning stage.

One of the recommendations of the mediation process was the creation of the Regional Dialog Forum (RDF) which was operational since the beginning of the PFV. The mediators wanted to create an entity that would accompany the further process with the interests of the residents and communities affected in mind and that would address all the questions raised in the public debate.

In addition, three extensive public hearing processes were held in the period 2000-2007. They allowed authorities, residents and other interested parties to present their views on the operations, their environment impacts and the proposed measures.

In 2008, after the planning approval decision was granted and in order to capture the grievances still expressed by neighbouring residents, municipalities and other organizations regarding the airport expansion, the Hessian Regional Government, Fraport, Lufthansa, Deutsche Flugsicherung (German Air Traffic Services) and BARIG, the Board of Airline Representatives in Germany, founded the Forum Airport and Region. This forum brings together the dialogues about the development at Frankfurt Airport and the cooperation in the region. It focuses on the exchange of concepts with the population, noise monitoring and the development of noise protection measures.

Since July 2009, the non-profit company Umwelthaus GmbH, founded by the State of Hessen, has been operating the Environment and Community Center (ECC) setting new standards for transparency and information. Its main objective is to improve communication and cooperation between Frankfurt Airport, its users and the neighbouring residents. In addition, the ECC has the task to concentrate the various monitoring activities such as aircraft noise monitoring, social and environmental monitoring and to review the facts and findings in a neutral way.

As part of the stakeholder engagement mechanisms, Fraport receives a significant number of complaints. The majority of them are automatically generated verification requests (automatically sent online by specific software). The rest are sent personally, usually via email. Fraport deals with each individual message and also investigates some flights on its own initiative. All questionable aircraft movements are compared with the values from noise measurement points and with flight plan depictions from German Air Navigation Services (DFS) where required. If, for instance, prescribed flight routes are not complied with, Fraport passes on the information to the aircraft noise protection officer of the HMWEVL. Route precision and altitude are also verified there. In addition, it is also determined whether noise-reducing take-off and landing approaches at Frankfurt Airport have been complied with. If the pilot has acted incorrectly, DFS applies for summary proceedings at the Federal Aviation Office.

Other Environmental and Social Aspects

Fraport is represented in the most important sustainability indices and has received numerous awards for its environmental management expertise.

Since 1999, Fraport AG at Frankfurt Airport has been regularly validated by government accredited and inspected environmental auditors. The basis for this audit is the European regulation 761/2001/EC on Eco-Management and Audit Scheme (EMAS). Since 2002, the verification has also been carried out in accordance with the international standard ISO 14001.

Since 2006, Fraport has been taking part in the Carbon Disclosure Project (CDP)² and has been listed in the FTSE4Good³.

In September 2009, it was the first airport operator to receive accreditation under ACI Airport Carbon Accreditation (ACA). Since 2012, Fraport AG has been accredited at Level 3 Optimization.

Conclusions and Recommendations

Given the above, the following environmental condition is to be applied:

CONDITION

- Prior to first disbursement, the Promoter shall submit to the Bank a signed copy of the Form B completed by the Natura 2000 competent authority (Regional Nature Conservation Authority of the Darmstadt Regional Administrative Council).

Subject to the above condition being met, the project is acceptable for EIB financing.

PJ/ECSO 15.10.15

² This is the leading climate reporting initiative in the finance industry worldwide, which analyzes companies and their strategies for climate change and CO2 reporting.

³ The FTSE4Good is an index published by the London Stock Exchange (FTSE) every six months. Companies are listed in the FTSE4Good Index if they perform above average in the fields of human rights, social standards and environmental protection, and continuously improve their performance.