

Flughafen Zürich AG
Integrated Report

2021

Zurich Airport

The background of the cover is a clear blue sky with a few wispy clouds. In the bottom right corner, the top part of a modern, multi-story control tower is visible. On the left side, two tall stadium light towers are positioned. The overall aesthetic is clean and professional, reflecting the airport's branding.

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Corporate Governance

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Letter to shareholders

Dear Shareholders,
Dear Sir or Madam

Following pandemic-related restrictions and low passenger volumes in the first six months of the year, in the second half we reported a recovery and a positive business situation. We successfully concluded the major project The Circle and made progress on key infrastructure projects at the Zurich site and abroad. As a company we are continuing to develop and are looking ahead with confidence.

A mixed year with some bright spots

Low passenger volumes in the first half of the year followed by an upturn in the summer, constantly changing travel and quarantine restrictions, partial closures of shops and restaurants, coupled with home working rules all had a major impact on business at Zurich Airport.

At barely 15% of pre-crisis levels, traffic volumes were extremely low during the first six months. Over the summer and during the autumn break, passenger numbers picked up to 50% of these levels, occasionally rising to 65% on some days. The recovery was due in no small measure to the introduction and recognition of Covid certificates and good progress with vaccination rollouts. From November, the USA and some Asian countries opening their borders to vaccinated travellers likewise had a positive effect. However, the resurgence in Covid infection rates, the emergence of the Omicron variant and new travel restrictions imposed at the end of the year put a damper on recovery. As a result, Zurich Airport's passenger volume for 2021 totalled 10.2 million.

Particularly challenging for maintaining airport operations were the short-term booking behaviour of passengers and additional time-consuming document checks which made resource and production planning more difficult. As always, the safety of our guests is a top priority. Accordingly, safety measures were carefully implemented, and our test center services offered in conjunction with external partners were significantly expanded during the reporting year.

Together with our aviation and commercial partners, we have been in regular communication with government and the authorities to represent our standpoint as regards travel rules and restrictions. We are of the view that risk-based safety measures involving testing, vaccination, face masks and certificates are a better solution than blanket travel restrictions and quarantine rules. The freedom to travel must be maintained wherever possible.

Commercial operations likewise suffered a substantial drop in revenues, albeit to a lesser extent than passenger operations. Owing to the officially ordered closures and home

working regulations, there were fewer passengers, commuters, guests and employees at Zurich Airport.

Coronavirus was likewise the dominant story of the past year at our foreign subsidiaries. However, business in Brazil and Chile picked up strongly, primarily due to the high proportion of domestic flights there. The subsidiaries mastered the crisis independently by taking a variety of measures.

While the restrictions in place as a result of the pandemic caused Flughafen Zürich AG to incur another loss in the first half of 2021, the continuing recovery enabled it to post a profit in the second half of the year. Over the financial year as a whole, however, this resulted in a consolidated loss of CHF 10.1 million (prior-year loss: CHF 69.1 million).

In the past financial year too, we were able to deal with the crisis under our own steam. We did not apply for any state assistance, with the exception of short-time working.

Both Zurich Airport and the company continue to develop

Despite the difficult circumstances, Zurich's route network encompassed some 150 destinations and 43 airlines when the winter timetable resumed. This means that around 80% of the airlines that had operated flights to Zurich Airport prior to the pandemic have returned. Europe remained the most important market, especially holiday destinations around the Mediterranean. Routes to North America reached close to pre-crisis levels again.

The Circle celebrated its first birthday during the year under review, and this major project was brought to a successful conclusion with the opening of the two Hyatt hotels in April and December along with numerous other new tenants. Special events such as the Zauberpark festival of light and music, the Quartierfest and exciting new offerings from partners attracted new visitors and further enlivened this new and unique area of Zurich Airport. As borne out by booking numbers, the airport's central location, good accessibility and attractiveness of its surroundings meet the needs of event organisers. Indeed, the Circle Convention Center already played host to several major events during 2021.

In Airport Shopping and the Airside Center too, a range of new retail and hospitality outlets enhanced the existing amenities and showed that even during the pandemic Zurich Airport remained an attractive location for retail and service businesses within the Zurich metropolitan area.

The airport infrastructure at Zurich continued to be systematically developed, first and foremost by upgrading and expanding the baggage sorting system and extending the landside passenger areas. Both projects are progressing on schedule. Preparations for the renovation of runway 10/28 were also launched. The runway extension project has a longer-term planning horizon. An important step forward was taken during the reporting year when the Zurich Government Council approved the project and paved the way for the matter to be debated in the Cantonal Parliament, in all probability followed by a cantonal referendum.

International business became established in its own division and is currently focussing on the two markets of Latin America and India. The biggest project abroad, the Noida International Airport greenfield airport in India, is making excellent progress. Financing

was successfully secured, the land for the project was acquired and the ground-breaking ceremony was held during the year under review.

Sustainability now central to corporate strategy

We are committed to sustainable aviation and take our governance, environmental and social responsibilities seriously, both in Switzerland and in our projects abroad. By joining the world's biggest initiative for sustainable development, the United Nations Global Compact, we are underscoring our ongoing commitment to sustainable corporate governance. We have signed up to the UNGC's ten principles because we recognise our responsibility as a company in the key areas of human rights, labour standards, the environment and anti-corruption and wish to publicly affirm our support for these values. The company's [progress report](#) details how we contribute to upholding these principles within our sphere of influence.

The most urgent task to be tackled in order to bring about sustainable aviation is the reduction of CO₂ emissions. We have set out our contribution to decarbonising the aviation industry in our energy strategy for Zurich Airport. We have already met the Paris Climate Agreement targets for 2030 and made a binding commitment to reduce our carbon emissions to net zero by 2050. To achieve this goal, among other things we plan to upgrade buildings and install a modern energy supply. The Circle is certified to LEED PLATINUM and MINERGIE standards, utilising efficient alternative energy sources, for example solar power or heat pumps with systematic heat recovery and underground thermal energy storage. In addition, we are gradually converting Zurich Airport's vehicle fleet to electric vehicles and have greatly extended e-mobility services for travellers and guests too.

We are also committed to the use of alternative sustainable aviation fuels (SAF). It is greatly hoped that such fuels will significantly reduce aviation's carbon footprint in future. Pure SAF cuts CO₂ emissions by at least 80% compared with fossil-based kerosene. We were able to take a major step forward in this regard during the reporting year: together with various partners, we succeeded in developing a process for importing SAF into Switzerland. As a result, amended customs regulations came into force on 1 July 2021 which enable alternative fuels to be imported into Switzerland on a regular basis. A blend of sustainable and fossil fuel is imported which is dispensed via Zurich Airport's existing regular hydrant systems.

In India too, we are continuing our efforts to boost sustainability with the construction of Noida International Airport: Noida will be the first airport of its size to deliver net zero carbon emissions and consequently set a new standard for sustainable airport operations.

For the 2021 financial year, our company has written its first integrated report prepared in accordance with the Global Reporting Initiative (GRI) standards. These standards present uniform, recognised guidelines for public reporting on key economic, environmental and social impacts.

Thanks and outlook

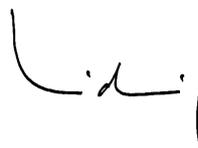
Even if some uncertainty remains, we assume the recovery will continue this year. The crisis has shown that we are living in a global, mobile society. Since our country combines the advantages of a strong business and knowledge economy with a high quality of life, close links between Switzerland and the world will become increasingly important. As an airport operator we are making our contribution by planning and acting with a long-term horizon and focusing on sustainability impacts. In doing so we draw on the most valuable resources of a company: our committed workforce and a corporate culture characterised by a high degree of solidarity and mutual respect between employer and employees.

This crisis has brought us as a company even closer to the partner companies at our airports. We greatly value these good working relationships. Many thanks are due to all our partners and other supporters of Zurich Airport. We would especially like to thank our employees for their tremendous, untiring efforts. And naturally also you, esteemed shareholders, for the loyalty and trust you have placed in us over many years.

Zurich Airport, 3 March 2022



Andreas Schmid
Chairman of the Board of Directors



Stephan Widrig
Chief Executive Officer

Key data

Key financial data (consolidated)

(CHF million)	2017	2018	2019	2020	2021
Total revenue	1,037.1	1,152.9	1,210.1	624.0	680.0
of which aviation revenue	624.2	656.7	661.5	221.7	240.6
of which non-aviation revenue	412.9	496.2	548.6	402.3	439.4
Operating expenses	-453.5	-581.9	-568.2	-428.0	-380.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)	583.6	571.0	641.8	196.0	299.2
EBITDA margin (in %)	56.3	49.5	53.0	31.4	44.0
Earnings before interest and tax (EBIT)	339.9	326.5	403.1	-56.6	19.1
EBIT margin (in %)	32.8	28.3	33.3	-9.1	2.8
Consolidated result	285.5	237.8	309.1	-69.1	-10.1
Cash flow from operating activities	529.7	538.4	511.7	147.3	231.7
Cash flow from investing activities	-542.3	-273.4	-628.3	-565.1	-86.6
Invested capital as at reporting date ¹⁾	3,470.7	3,516.8	3,779.7	4,288.2	4,302.0
Average invested capital ¹⁾	3,343.2	3,493.8	3,635.3	4,034.0	4,295.1
Return on average invested capital (ROIC in %)	8.1	7.4	8.8	-1.1	0.4
Equity as at reporting date	2,401.1	2,414.9	2,469.1	2,336.8	2,411.3
Return on equity (in %)	12.3	9.9	12.7	-2.9	-0.4
Equity ratio (in %)	55.9	55.3	53.8	46.1	48.6
Interest-bearing liabilities (net) ²⁾	515.2	579.8	1,158.4	1,403.4	1,387.8
Interest-bearing liabilities (net)/EBITDA ²⁾	0.90x	0.93x	1.83x	7.22x	4.64

1) Invested capital includes equity and interest-bearing debt.

2) Interest-bearing liabilities (net) include interest-bearing debt less cash and cash equivalents, interest-bearing current and non-current financial assets and fixed-term deposits.

Key sustainability data¹

	2017	2018	2019	2020	2021
Zurich Airport					
CO ₂ emissions Scope 1+2 (tonnes) ²⁾	29,582	26,799	27,850	27,496	32,651
Total energy consumption (MWh)	512,347	498,026	497,595	411,709	457,774
Total waste acc. to ADV (tonnes)	18,153	20,960	18,439	8,623	8,506
No. of employees (excl. apprentices/interns/trainees)	1,642	1,664	1,706	1,652	1,534
Florianópolis Airport, Brazil³⁾					
CO ₂ emissions Scope 1+2 (tonnes) ²⁾	n/a	n/a	n/a	n/a	1,216
Total energy consumption (MWh)	n/a	n/a	n/a	9,420	7,464
Total waste amount (tonnes)	n/a	n/a	433	383	412
No. of employees (excl. apprentices/interns/trainees)	n/a	157	167	116	131
Vitória/Macaé Airports, Brazil⁴⁾					
CO ₂ emissions Scope 1+2 (tonnes) ²⁾	n/a	n/a	n/a	n/a	1,453
Total energy consumption (MWh)	n/a	n/a	n/a	10,820	9,492
Total waste amount (tonnes)	n/a	n/a	n/a	349	172
No. of employees (excl. apprentices/interns/trainees)	n/a	n/a	107	90	69
Antofagasta Airport, Chile					
CO ₂ emissions Scope 1+2 (tonnes) ²⁾	n/a	n/a	n/a	322	315
Total energy consumption (MWh)	n/a	n/a	n/a	823	786
Total waste amount (tonnes)	n/a	n/a	n/a	328	180
No. of employees (excl. apprentices/interns/trainees)	n/a	45	45	35	43
Iquique Airport, Chile					
CO ₂ emissions Scope 1+2 (tonnes) ²⁾	n/a	n/a	n/a	333	349
Total energy consumption (MWh)	n/a	n/a	n/a	970	1,014
Total waste amount (tonnes)	n/a	n/a	n/a	55	79
No. of employees (excl. apprentices/interns/trainees)	n/a	58	61	49	53
Noida Airport, India⁵⁾					
CO ₂ emissions Scope 1+2 (tonnes) ²⁾	n/a	n/a	n/a	n/a	n/a
Total energy consumption (MWh)	n/a	n/a	n/a	n/a	n/a
Total waste amount (tonnes)	n/a	n/a	n/a	n/a	n/a
No. of employees (excl. apprentices/interns/trainees)	n/a	n/a	n/a	14	51

1) Table excl. regional offices in Rio de Janeiro (Brazil) and Santiago de Chile (Chile)

2) In accordance with GHG Protocol: Flughafen Zürich AG's own sources (vehicles, machinery, heating)

3) Operational takeover from state operator at beginning of 2018; completion of new terminal in October 2019

4) Operational takeover from state operator at beginning of 2020; Vitória and Macaé considered as one portfolio

5) Concession agreement for greenfield airport signed in October 2020

n/a = data not available or airport not yet taken over by state operator

Key stock data

Key stock data of Flughafen Zürich AG	2017	2018	2019	2020	2021
Number of issued shares	30,701,875	30,701,875	30,701,875	30,701,875	30,701,875
Ordinary dividend per share (in CHF) ¹⁾	3.30	3.70	-	-	-
Payout ratio (in %) ²⁾	35.5	47.8	-	-	-
Additional dividend per share (in CHF) ¹⁾	3.20	3.20	-	-	-
Equity per share (in CHF)	78.21	78.65	80.42	76.11	78.54
Basic earnings per share (in CHF)	9.29	7.75	10.07	-2.25	-0.33
Diluted earnings per share (in CHF)	9.29	7.75	10.07	-2.25	-0.33
Share price at year-end (in CHF)	222.90	162.50	176.70	156.10	164.10
Market capitalisation at year-end (in CHF million)	6,843.4	4,989.1	5,424.7	4,792.6	5,038.2
S&P rating	A+	AA-	AA-	A+	A+
fedafin rating	Aa-	Aa-	Aa-	Aa-	Aa-

1) Owing to the widespread impact of Covid-19 and to safeguard liquidity, it was decided not to pay a dividend for the 2019 and 2020 financial years. A proposal will be made to the General Meeting of Shareholders to waive payment of a dividend for the current year too.

2) Additional dividend from capital contribution reserves not included.

Flughafen Zürich AG

Flughafen Zürich AG is the owner and operator of Zurich Airport. It also develops and operates other airports in Brazil, India, Chile, Curaçao and Colombia. Its business model combines the professional operation of large transport hubs with the management of attractive commercial centers and real estate. Thanks to its commitment to high quality, Zurich Airport enjoys an excellent reputation.

GRI 102-2

As Switzerland's gateway to the world, Zurich Airport is a top-quality airport at the heart of Europe, offering excellent access to international, national and regional transport networks. Zurich Airport regularly wins awards for its excellent services, short transfer distances, friendly staff, clean infrastructure, reliable processes, attractive retail offering and other quality indicators. This performance may be credited to around 25,000 employees at more than 270 partner companies who day after day ensure that passengers and visitors enjoy the time they spend at Zurich Airport.

As a semi-public listed company, Flughafen Zürich AG operates one of the most important transport and meeting hubs in Switzerland. The company focuses on its core activities relating to the operation of airports and management of commercial centers, as well as on profitably managing and further developing real estate and the infrastructure at its Zurich site.

It is increasingly also involved in holdings in foreign airports and their operation. Its portfolio includes majority interests in the airports at Florianópolis, Vitória and Macaé in Brazil, in two Chilean airports in Antofagasta and Iquique, and in the new airport being developed in Noida, India.

Organisational structure

Among its non-delegable statutory duties, the Board of Directors of Flughafen Zürich AG is responsible in particular for determining the strategic objectives of the group and for overseeing the Management Board, which currently comprises six members.

GRI 102-9, 102-18

Organisation chart

The following organisation chart of Flughafen Zürich AG shows the [Board of Directors](#) and the company's five divisions headed by members of the [Management Board](#):



As at 31 December 2021

Aviation

All the functions required for ensuring safe, efficient and high-quality flight operations at Zurich Airport are grouped together in the Aviation division. These include all passenger departure, arrival and transfer processes, the coordination of stand allocation and guidance of aircraft on the aprons as well as safety and security. Everything runs smoothly because all partners are coordinated by a central control body – Airport Steering. The Aviation division is furthermore responsible for all freight-related activities and, together with Aviation Marketing, constitutes the interface to the airlines. Operation of the airport's 800-hectare site, including planning, utilities, waste management and maintenance of engineering structures, also falls under the remit of Aviation. The Aviation division additionally ensures that aviation infrastructures and procedures are developed to meet demand, and handles all questions relating to noise management and resident protection.

Commercial

The Commercial division looks after the interests of Zurich Airport's end customers. It is consequently responsible for marketing, landside transport and managing the airport's commercial centers. Alongside running the Circle service complex and Switzerland's most successful shopping center, this division seeks to shape attractive airside and landside shopping, service and dining experiences. It also has overall responsibility for all landside transport services, the airport's various parking offerings and connections to public transport networks, along with the design of the airport's digital presence and all marketing functions.

Real Estate

The Real Estate division is responsible for the development and construction as well as the commercial, technical and infrastructural operation of all the buildings and associated systems at Zurich Airport. Its portfolio includes everything from the terminals, office centers and logistics and hangar buildings through to the Circle complex. The division ensures that all projects, small and large, are completed on schedule within their defined budgets while meeting the necessary quality standards, and that the airport's real estate and systems are optimally operated throughout their entire life cycle. These include technical building services, energy and heating, the baggage handling system and the Skymetro passenger transport service to Dock E.

International

The International division is responsible for all international activities, including the purchase and sale of investments, monitoring the existing portfolio and management and consulting agreements. In view of its growing importance, international business was split off into a separate division within Flughafen Zürich AG from 1 May 2021.

Finance & Services

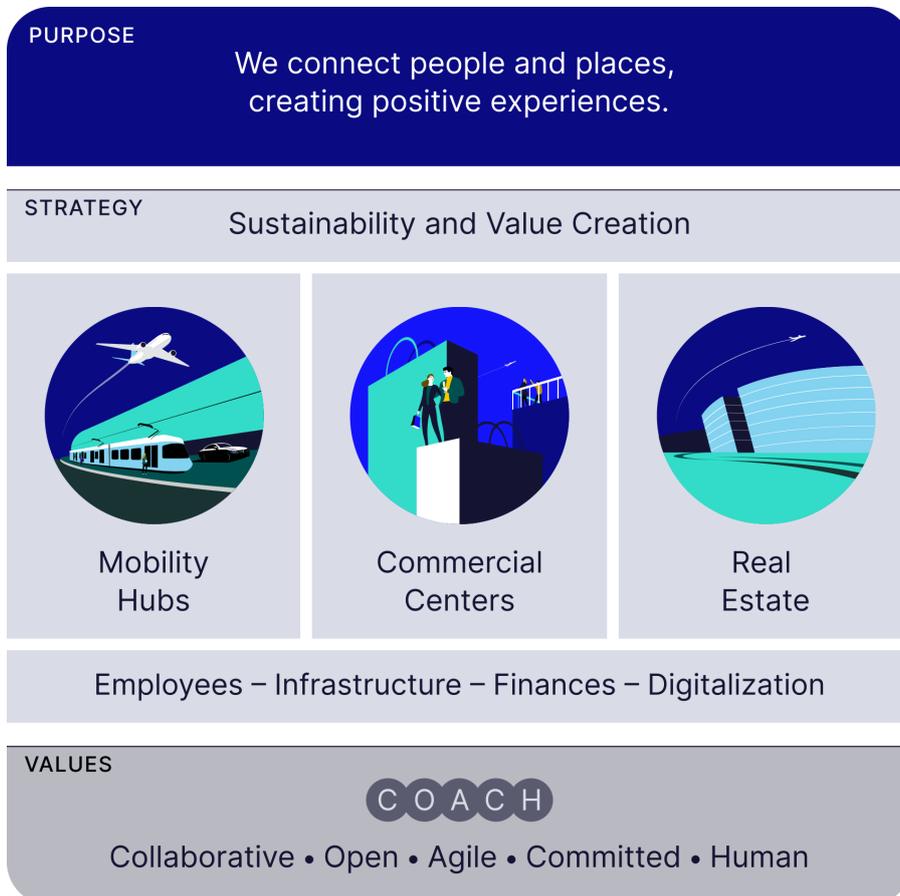
The Finance & Services division oversees the financial control of the company and management of its cross-divisional functions. Along with the usual financial functions including treasury and investor relations, its remit also includes responsibility for all matters relating to information and communications technology, central purchasing and charge management. The Legal, Risk & Compliance and the Sustainability & Environment departments were also integrated into this division from 1 May 2021.

Staff units

The two central staff units – Human Resources and Corporate Communications (including Public Affairs) – report directly to the CEO. The office of the General Secretary acts as the support staff unit for the Board of Directors.

Purpose, strategy and values

The purpose, together with the strategy and values, constitutes the basis for the success of our company.



Purpose – Strategy – Values

Our purpose – what drives us

We connect people and places, creating positive experiences.

Our purpose guides our actions and drives us. Our airports connect people and places – regionally and across continents. In everything we do, we aim to create positive experiences.

Our strategy – how we realise our purpose

A strong foundation

Our entrepreneurial success is based on motivated and professional employees, well-planned and well-maintained infrastructures, healthy finances, and a smart use of digital technologies.

Mobility hubs at the core

We connect countries and regions with the world – in Switzerland, India and Latin America. We see our airports as state-of-the-art mobility platforms that seamlessly connect all modes of transport.

Commercial centers and experiences

A diverse commercial offering creates lively places where people can spend quality time and with high footfall. Top-class commercial centers provide attractive locations for brands, events and as destinations, creating a positive experience.

High-quality real estate as attractive business locations

We invest in high-quality real estate with direct access to our mobility platforms, which serve as an attractive business location. The revenue generated from this contributes significantly to the economic stability of our company.

Adding value by acting sustainably

We are convinced that the long-term increase in our corporate value as an overarching goal can only be achieved in connection with sustainable corporate management. That is why we set high standards for our corporate, ecological and social responsibility.

Our values – how we work together

We practise five values that connect our employees and create a strong community and corporate culture. These values foster a constructive and respectful dialogue, a culture of openness and willingness to change. They enable us to continuously develop as an organisation and as leaders, teams and individuals.

C: COLLABORATIVE

O: OPEN

A: AGILE

C: COMMITTED

H: HUMAN

Locations

The Zurich Airport Group owns or operates airports at the following locations:

GRI 102-4, 102-6



Overview of locations

The percentage stakes held are as follows:

GRI 102-10

Airport	IATA Code	Location	Country	Passengers 2021	Concession period	Ownership
Zurich	ZRH	Zurich	Switzerland	10.2m	2001–2051	100%
Florianópolis International Airport	FLN	Florianópolis	Brazil	2.4m	2017–2047	100%
Eurico de Aguiar Salles	VIX	Vitória	Brazil	2.0m	2019–2049	100%
Benedito Lacerda Airport	MEA	Macaé	Brazil	0.1m	2019–2049	100%
Belo Horizonte International Airport	CNF	Belo Horizonte	Brazil	6.9m	2014–2044	12.75%
Diego Aracena International Airport	IQQ	Iquique	Chile	1.3m	2018–2040 ¹⁾	100%
Andrés Sabella Gálvez International Airport	ANF	Antofagasta	Chile	1.5m	2011–2025 ¹⁾	100%
Curaçao International Airport	CUR	Willemstad	Curaçao	0.8m	2003–2033	9.69% ²⁾
Noida International Airport	n/a	New-Delhi	India	n/a	2021–2061	100%
Aeropuerto Internacional El Dorado	BOG	Bogotá	Colombia	22.2m	n/a	0% ²⁾

1) expected

2) incl. TSA (Technical Service Agreement)

Further information about individual foreign holdings can be found in the [International traffic figures](#) section or in [note 24.7](#).

Traffic volumes Zurich

Zurich Airport recorded a third of pre-crisis passenger levels

Zurich Airport welcomed 10.2 million passengers during 2021, up 22.7% from the previous year. However, this was still only around one third of the volume registered in the pre-crisis year of 2019. It proved to be a year of two halves, with the first half still very much dominated by the crisis: only 2.1 million passengers flew via Zurich Airport between January and June 2021 (14.1% of 2019 levels). Thanks to the relaxation of Covid restrictions and the boost from summer vacationers, passenger numbers then picked up strongly from July onwards. Over a million passengers a month flew to and from Zurich during the second half of the year, corresponding to approximately 50% of 2019 volumes. October was a record month with 1.6 million passengers (56.2% of 2019 levels). Travel restrictions due to the new Omicron virus strain resulted in a drop in travel activity during December. This proved to be merely temporary, however, and passenger traffic already started picking up again towards the end of the year.

As a result of increasing demand, the transfer volume at Zurich Airport also rose over the course of the year. While the transfer rate hovered around an average of 19.2% during the first half of the year, it had reached almost 30% again by December 2021. With an increase of 21.7%, the transfer market was still slightly weaker than the local market (+23.1%) however. Passenger volumes of home carrier SWISS saw above-average growth of 28.2%. SWISS accordingly accounted for 52.7% of the volume (previous year: 50.4%), followed by Edelweiss Air (9.7%), Deutsche Lufthansa AG (3.0%) and Chair (2.7%).

Europe, the largest market by volume, grew by 27.8% over the previous year. In contrast, the growth in intercontinental traffic was only 3.6%. Thanks to tourist routes, at 48.0% Latin America saw the biggest increase, followed by the Middle East with 31.2% growth. Although the USA did not open its borders to vaccinated travellers until November 2021, North American traffic increased 25.4% from the previous year. The Far East had the lowest passenger volumes, plunging 66.4% compared with the previous year. The ongoing strict travel restrictions – especially in China – and a marked travel hesitancy led to weak demand in this market.

Increase in flight movements and improved seat load

Flight movements at Zurich Airport totalled 132,600 in 2021, up 19.1% from the prior-year period (48.2% of 2019 levels). In the scheduled and charter flight segment, the number of flight movements registered a 15.9% rise. With an increase of 28.7%, the general aviation segment was significantly more stable.

During the year under review, the seat load factor improved year-on-year by 2.8 percentage points to 63.9% (2019: 78.1%). At 67.7%, short-haul flights achieved significantly better capacity utilisation than 50.8% for long-haul routes.

Marked increase in air freight

Freight volumes at Zurich Airport increased by 35.0% in 2021 compared with 2020 (87% of 2019 levels).

Road feeder services saw a notable upswing of 41.4%. Owing to the lack of capacity on scheduled flights, the volume of freight trucked to traditional all-cargo hubs grew significantly.

The volume of air freight handled rose by 31.5%. Here the many problems experienced with shipping by sea resulted in a rapid surge in demand for air freight.

Key data

Flughafen Zürich AG, Zurich site, AO 1–3	Unit	2019	2020	2021
Local passengers	Number of persons	22,231,195	6,288,226	7,739,188
Transfer passengers	Number of persons	9,209,982	2,005,062	2,439,168
Transit passengers	Number of persons	18,638	5,889	5,673
General aviation and Other	Number of persons	47,877	41,870	50,399
Total passengers	Number of persons	31,507,692	8,341,047	10,234,428
Passenger flights	No. of flight movements	242,717	80,555	94,012
Freight-only flights	No. of flight movements	396	2,526	2,242
General aviation and other	No. of flight movements	32,217	28,247	36,346
Total flight movements	No. of flight movements	275,330	111,328	132,600
Air freight	Tonnes	334,650	188,177	247,434
Road freight	Tonnes	117,177	102,986	145,628
Total freight	Tonnes	451,827	291,163	393,062

Traffic volumes: majority-owned international subsidiaries

Passenger volumes

Brazil

Owing to very high Covid case rates, the upturn in Brazilian passenger numbers temporarily stalled in the first quarter of 2021. The situation continually improved in tandem with the national vaccination programme rollout, and passenger volumes rose steadily until the end of the year. Following expansion of domestic flights in the third quarter, the national airlines offered international flights again for the first time in the fourth quarter. Passenger volumes recovered to around 85% of pre-crisis levels by the end of the year.

Florianópolis

In comparison with the previous year, traffic volumes at Florianópolis Airport went up by 26% to 2.4 million passengers, and 10 regular national destinations were added to the route network. International flights to Buenos Aires and Santiago were added in December 2021. The volume of passenger traffic was around 60% of 2019 levels.

Vitória/Macaé

Traffic volumes at Vitória Airport grew 34% year on year to 2.0 million passengers, and flights to Salvador and Goiânia were added to the route network. The volume of passenger traffic was around 61% of 2019 levels.

Macaé serves the oil rigs off the coast of Rio de Janeiro. With 21,000 flight movements in 2021, Macaé is credited with being the airport handling the most helicopter flights in the world. After regular commercial flights ceased in 2020 because of the pandemic, it was possible to maintain the daily flight to Rio de Janeiro for the entire year.

Chile

Rising copper prices during the reporting year drove growth in the Chilean mining industry, which in turn resulted in a large volume of business travel.

Antofagasta

Once most of the pandemic-related restrictions had been lifted, traffic volumes greatly increased in the second half of the year, almost reaching pre-crisis levels again during the last months of 2021.

Iquique

As in Antofagasta, the mining industry drove a rise in passenger traffic. Iquique also benefited from domestic tourism as travelling abroad was still subject to many restrictions. Traffic rose significantly in the second half, with averages in the last months of the year even surpassing the respective 2019 levels.

Key data

Site(s), AO 1–3	Unit	2019	2020	2021
Airport Florianópolis				
Total passengers	Number of persons	3,930,687	1,874,852	2,367,176
Total flight movements	No. of flight movements	44,204	25,961	32,420
Total freight	Tonnes	4,737	3,091	4,093
Airports Vitória/Macaé				
Total passengers	Number of persons	n/a	1,684,909	2,185,025
Total flight movements	No. of flight movements	n/a	45,148	54,189
Total freight	Tonnes	n/a	9,323	18,649
Airport Antofagasta				
Total passengers	Number of persons	2,198,606	1,121,666	1,524,064
Total flight movements	No. of flight movements	15,172	10,538	13,274
Total freight	Tonnes	5,164	4,008	3,837
Airport Iquique				
Total passengers	Number of persons	1,587,794	880,284	1,337,018
Total flight movements	No. of flight movements	11,342	7,912	11,110
Total freight	Tonnes	3,510	2,769	4,252

Business update

Aviation

Travel processes and passenger operations

This year has shown that travel is possible provided we take extra precautions. Owing to additional document checks and the need to present test results, travel processes have become more time-consuming. Despite the new challenges, for the most part we were able to keep everything running smoothly thanks to our motivated workforce and the excellent cooperation of all our partner companies at Zurich Airport. The first testing center was opened by external partners in January, and over the year a further seven facilities were added at different locations. Great care continues to be exercised as regards all protective measures implemented at Zurich Airport. In July, the temporarily closed Dock E resumed operation. Check-in 3 was also reopened at times of heavier passenger volumes, in particular during the holiday period.

Timetable development

Thanks to the passenger mix at Zurich, traffic volumes made a good recovery, especially in the second half of the year following considerable easing of travel restrictions. Along with trips to visit friends and relations, leisure travellers were the main driver here. Various new offerings in this segment came on stream in the summer flight timetable. Our hub carrier Swiss International Air Lines offered two new routes to the Estonian capital Tallinn plus Billund in Denmark. Edelweiss Air added Jamaica plus two airports in Tanzania as well as Sal on Cape Verde and Luxor in Egypt to its timetable. A new airline – Condor – offered flights to vacation destinations from Zurich. At the beginning of November, the USA further boosted travel by reopening its borders to vaccinated travellers, as did Singapore with the introduction of its “Vaccinated Travel Lane”. Finnair, Air Canada, Oman Air and American Airlines also returned to Zurich in the course of the reporting year.

Renovation of runway 10/28

2021 saw the preparatory work carried out at Zurich Airport ahead of the planned renovation of the heavily worn pavement either side of the centerline which is set to commence at the end of March 2022. The runway will be replaced stage by stage during the night when there are no flight operations. The work will not affect regular daytime operations. Neighbouring communities were consulted on measures to minimise the impact of construction noise.

Awards

We continued to maintain our high standards of service throughout the second year of the pandemic. We are therefore all the more delighted that Zurich Airport's service quality was once again recognised by winning the Airport Service Quality (ASQ) Award as the best European airport in the category “airports with between 25 and 40 million passengers”. The ASQ Awards are presented annually by Airports Council International (ACI) World, the international umbrella organisation for airport operators. Following on from 2006, 2008, 2018 and 2019, this is the fifth time Zurich Airport has taken first

place in an ASQ Award. Zurich Airport also received the prestigious World Travel Award for the best airport in Europe for the 18th time in succession.

Real estate and commercial centers

Retail and real estate development

For Swiss retailers, and especially for the hospitality sector, the restrictions imposed during the first half of 2021 had a drastic impact. While stores were able to reopen at the beginning of March, restaurants were not allowed to open their indoor areas until the beginning of June. Along with the drop in passenger numbers, the work from home rules imposed in the spring followed by home working recommendations for large parts of the year, also led to a fall in commuter footfall, which likewise negatively impacted our commercial business. It nonetheless proved possible to find individual solutions for our commercial partners depending on the degree to which they were affected. In conjunction with the rising number of passengers and commuters, the reopening of hospitality venues triggered an appreciable upswing.

The Circle

With its attractive mix of amenities, services and events and adjacent large park, the Circle already succeeded in becoming a popular destination during its first year of operation. The Hyatt Regency Zurich Airport The Circle hotel opened its doors in April, complete with an attractive range of wining and dining options including Middle Eastern restaurant Babel and Bar Iris. The Circle Convention Center also opened at the same time. Some 350 conferences and other events were held already during the reporting year. The opening in mid-December of the Hyatt Place Zurich Airport The Circle hotel, including its ZOOM restaurant and bar, rounded off Zurich Airport's hotel and conference offering. This also marked the official completion of the major project The Circle. Numerous new tenants opened premises in 2021, including AMAG's e-mobility hub and Bruno Wickart's showroom featuring a range of designer furniture and home accessories. The Circle celebrated a "Quartierfest" in September, while a major highlight was the first ever "Zauberpark" festival of music and light held in the airport park from 25 November to 12 December 2021. The Zauberpark welcomed some 28,000 visitors over the 18 days of the festival – next year's edition is already in the pipeline.

Airport Shopping and Airside Center

Zurich Airport remains an attractive retail destination even amid challenging times. During the spring, new arrivals including bio local expanded the range of landside food shopping options. Along with the new Sprüngli Café, for example, fashion boutique Bayard opened in Airport Shopping. In the Airside Center, upmarket lifestyle brand Aesop opened its first airport boutique outside its home market of Australia. Capi Electronics likewise opened an outlet offering travellers a range of electronic consumer lifestyle products. Until May 2022, Highsnobiety will also be offering a curated range of over 15 international lifestyle brands in its GATEZERO concept store.

Digital services

In October, Zurich was the first airport in the world to offer Google Maps Live View. Using their smartphone camera, passengers and visitors are guided to their chosen destination at the airport by on-screen directions. In September, Zurich Airport's new web presence received several prizes at the Best of Swiss Web Awards 2021.

Development projects and infrastructure at Zurich Airport

Upgrading and expansion of baggage sorting system

So far there have been no major construction delays resulting from the pandemic, and the core infrastructure was installed on schedule. Staff were already able to move into the new operating offices spread over two floors during the summer. Work on the new building was finished at the end of the year. Although scheduled for completion in 2025, some parts of the project will come on stream sooner.

Expansion of landside passenger zones

This major project is pivotal for the use of all landside zones. During the year under review, the trench excavation, lining work on the SBB tunnel and the first concrete-pouring phases were completed. Opening of the new landside passenger areas is scheduled for the end of 2026 at the latest. These will include retail outlets, underground logistics and a ground-level food hall.

Development of the main airport complex

The architecture competition for the new Dock A and dock base including the tower was run during the reporting year and will end in the 2nd quarter of 2022. The aim of the project is to renew parts of the central airport infrastructure as these are approaching end of life. Construction work is planned to commence in 2024.

International airport business

Once the first phase of the major project Noida International Airport in India has been completed in 2024, together with its Latin American airports Flughafen Zürich AG will hold some CHF 1 billion in foreign investments. This represents around 20% of our net assets. All these investments are in emerging markets and offer long-term growth perspectives for our core aviation business.

New division

In view of its growing importance, international business was hived off into a separate "International" division within Flughafen Zürich AG with effect from 1 May 2021. The Board of Directors appointed Daniel Bircher to head up this new division and he consequently joined the Management Board of Flughafen Zürich AG. Daniel Bircher has worked for Flughafen Zürich AG since 2006. He was Chief Operation Officer in India and Brazil, and was latterly CEO of Zurich Airport International Asia in Malaysia.

India: major project Noida International Airport

Currently the company's largest development project outside Switzerland is Noida International Airport, around 80 kilometres southeast of Delhi. This airport is of great economic significance to the whole Delhi metropolitan area. It will form a central plank of transport links between the National Capital Region and the state of Uttar Pradesh with India's other regions and with further international centers. With new freight and logistics infrastructures, Noida International Airport will also be a key driver of growth in the industrial corridor and create many new jobs. When it commences operation, the new airport will be able to handle 12 million passengers a year. The concession for the construction and operation will run for 40 years.

In August 2021, the masterplan was approved by the authorities, the land for the project (1334 hectares) was handed over, and the financing agreements with the State Bank of India were signed. The official ground-breaking ceremony was held at the end of November in the presence of India's Prime Minister and the Chief Minister of the State of Uttar Pradesh.

The concession for construction and supplying fuel was awarded to an Indian consortium prior to the end of 2021. Construction contracts are due to be concluded in the next few weeks. Further key contracts, such as for freight, catering or the airport hotel for example, will then be awarded over the course of the year. The airport is scheduled to commence operation towards the end of 2024.

Latin America: strong recovery

The airport projects in Brazil and Chile are robust and were hitherto able to weather the crisis under their own steam. Thanks to numerous efficiency measures, such as combining the operational management of the Brazilian airports in which the company has a majority interest, costs were reduced. Compensation for Covid-related loss of revenue was negotiated with Brazilian government offices. The passenger-dependent operating licences in Chile were automatically extended.

In Macaé, plans for building a new terminal have been completed, and in Vitória the preliminary work for a large-scale real estate development at the airport has reached an advanced stage. Expansion of the terminal in Iquique is almost complete, which will more than double the airport's capacity. Florianópolis and Vitória airports ranked first and third in passenger satisfaction surveys.

Financial development

Whilst the restrictions in place as a result of the pandemic resulted in another loss in the first half of 2021, the continuing recovery enabled a profit to be posted in the second half of the year. Over the financial year as a whole, however, this resulted in a consolidated loss of CHF 10.1 million (prior-year loss: CHF 69.1 million).

Results trend

Aviation revenue

Despite the agreed 10% temporary reduction in flight operations charges (with the exception of emissions and noise charges), aviation revenue came to CHF 240.6 million in the past financial year (+8.5% compared with the prior-year period) due to the slight increase in overall passenger numbers at Zurich Airport. Compared with 2019, aviation revenue was still down by almost two-thirds.

Flight operations charges increased by 7.8% to CHF 205.3 million. Total aviation fees and other aviation revenue amounted to CHF 35.4 million, a rise of 13.3%.

Non-aviation revenue

Non-aviation revenue increased by 9.2% to CHF 439.4 million, which is roughly 80% of the 2019 figure.

Total commercial and parking revenue rose by 17.3% year on year to CHF 199.1 million. In the past financial year, rent concessions were once again agreed with commercial partners severely impacted by the pandemic. These were capitalised in accordance with IFRS 16 and will be amortised over the remaining term of the respective contracts.

Revenue from facility management remained solid, rising by 8.7% to CHF 153.1 million. This rise is attributable primarily to additional rental income in connection with the Circle.

Income from services climbed by 12.7% to CHF 31.7 million. The decrease in revenue from international airport business to CHF 55.4 million is due to lower income from construction projects (concession accounting). Factoring out the reduced investment activity, revenue rose by 23.9%, underscoring the more rapid recovery at foreign airport holdings in particular.

Operating expenses

Operating expenses decreased by a further 11.0% year on year to CHF 380.8 million. Adjusted for expenses for construction projects (concession accounting), expenses fell by 7.7%, or 23.7% compared with 2019.

Owing to a lower headcount and short-time working payments, personnel expenses were down by CHF 8.0 million year on year to CHF 171.3 million (–4.5%). The costs for police and security were reduced by CHF 9.4 million (–10.0%) despite slightly higher passenger volumes, which is attributable in particular to operational improvements. Whilst ongoing cost discipline also had a positive impact on administrative costs (–14.5%), energy and waste costs showed a rise of CHF 4.2 million. Among other things, this reflects higher raw materials prices for heat generation.

Operating result and consolidated loss

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by CHF 103.2 million to CHF 299.2 million (+52.7%).

Depreciation and amortisation were up on the prior-year figure of CHF 252.6 million to CHF 280.2 million due to the commissioning of the Circle.

The net finance result deteriorated by CHF 4.2 million year on year to stand at CHF –29.1 million. It was noticeably impacted in particular by the higher interest payments at the Brazilian subsidiaries attributable to increased levels of inflation. The share of the result of associates in the amount of CHF –3.7 million (2020: CHF –3.1 million) reflects the company's share of the result of the Belo Horizonte airport operator.

Thanks to a profitable second half of the year, the consolidated loss for the financial year just ended narrowed to CHF 10.1 million (2020: CHF –69.1 million).

Investments

In the reporting period, Flughafen Zürich AG's investment in property, plant and equipment, projects in progress and airport operator projects totalled CHF 206.3 million (2020: CHF 398.6 million), of which CHF 169.5 million (2020: CHF 367.6 million) was invested at its Zurich base.

The single biggest project at the Zurich site is the prorated investment in the completion of the Circle. Other major projects included the refurbishment and expansion of the baggage sorting system, work in preparation for the renovation of runway 28/10 and the expansion of landside passenger areas.

Starting from cash flow from operating activities of CHF 231.7 million and investments in property, plant and equipment, projects in progress and airport operator projects totalling CHF 206.3 million, free cash flow for the reporting period came to CHF 25.4 million (2020: CHF –251.3 million).

Liquidity

Thanks to the continuing recovery in the second half of the year, the company's liquidity also showed an increase. As at the 2021 year-end, cash and cash equivalents (excluding noise-related funds) amounted to CHF 503 million, with the Zurich site accounting for more than CHF 400 million. The next debenture for CHF 400 million will mature in April 2023.

Flughafen Zürich AG also has committed credit lines totalling CHF 300 million, which were almost entirely unused at the reporting date.

The subsidiaries abroad have likewise taken measures to ensure liquidity.

Financial outlook

The start of 2022 was characterised by the Omicron virus variant, and the outbreak of the war in Ukraine generated additional uncertainty. Whereas the impact of the war in Ukraine on the aviation industry is still unclear, we assume that the pandemic-related travel restrictions will be eased further. We assume that passenger numbers at the Zurich site will rise to around 20 million passengers this year, corresponding to roughly two-thirds of the 2019 level.

Aviation revenue will mirror traffic volumes. Non-aviation revenue is also expected to be on a positive trend, firstly due to additional revenue at the Circle and secondly thanks to international business activities, where growth momentum is expected to be stronger.

Whilst the company continues to focus on cost discipline, it anticipates a year-on-year rise in costs in 2022. Firstly, the short-time working that protected the company from extensive personnel adjustments during the crisis was discontinued at the end of February. Secondly, the expected growth in passenger numbers will result in higher security and infrastructure costs. Overall, however, operating expenses – excluding expenses from construction projects – can be kept well below the 2019 level.

Due to the continuing recovery, Flughafen Zürich AG expects to return to profit this year.

Investment at the Zurich site will amount to approximately CHF 250 million in 2022. This includes the company's share of the final payment for the Circle. Investment at the subsidiaries abroad is likely to amount to around CHF 200 million, driven in particular by the start of construction work in Noida, India.

Risk management

GRI 102-11

For Flughafen Zürich AG, risk management is a key factor for successful company management. Comprehensive risk management ensures that risks are approached systematically and given due consideration. As well as providing transparency over the main internal and external risks associated with the company's business activities, it enables continuous monitoring and assessment of the risk profile.

Risk management system

Risk management and reporting tool

Zurich Airport's risk management system is the tool used to manage corporate risk and consists of the following components:

- Risk policy objectives and principles
- Risk management organisation
- Risk management process
- Risk reporting
- Auditing and review of the risk management system

In this context, the Board of Directors and the Management Board have overall responsibility under Swiss company law for ensuring the group's continued existence and profitability. The Board of Directors is responsible for overall oversight of risk management. The Chief Financial Officer (CFO) acts as the Management Board's Chief Risk Officer.

The central Risk Manager reports to the CFO as Chief Risk Officer and stipulates minimum requirements for decentralised risk management at line management level. The central Risk Manager is responsible for risk reporting as well as for the operation and ongoing development of the risk management system.

The Management Board members are each responsible for the risks that could arise primarily in their respective divisions. They bear responsibility for identifying, assessing and managing the relevant risks (risk owner concept).

In consultation with the central Risk Manager, other departments perform their specific risk management procedures themselves, such as safety management, liquidity management, occupational safety, information security, fire prevention and contingency planning. The same goes for Flughafen Zürich AG's international subsidiaries. The key risks to Flughafen Zürich AG are then incorporated from these into central risk reporting. This describes the business risks, responsibilities and measures in detail, along with an assessment of their probability of occurrence and potential impact. Implementation of the measures is continually monitored. The risk report is presented to the Management Board and the Board of Directors once a year.

Compliance management

Flughafen Zürich AG operates a compliance management system as a component of its risk management, the aim being to systematically identify, acknowledge and comply with the applicable statutory requirements as well as the internal corporate guidelines and ethical principles based on those requirements.

For this purpose, the processes at Flughafen Zürich AG are structured into cross-divisional clusters, each of which is supervised by a specialist (process owner). This specialist is responsible for training line managers within the process cluster. The process owner also performs the checks required in the context of compliance audits and reports to the central Compliance Manager. Ultimate responsibility for compliance with laws, guidelines and principles lies with line management. A broadly based Compliance Steering Committee headed by the Chief Risk Officer monitors consistent and uniform implementation of compliance management procedures.

Issues from compliance reporting that could give rise to significant risks for Flughafen Zürich AG are incorporated into risk reporting.

Once a year, the central Compliance Manager produces a comprehensive compliance report on behalf of the Chief Risk Officer which is based on information provided by the process owners. This report is submitted to the Management Board and the Board of Directors.

Current risk situation

The current risk situation at Flughafen Zürich AG is characterised primarily by the following risks:

1. Regulatory uncertainties

1.1 Airport charges

Flughafen Zürich AG is regulated with regard to the charges it levies for the use of the monopolised infrastructure. In a normal year, the regulated charges amount to around 60% of revenue. The Swiss airport charges regulation is based on EU-wide regulation but additionally includes specific stipulations for airport charges at Swiss airports. There is consequently a risk that regulatory requirements may be tightened and the related revenues jeopardised. At the current time, however, there is no indication of any regulatory changes at European or national level over the medium-term horizon.

In the context of the current climate debate – and despite the recent rejection of the new CO₂ Act by the Swiss electorate in a referendum – increased charges as a result of regulatory changes are still a possibility. Incentive levies on CO₂-emitting transport services and a concomitant fall in revenues cannot be ruled out.

1.2 Regulation governing the use of south German airspace

The use of south German airspace is presently regulated by an implementing regulation (DVO) issued unilaterally by Germany. On 4 September 2012, Switzerland and Germany signed an aviation treaty. This treaty must be ratified by both countries. The two chambers of Switzerland's Parliament have already approved the treaty, but in Germany ratification was halted, and no date has yet been set for ratification there. Germany could also unilaterally change the implementing regulation (DVO), which could lead to additional capacity restrictions at Zurich Airport.

1.3 Investments to reduce operational complexity

The complexity of the runway and taxiway layout, the departure and approach routes and various operational regulations at Zurich Airport is considerable. Following the near-collision of two aircraft at the runway intersection in 2011, Flughafen Zürich AG, Skyguide, Swiss and the Swiss Air Force in 2012 prepared a comprehensive risk report with the assistance of the Federal Office of Civil Aviation (FOCA) and the Department of the Environment, Transport, Energy and Communications (DETEC). In addition, various measures aimed at improving safety were implemented or are in the process of being implemented. However, there is still a risk that capacity may be restricted due to safety considerations and that business performance may be negatively impacted as a result. The planned taxiway around runway 28 will spatially separate inbound and outbound aircraft for the most part. Compared with 2019, this will avoid more than 100,000 crossings over runway 28 each year.

1.4 Noise exposure (during shoulder periods and at night)

Prior to the Covid-19 crisis, flight operations after 10 p.m. exceeded the night-time noise level permitted by the authorities. During 2020, noise levels were within the current limits in all surrounding residential areas even at night. However, when the number of flights picks up again there is a risk of further operational restrictions, especially from 10 p.m. onwards, and a concomitant loss of revenue if compliance is not significantly improved, for example through measures to prevent delays or as a result of changes to the

permitted noise levels as have been requested by the company. Flughafen Zürich AG is actively working to improve the situation in talks with authorities, as well as in ongoing approval and court proceedings, and also operationally together with its airport partners Skyguide and Swiss. If the permitted noise exposure limits are maintained or were to be tightened even further, this would pose a substantial threat to the airport's hub operations and to its intercontinental connections. As a consequence, numerous connecting feeder flights on European routes would also disappear.

2. Decline in demand/interruptions to business due to external influencing factors

Experience over the past few years has shown that the air transport sector is sensitive to external events such as economic crises, acts of terrorism or pandemics. In addition, other external factors such as the political and macro-economic environment could have a negative impact on demand in both the aviation and non-aviation segments at Zurich Airport.

2.1 Pandemics and epidemics

A pandemic could have severe company-wide effects, starting with a significant reduction in air traffic due to border closures, quarantine requirements and a lack of internationally coordinated action to tackle the pandemic. In addition, authorities could order businesses to close, which could have an appreciable impact on retail partners and therefore on the related revenue of Flughafen Zürich AG. In the event of large-scale employee absences due to illness or quarantine, it cannot be guaranteed that labour-intensive activities on site will be carried out to the usual standard of quality. As the companies at Zurich Airport are highly specialised, Flughafen Zürich AG is very much dependent on its home carrier and the main ground handling companies. In addition to reduced operational capacity as a result of the health situation, if one of these partners were to get into difficulties or fail completely, this could have severe consequences for Flughafen Zürich AG.

2.2 Natural hazards

Flughafen Zürich AG is constantly adapting to foreseeable developments resulting from climate change such as, for example, the general rise in temperatures, more prolonged periods of heat and drought, changes in the patterns and intensity of precipitation and wind, or shortages of renewable resources. Such developments are always taken into account when planning upgrades and extensions, for example to drainage systems, cooling plant or even handling processes.

It must be assumed, however, that climate change will also result in an increase in one-off events such as flooding following heavy rainfall. Wherever possible and cost-effective, property and business interruption insurance is taken out to mitigate the resulting financial risks. The same applies to risks from other events not caused by climate change such as earthquakes for example.

2.3 Suppliers and customers

The home carrier at Zurich Airport flies over half the passengers who travel via Zurich Airport. Swiss, in turn, is integrated into the Lufthansa Group along with other airlines that offer hub systems at various locations. If the home carrier were to get into financial difficulty, a considerable number of long-, medium- and short-haul flights would cease operating. The fact that Swiss is integrated into its parent company Lufthansa increases the risk as it is then also dependent on the situation of other group companies. In the event of difficulties at these other group companies, or if political, economic and/or social circumstances change, the parent could shift capacity between airports.

Flughafen Zürich AG passes elements of its licence to operate the airport on to ground handling companies by issuing licences for ground handling operations. Flughafen Zürich AG does not perform any ground handling activities itself. Swissport, the largest ground handler at Zurich Airport, commands around 80% of market volume in the main ground handling activities (passenger and ramp handling). If the market leader were to cease operating, Flughafen Zürich AG would have to ensure the proper continuity of airport operations, including ground handling.

3. Interruptions to business due to operational events and cybercrime

Given their tightly interconnected complexity, airport operations could be severely disrupted by operational events such as accidents or the failure of critical systems. Depending on the scale of the disruption, operations would have to be curtailed or even suspended altogether in order to maintain the safety of passengers and airport employees.

Nowadays, the majority of Flughafen Zürich AG's workflows and processes cannot be carried out properly without the aid of IT systems. A serious system failure could lead to the loss of personal, business-critical and/or confidential data. Such a scenario could result in major operational problems or even accidents. There is also the risk of severe interruptions to business that could conceivably last several weeks, with a concomitant loss of revenue on top of the costs for restoring operations.

4. International business

Projects abroad and international holdings inherently pose commercial and sector-specific risks comparable with those associated with operating Zurich Airport. Along with political risks, location-specific risks typically include country, market and currency risks that could severely impact future revenue prospects or even lead to the total failure of a venture.

Given the greater risks involved, when considering any project, both the financial risks and the political and economic risks are analysed in detail against the backdrop of the prevailing social and economic conditions. They are also continually monitored for existing activities. The same standards as practised at Zurich Airport apply.

Sustainability

Focus

The topic of sustainable business practices has been an important topic for the Zurich Airport Group for decades. In the fields of climate protection and noise mitigation in particular, the company has achieved a great deal at its Zurich site over the past thirty years. However, sustainable business management is not simply about minimising environmental impacts, it also requires taking a holistic view of all impacts on the environment and society.

With this report, the Zurich Airport Group has collated information about its environmental and social impacts for the first time. The report details both the positive and negative impacts of the business activities at its consolidated sites worldwide and sets out the action it is taking to mitigate negative consequences and enhance positive effects along its value chain.

Material topics

The Zurich Airport Group focuses its efforts on areas where it can have the greatest impact. In 2021, it therefore conducted a materiality analysis for the first time in accordance with the Global Reporting Initiative (GRI) Standards. This analysis identifies the main economic, environmental and social impacts of the company, not only at its Zurich site, but also at the companies abroad in which it has a majority interest.

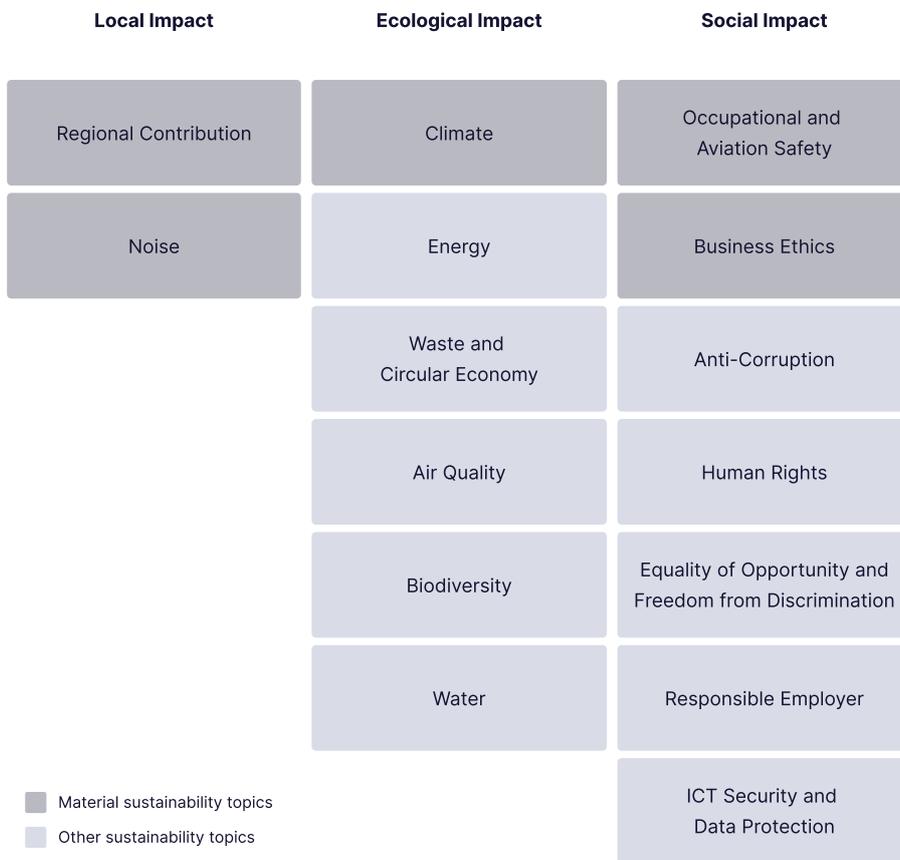
The first step was to identify 15 sustainability topics where the Zurich Airport Group has an impact. These include both sector-specific issues such as safety or noise, along with broader concerns such as climate change, biodiversity or human rights. These topics may be grouped into three areas: local, ecological and social impacts:

GRI 102-46

In accordance with GRI's methodology, these 15 sustainability topics were assessed over two dimensions. First the significance of the company's impacts in relation to each topic was determined. Wherever possible this was done along the entire value chain to include both upstream and downstream processes. Secondly, the extent to which a particular topic influences >stakeholder perception of the company was rated. The two dimensions were quantitatively evaluated for each of the topics, with the five having the highest scores being deemed material. This helped set a clear focus within the sustainability topics.

Many experts from various divisions across the group were involved in the process of identifying and evaluating the topics. The viewpoint of stakeholders was taken into account both as estimated by experts internally as well as on the basis of specific feedback.

The following diagram shows all the sustainability topics identified, grouped into local, ecological and social impacts:



Overview of sustainability topics

The five topics that are material for the Zurich Airport Group are listed with a brief description below. They are described in greater detail together with related key data later in the report. The management approach is also explicitly stated in accordance with the GRI Standard.

The ecological topics are recorded and managed in an environmental management system in accordance with international standard ISO 14001:2015. This management system was set up in 2001 and is audited every year.

While the Zurich Airport Group considers all 15 sustainability topics identified to be important, the five material topics have a particularly high priority and feed into the group's strategic focus (see [>Strategy](#)). For each of the material topics, the company has defined actions to mitigate negative impacts and enhance positive ones. Where not yet defined, specific targets are to be formulated in the coming years and progress continually monitored.

Topic	Description
Regional contribution	Contribute to added value and economic development in the region and to quality of life and location quality in general.
Noise	Reduce noise arising from aircraft and operations and protect residents against excessive aircraft noise.
Climate	Reduce greenhouse gas emissions and take measures to counter the impact of climate change at our locations.
Occupational and aviation safety	Protect employees, customers, passengers and visitors as well as the infrastructure against damage arising from accidents or criminal acts.
Business ethics	Act reliably, transparently and fairly towards business partners, competitors and authorities.

Overview of material topics

Our contribution to attainment of the Sustainable Development Goals

The 2030 Agenda for Sustainable Development was adopted by the member states of the United Nations (UN) in 2015 in order to ensure that development was sustainable on an economic, ecological and social level. At its heart are the 17 Sustainable Development Goals (SDGs) and 169 accompanying targets. The ambition is for all member states to have attained these goals by 2030. Along with governments, companies are also called to action to help achieve these goals.

Switzerland and all the other countries in which the Zurich Airport Group operates have pledged to support Agenda 2030 and the SDGs. By conducting business responsibly, the Zurich Airport Group is also contributing to attainment of the SDGs. This report sets out how the Zurich Airport Group enhances positive impacts and mitigates negative ones. Contributions to 15 of the 17 goals were identified, and six where the group can make an especially valuable contribution were prioritised.



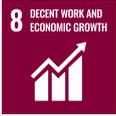
Overview of SDGs

More on the six prioritised SDGs:



Good health and well-being

The Zurich Airport Group strives to ensure the health and well-being of everyone at all its airports. Avoiding ill health following accidents or other causes is a top priority. The company achieves this by instilling a culture of rigorous safety management, establishing high-quality infrastructures and offering opportunities and programmes to improve the health of employees. It also seeks to avoid potentially harmful emissions arising from air pollutants and noise, waste or waste water, for example.



Decent work and economic growth

The airports in the Zurich Airport Group make a major contribution to wealth creation in their home regions. They offer employment and a source of income for variously skilled employees, and award contracts not subject to public procurement rules to other businesses in the region wherever possible. By providing flight connections for passengers and freight, they contribute to positive business growth locally. The Zurich Airport Group takes its responsibilities to its workforce seriously and, as a reliable employer, contributes to sustainable growth.



Industry, innovation and infrastructure

The Zurich Airport Group builds, maintains and operates high-quality, durable infrastructures. The development of airports also leads to the creation of other infrastructures such as roads, railways, energy production, wastewater treatment plants, communications infrastructure, etc. Airports are drivers of innovation and new technologies.



Sustainable cities and communities

Airports help shape cities and stimulate regional dynamism. The Zurich Airport Group contributes generally to raising the amenity value for people living near its airports. These airports perform important everyday functions, be it as a place of work, as a transport hub, or simply as a place for meeting and shopping. Flughafen Zürich AG makes every effort to minimise the negative impacts of air pollution and noise.



Climate action

Aviation is in the spotlight as a major contributor to greenhouse gas emissions in industrialised and developing countries. As airports also emit greenhouse gases as a result of their electricity, heating and cooling requirements, they are working to reduce their CO₂ emissions. Flughafen Zürich AG has been successfully doing so for many years, focusing on measures to lower its energy needs for both buildings and vehicles. Flughafen Zürich AG also works with partner firms at its airports to reduce greenhouse gases across the entire spectrum of airport operations.



Peace, justice and strong institutions

The Zurich Airport Group conducts business fairly and complies with the law at all times. It works transparently in partnership with the authorities in the countries in which it operates, where it helps to strengthen institutions and combat corruption.

UN Global Compact progress report

The company became a signatory to the United Nations Global Compact during the reporting year. This commits it to uphold the ten principles in its business activities and to report on progress every year. The CEO's statement in support of the Global Compact can be found in the [Letter to shareholders](#).

After signing up, Flughafen Zürich AG also added the commitment to sustainability at the top of its strategy house (see [Strategy](#)). In particular it acknowledges its obligation to anchor the ten principles even more firmly in its International division. The precepts of the Global Compact also align with the positions hitherto taken by the Zurich Airport Group. The company's Code of Conduct already includes these points and commits all employees to act in accordance with them in their daily work.

This report represents the company's progress report for the Global Compact. The following list indicates the sections of the integrated report where the respective information may be found.

Human rights

Principles 1 and 2:

- Businesses should support and respect the protection of internationally proclaimed human rights, and
- make sure that they are not complicit in human rights abuses.

See [Human rights](#)

Labour

Principles 3, 4, 5 and 6:

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,
- the elimination of all forms of forced and compulsory labour,
- the effective abolition of child labour, and
- the elimination of discrimination in respect of employment and occupation.

See [Responsible employer](#), [Equality of opportunity and freedom from discrimination](#), and [Human rights](#)

Environment

Principles 7, 8 and 9:

- Businesses should support a precautionary approach to environmental challenges,
- undertake initiatives to promote greater environmental responsibility, and
- encourage the development and diffusion of environmentally friendly technologies.

See [›Energy and climate](#), [›Waste and circular economy](#), [›Air quality](#), [›Biodiversity](#), and [›Water](#)

Anti-corruption

Principle 10:

- Businesses should work against corruption in all its forms, including extortion and bribery.

See [›Business ethics](#) and [›Anti-corruption](#)

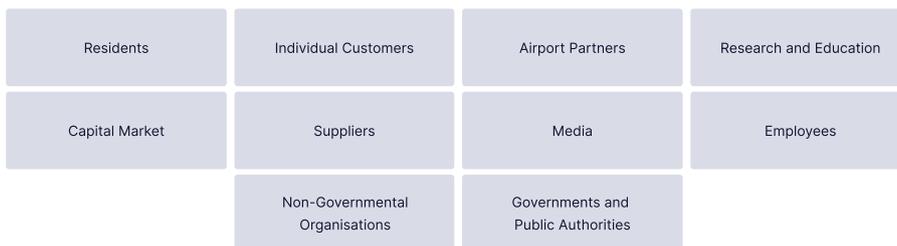
Stakeholder engagement

The Zurich Airport Group has a large number of stakeholders, both in Switzerland and at the airports it operates abroad. Every stakeholder group has its own points of contact with the company, and has different interests and expectations.

Our stakeholders

From the outset the Zurich Airport Group has conducted a dialogue with its most important stakeholder constituencies. In preparation for this report, the list of stakeholders was reviewed and expanded to take in the whole of the Zurich Airport Group. The same internal experts from the divisions who conducted the materiality analysis (see [Focus](#) section) were involved in this process. A workshop was held in which all the individual stakeholders were analysed and grouped according to their interests and expectations. The list with the stakeholder groups was then validated and discussed in conjunction an external consultant. As a result, the following ten stakeholder groups were defined:

GRI 102-40, 102-42



Stakeholder groups of Zurich Airport Group

Flughafen Zürich AG regularly engages in dialogue with all stakeholder groups. The following sections set out how these groups are defined, the forms of communication used and the respective focal issues.

GRI 102-43, 102-44

Residents

Transparent communication with people in neighbouring communities is important to Flughafen Zürich AG. The company publishes information about developments at the airport both online and offline. In relation to noise specifically, the company engages in institutionalised dialogue with public agencies such as the Zurich local residents protection association SBFZ. Flughafen Zürich AG provides information about changes and its development plans, and ensures its actions and intentions are communicated transparently through active participation in information events. The company also liaises with citizens groups in connection with specific projects. Local residents affected by noise can contact a 24/7 noise hotline. See the [Noise section](#) for further information.

The company's Latin American subsidiaries in which it has a majority interest also maintain close contacts with their local communities. All the airports operate a general telephone hotline for residents to report their concerns. They all offer the facility to submit complaints online as well.

Individual customers

The Zurich Airport Group addresses the needs of individual customers, whether passengers or other visitors to its airports. A variety of contact options are available to customers. As well as via contact desks at the airport itself, the company's Customer Contact Center also receives feedback online or over the telephone. Customer satisfaction is systematically analysed and benchmarked against other comparable European airports. The resulting data are used to identify and implement improvements on an ongoing basis. Zurich Airport regularly scores very highly in passenger satisfaction surveys carried out by third parties (see also [>Awards](#)).

Airport partners

Along with Flughafen Zürich AG itself, some 270 further partner companies are involved in providing the myriad of services required to run the Zurich Airport complex. Almost all of these airport partners are in a direct contractual relationship, but for the most part they operate independently. Together they ensure the smooth operation of the airport and provision of a full range of amenities. Along with police, border police and rescue services, the airport partners include the airlines and the ground handling, maintenance, cleaning and security firms directly involved in flight operations. They furthermore include retail businesses, hospitality operators and a wide range of service providers for companies and private individuals.

As the licence holder for Zurich Airport, Flughafen Zürich AG attaches great importance to a fair and transparent partnership with all its airport partners. It actively engages in dialogue with these partner companies, wishing to see them prosper to ensure high quality across the board. Evidence of this commitment is the large number of bodies that regularly meet, for example the Airline Operators Committee (AOC) and the Airport User Board (AUB), or the annual meeting of airport tenants. Numerous bilateral meetings are also held.

During the reporting year, the Zurich Airport Group continued to consult extensively with partners at all its airports as regards the impact of the Covid-19 pandemic and the gradual resumption of operations.

Research and education

Flughafen Zürich AG maintains close contacts with universities and organisations engaged in research and education. Senior executives and experts regularly participate in public events and lecture at various universities. In addition, the company has been an active partner in European Union research programmes for many years, for instance the [>SESAR](#) and [>AVIATOR](#) programmes. Flughafen Zürich AG regularly makes its personnel and infrastructure available for practice-centered research into new technologies. Additional information can be found in the [>Regional contribution](#) section.

Capital market

As a listed company, Flughafen Zürich AG is obliged to comply with clear requirements as regards transparency and reporting. In particular, shareholders and external capital providers have a need for information, but also analysts and rating agencies.

Flughafen Zürich AG regularly publishes relevant information about its business situation, such as annual and interim results, monthly traffic statistics and individual ad hoc investor news on its website or by e-mail (see the [>Corporate Governance](#), [>Information policy](#) section for further information). Management and the Investor Relations department maintain dialogue through direct discussions or participation in conferences and roadshows.

Suppliers

At its Zurich headquarters, Flughafen Zürich AG purchases goods and services from around 2500 different suppliers ranging in size from large multinationals down to small local firms. For many of them, Flughafen Zürich AG is a major customer. Suppliers expect mutual fairness and transparency, and are interested in long-term cooperation. Flughafen Zürich AG is in regular contact with many of its suppliers about products and services, including their impact on the environment and society. Additional information about local suppliers and tendering requirements can be found in the [>Regional contribution](#) section.

The Zurich Airport Group also maintains partnership relationships with suppliers in its international business too. This was particularly evident in the mutual goodwill shown and great efforts undertaken to maintain existing supplier relationships during the most difficult phase of the pandemic.

Media

Airports attract a great deal of interest from the public across a wide range of issues. Here the media plays a dual role of disseminator and intermediary. Open and transparent information is important to the Zurich Airport Group, and the company maintains a collaborative relationship with the media. Its efforts have been recognised: in September 2021, Flughafen Zürich AG's media office was the recipient of the award for best Swiss media team for the third year running, and for the seventh time altogether.

Employees

The staff representation council (PeV) represents the company's Zurich-based employees both at a collective and individual level. During the reporting year the PeV moved into a separate office and was consequently able to extend its physical presence. Staff have already made use of the resulting opportunities for dialogue. See the [>Responsible employer](#) section for further information on employees and their right to be consulted.

An open and transparent culture of communication is encouraged within the Zurich Airport Group. At its Zurich base this is conducted via a wide range of channels, ranging from the intranet to the staff newspaper and personal e-mails from the CEO. In addition, regular events are held to enable the Management Board to meet its senior executives and employees in person. The areas on which the company is focusing and key developments during the financial year are communicated when the annual and interim results are announced. Employees are able to put questions directly to the Management Board during these events. The "GL im Gespräch" meet-the-management sessions facilitate institutionalised dialogue with the workforce and enable all interested Zurich-based employees to gain insights into strategic objectives and developments. During the reporting year these discussions took place either online or in a hybrid format. Members of the Management Board are also available for informal and one-on-one conversations throughout the year.

Along with implementation of the constantly changing rules and regulations relating to the Covid-19 pandemic, important topics for the workforce during the reporting year were the economic growth of the sector, future job security and new forms of work.

Non-governmental organisations

The Zurich Airport Group communicates with numerous non-governmental organisations (NGOs). Owing to the wide-ranging nature of issues that arise at Zurich Airport, these include organisations from all spheres of society but in particular ones involved in environmental protection, disability-friendly construction, general aviation, business and commerce as well as labour organisations.

The group also actively engages with NGOs in Latin America on a wide range of issues. These include in particular business and trade interest groups predominantly interested in economic development.

Governments and public authorities

Engaging in dialogue with legislators, administrative authorities and government agencies is very important to the Zurich Airport Group. Airport operation is a highly regulated business in all countries and is subject to both national and international regulations. At the same time, regional (cantonal in Switzerland) and municipal authorities are responsible for certain matters.

In Zurich, a community event with representatives from the administrations of all five neighbouring municipalities is held every year. In addition, meetings on technical matters are held with municipal authorities and agencies as and when required, usually in relation to building projects and to noise arising from aircraft, construction or operations generally. Regular exchanges also take place with representatives of neighbouring districts in Germany.

Regular and ad hoc meetings are likewise held at the cantonal and federal level. These could be with members of the Government Council, the Cantonal Parliament or the competent authorities, in particular with the Office for Mobility of the Canton of Zurich, or at a federal level with the Federal Council, members of parliament and commissions of the Federal Assembly, or in particular with the Federal Office of Civil Aviation (FOCA). Flughafen Zürich AG furthermore takes an active interest in the legislative process, primarily in relation to infrastructure, transport, spatial planning and environmental policy issues.

During the year under review, for instance, Flughafen Zürich AG launched the “Back in the Air” initiative jointly with the severely hit travel and tourism industry. This proposed concrete measures to restore travel freedoms for presentation to the Swiss President.

Regular communication with local governments and authorities also took place at the company's airports abroad with regard to, among other things, further development of the concession models and physical airport development.

Memberships

The Zurich Airport Group is a member of various industrial associations, chambers of commerce and local organisations. Some of the associations and organisations to which the Zurich Airport Group either contributes personnel or funding are: Aerosuisse, economiesuisse, Zurich Chamber of Commerce, Flughafenregion Zürich, the freiwillig@Kloten association, German Airports Association (ADV), and Airports Council International (ACI) Europe/LAC (Latin America and Caribbean)/APAC (Asia Pacific).

GRI 102-12, 102-13

Flughafen Zürich AG is also a member of Öbu, the Swiss Business Council for Sustainable Development and, since July 2021, also a member of the UN Global Compact.

Local impacts

Regional contribution

The Zurich Airport Group provides excellent infrastructure at its airports that is of benefit to the entire region.

Relevance

The Zurich Airport Group makes a significant contribution to economic and social development in all the regions where its airports are located. As a responsible company and major regional player, its activities impact not only its own business, they also exert a positive influence on the wider economy and society at large. By providing flight connections to a wide range of destinations, it performs the key service of linking a region, or indeed an entire country, to the world. Airports also help to create jobs and generate economic value in a region, not just directly but also indirectly at local suppliers. They make a further valuable contribution as land-based transport hubs, as places for meeting up or for leisure activities and shopping, and as partners in research and education. Last but not least, the Zurich Airport Group's regional sponsorship programmes help encourage a diversity of cultural life in the regions around its airports.

GRI 103-1

Approach and progress

Direct flights as a locational factor

The role of Zurich Airport as a European gateway to the global aviation network is both a requirement of its operating licence from the Swiss government and is anchored in the company's mission. Fulfilling this mandate for the benefit of Switzerland is an integral part of the company's identity.

GRI 103-2

The European and intercontinental flights offered at Zurich Airport are key locational factors for the region. As well as attracting and helping businesses to grow, they bring tourists to the region and make it a highly desirable place to live and work. Along with passenger transport, freight is also an important economic driver.

The Zurich Airport Group is actively striving to maintain existing direct flights at Zurich Airport and launch attractive new ones by liaising with airlines to identify potential routes.

The availability of direct flights from Zurich Airport fell drastically during the pandemic. The route network recovered only hesitantly over the course of 2021 and was further impacted by constantly changing travel rules. In the year under review, airlines flew to 177 destinations (2019: 203) in 66 countries (2019: 69).

GRI 103-3

Regional wealth creation

The airports operated by the Zurich Airport Group generate considerable economic value and influence the economic performance of the entire region in myriad ways.

GRI 103-2

Each year the Zurich Airport Group invests several hundred million Swiss francs into upgrading or expanding infrastructure. Since its privatisation in 2000, the company has invested an average of CHF 1 million per working day in developing and maintaining Zurich Airport. It consequently helps to shape the region's identity, provides jobs and income, and is a major construction industry client. Owing to the continuing Covid-19 pandemic, investment during the year under review was lower than in the years preceding the crisis. See the [Business update](#) section for information on current development projects.

GRI 203-1

Over the course of 2021, the Zurich Airport Group invested considerable sums of money in infrastructure at its foreign sites, specifically in the new terminal at Iquique Airport in Chile and in preparatory work for the new Noida Airport in India. Investments in its international subsidiaries, especially in India, are set to increase substantially over the coming years.

Other companies and their employees also benefit from supplier and service relationships. Wherever possible – in compliance with applicable public procurement rules – Flughafen Zürich AG awards contracts to local companies. Times of difficulty such as the present crisis have proved how valuable regional supply chains can be.

Flughafen Zürich AG counts as a government contracting entity in the transport sector and is therefore obliged to comply with public procurement law. This applies both to procurements covered by the relevant international treaties as part of GATT/WTO or with the EU and those not covered by such agreements.

Since 1 July 2021, invitations to tender have been issued in accordance with federal law rather than cantonal law.

Suppliers are not systematically vetted with regard to sustainable business practices in Flughafen Zürich AG's supplier management system. In specific instances where social, environmental or ethical risks may be assumed because of the source of a product or the nature of the sector concerned, suppliers are assessed on the basis of certificates and standards to ensure compliance with the labour standards prescribed by the International Labour Organization (ILO).

Flughafen Zürich AG last commissioned Infras/BAK Basel to conduct a study on the economic importance of Zurich Airport in 2017. It reported that Zurich Airport generates approximately the same amount of value as a medium-sized Swiss town. The estimated added value of CHF 5 billion is equivalent to around 3.5% of the gross domestic product of the canton of Zurich.

GRI 103-3, 203-2

The importance of local procurement relationships at Zurich Airport is evident from the volume of contracts awarded to local suppliers in the cantons of Zurich, Zug, Aargau, Schaffhausen, Thurgau, Schwyz and St. Gallen. In the year under review, 82% (CHF 294 million) of the parent company's procurement total of approximately CHF 360 million went to local companies.

GRI 204-1

Flughafen Zürich AG's business activities also benefit the regions and countries where its airports are located thanks to the charges and taxes they generate. Since its privatisation in 2000, Flughafen Zürich AG has paid direct taxes of around CHF 716 million in Switzerland and CHF 475 million in dividends has flowed into the public purse (Confederation, canton, city and municipalities). In financial terms alone, its contribution thus amounts to over CHF 1.2 billion over the last twenty years.

In the case of its international subsidiaries, concession fees for the operation of the airports concerned are also paid to the respective governments. These fees are payable either at the time the concession agreement is signed or are spread over the term of the concession. See [› Note 24.7](#) for further details.

Meeting and recreation spaces

Beyond the provision of flights, airports are public spaces where people come to meet up and enjoy recreational activities. By offering access to shopping centres, service providers, leisure and experiential activities, Zurich Airport plays an important role in the everyday lives of the people who live and work in the region. It also puts the company's business model on a broader footing.

GRI 103-2

Zurich Airport furthermore functions as a central public transport hub for north Zurich, connecting to both local and intercity services. With around 450 train, 400 tram and 800 bus services daily, Zurich Airport is one of the best-connected locations in Switzerland. A statutory requirement in relation to access traffic to the airport stipulates that the proportion of public transport used must be at least 42% by 2020 and 46% by 2030. At the time it was last measured in 2017, this figure was 44% so the target for 2020 had already been exceeded. After consulting the relevant authorities, it was decided not to carry out the next survey as scheduled during the reporting year because of the extraordinary circumstances created by the pandemic.

Zurich Airport offers a wide range of experiences that convey the fascination of airports and also invite visitors to explore aspects of nature and the environment as well as impressive architecture and passenger processes. A number of guided tours and bus trips run every day, some in collaboration with the airport's partner companies. The airport is also a popular place to hold conferences, business meetings and events of all kinds. The two observation decks at Docks B and E allow visitors to experience flight operations up close. Following the opening of the Circle, a new park provides 80,000 m² of recreational green space to spend time exploring or meeting up with people. More new attractions such as ranger talks were launched during the reporting year.

With numerous cafés and restaurants, plane spotting locations and nature conservation areas, the immediate environs of Zurich Airport also offer further recreational spaces that draw additional visitors. During the year under review Zurich Airport carried out work to attract more people to the eastern side of the airport. Apprentices from the airport and its partner companies refurbished seven barbecue areas alongside the airport fence and extended one to make it accessible for people with limited mobility.

The Zurich Airport Group also adapted the concept of airports as recreational destinations to its subsidiaries abroad, especially in Florianópolis, Brazil. As well as the newly built terminal, in a first for Brazil a 11,000 m² leisure and amusement area for dining, shopping and watching concerts was developed. The observation deck has also proved to be popular with visitors as a place to meet. A variety of cultural and sporting events are put on for the general public at both Florianópolis and Vitória airports.

The table below shows participant numbers for guided tours, bus trips and events at Zurich Airport. The wide variation in the figures is due to special events and the cancellation of activities as a result of the Covid-19 pandemic.

GRI 103-3

Zurich Airport (Zurich site)	Unit	2017	2018	2019	2020	2021
	Number of groups	3,390	3,584	3,456	856	1,544
Guided tours, bus tours and events conducted	Number of persons	81,786	144,324 ¹⁾	71,614	14,741	57,791

1) includes "Airport Experience Weekend" as part of 70th anniversary celebrations

Partner in research and education

Flughafen Zürich AG supports universities and organisations engaged in research and teaching, and makes an important contribution in a regional context too. It maintains relationships with universities and institutions such as the Swiss Federal Institute of Technology (ETH) in Zurich, the Zurich University of Applied Sciences (ZHAW), the University of St. Gallen or the Lucerne University of Applied Sciences and Arts. It makes staff available for practice-centered lectures, monitoring of case studies or reviewing dissertations. Flughafen Zürich AG also plays a role in providing graduate employment opportunities. Universities and organisations furthermore make use of Zurich Airport's resources as a platform for hands-on research into new technologies, for aviation-related topics in particular, but also generally in relation to vehicles, environmental protection, energy and safety.

GRI 103-2

One prime example of a partnership with a start-up that benefited from Flughafen Zürich AG's input is the agreement with Synhelion, a company aiming to produce synthetic fuel at scale using solar energy (see [Energy and climate](#) section).

GRI 103-3

An innovation lab was opened at Florianópolis Airport during the year under review. The "Laboratório inovação" pulls together research and development with partners at the airport to drive technological and process-based innovations. In collaboration with the authorities, biometric boarding was trialled for the first time in Brazil during the reporting year.

Sponsorship

The Zurich Airport Group makes a valuable contribution to cultural and social diversity in the regions around its airports through [sponsorships](#). It has drawn up a sponsorship concept setting out its objectives and approaches. In Zurich the company supports events and clubs based near the airport in particular. Associations, clubs and institutions from the travel and tourism industry also receive sponsorship. The company enters into strategic partnerships with individual initiatives or associations, for example with Switzerland Tourism or with the Swiss Museum of Transport. Sponsorship may take the form of money, in-kind services, promotional gifts or the use of meeting rooms, for instance. The extent of sponsorship was temporarily curtailed during the reporting year owing to the ongoing Covid-19 pandemic and reduction in the number of events.

GRI 103-2

In Brazil, sponsored cultural events are often held directly at the airport. Social initiatives for families in need in the vicinity of the company's airports in Brazil and Chile are often supported too. In Chile, for instance, support was provided to owners of small firms that were struggling to survive because of the pandemic.

As Flughafen Zürich AG is its main sponsor, the highest monetary sponsorship in the Zurich region during the reporting year went to the Young Flyers. Over 650 youngsters belong to this ice hockey association. Many smaller local clubs and organisations also benefited from sponsorship money.

GRI 103-3

Noise

It is not possible to altogether avoid exposure to noise from flight operations in the vicinity of airports. The Zurich Airport Group is aware of this and is making a concerted effort to minimise negative impacts.

Relevance

Aircraft noise is a key concern for the Zurich Airport Group, in particular at its home base as Zurich Airport has by far the most flight movements and the greatest number of residents affected by noise.

GRI 103-1

Noise from aircraft taking off and landing poses an annoyance to many people living in the vicinity of airports. Where noise arises and how loud it is perceived to be depends on a variety of interrelated factors. One is the orientation of runways and flight paths, which depends on the nature of the terrain and the prevailing weather conditions. Another is the flight timetables of airlines, with the aircraft fleets they deploy being a further major factor. Urban development, too, cannot be disregarded as this is bringing ever more residents into areas affected by noise in Zurich. Aviation noise exposure was on the wane until 2004, and the latest breakthroughs in technology as deployed in new aircraft types are set to bring a reduction in noise once again. A key factor here are advances in engine technology. However, this is in the hands of the airlines and can only be indirectly influenced by airports (through noise charge incentives for example).

Since the volume of air traffic is lower, noise is less of an issue for the company's majority-owned subsidiaries in Brazil and Chile. Also, most take-offs and landings in Brazil are over the sea, while the airports in Chile are sited well away from large conurbations.

Approach and progress

The company employs technical, structural, operational and financial measures to tackle aircraft noise, all of which are aimed at reducing noise at source and along propagation pathways. In addition, the Zurich Airport [sound insulation programme](#) includes various passive noise mitigation measures which the company, as the originator of the noise, has committed to putting in place. These include in particular the installation of sound-insulating windows in properties with rooms that are sensitive to noise.

GRI 103-2

Communication with local residents

The Zurich Airport Group is aware that aviation noise can be a nuisance and that there is a growing need for information and action. Transparent information and dialogue with residents are key. The company has reported on the measures it has taken and provided updates on noise statistics and flight operations for many years already. For instance, the number of take-offs and landings at Zurich, broken down by runways and flight paths, is reported on the company's website each day. Zurich residents affected by aircraft noise can call or e-mail Flughafen Zürich AG directly with any queries or concerns and staff from the Noise Management department will respond to specific questions.

GRI 103-2

Besides individuals, a number of bodies including adjacent municipalities, the Canton of Zurich and other neighbouring cantons, districts across the border in Germany and a variety of agencies and citizens organisations concerned with air traffic noise make representations to Zurich Airport. The company maintains regular dialogue with these groups too. Exchanges are more frequent ahead of changes affecting take-off and landing operations.

In the reporting period, residents complained most frequently about the perceived increase in traffic and inbound flights from the south in the evening hours. Nevertheless, the total number of enquiries and complaints declined slightly compared with the previous year (see [Noise statistics](#)).

GRI 103-3

Noise exposure is less of an issue in Brazil and Chile. A digital hotline for noise complaints was set up at Vitória Airport in Brazil to comply with its environmental licence, and in 2021 it was obliged to submit a report on these to the authorities for the first time.

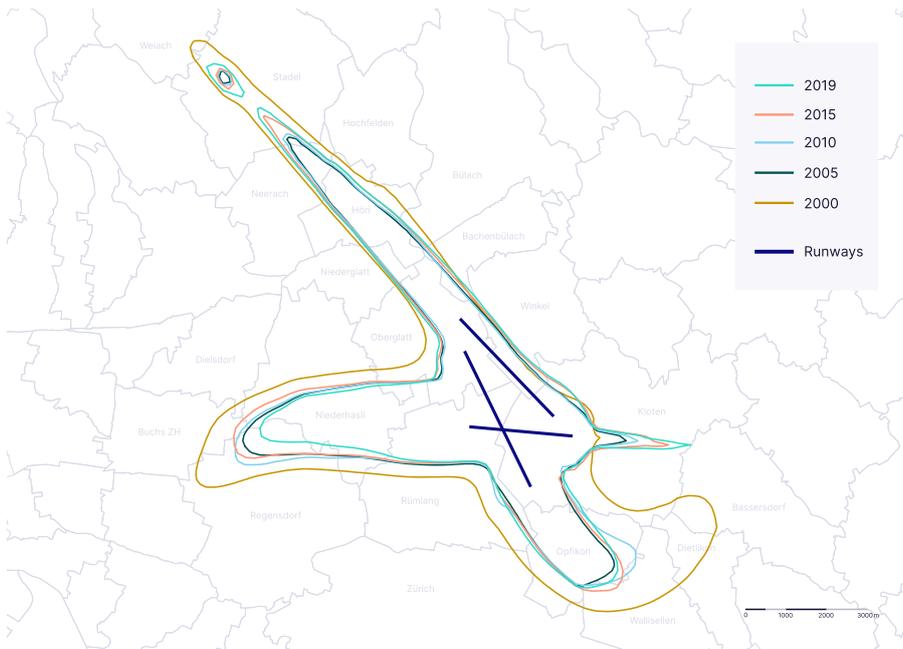
Noise monitoring

In order to take stock of the noise situation and collect noise-related charges, it is necessary to have accurate measurements of noise levels. Data on air traffic noise in the vicinity of Zurich Airport have been collected since 1966. A network of noise [monitoring stations](#) at currently 14 fixed locations near departure and arrival routes is operated. The system automatically links the noise data recorded to the corresponding flight movements. These data are published monthly in a [noise bulletin](#) that can be freely accessed on the company's website. As prescribed by the Sectoral Aviation Infrastructure Plan (SAIP), exposure to aircraft noise and the progress made with mitigation measures are analysed in a comprehensive report each year which is shared with FOCA. This report is then used as the basis for any corrective action, for example optimising processes for long-haul flights taking off in the evening, or incentivising airlines by increasing noise charges for departures after 11 p.m.

GRI 103-2

Following the sharp drop in take-offs and landings in 2020 due to the Covid-19 pandemic, the number of flight movements increased again during the year under review. As a result, all monitoring stations registered more aircraft noise both during the day and at night.

GRI 103-3



Noise contours for various years (Leq=60dB(A) from 6 a.m. to 10 p.m.); sources: Empa, swisstopo

The diagram above shows changes in exposure to aircraft noise at Zurich Airport over time. 2019 was chosen as the last benchmark year with a normal level of flight operations prior to the pandemic. Comparing noise contours from the past 20 years shows a fall in noise exposure despite steady or increasing amounts of air traffic. This can be attributed to technical advances in aircraft design resulting in lower noise emissions.

Flight path monitoring

Take-off routes from Zurich Airport were configured to avoid low overflights of densely populated areas wherever possible. The Noise Management department monitors all departures from Zurich Airport for adherence to the prescribed flight paths. These are mandatory during daytime at least up to an altitude of 5000 feet (approximately 1500 metres above sea level) and at night up to flight level 80 (approximately 8000 feet or 2500 metres above sea level). Compliance with these noise-optimised flight paths is monitored with the aid of the Airport Track And Noise Monitoring System (ATANOMS). An aircraft may only deviate from the prescribed flight path if there is good reason to do so, for instance to avoid storm clouds or following instructions from an air traffic controller. If there is no legitimate reason, an investigation is triggered, and the pilot in question will be asked to submit a statement in writing. These investigations often also involve interviews with representatives of the airlines. If the investigators are not satisfied, the matter may be referred to the Federal Office of Civil Aviation (FOCA). This constant monitoring encourages the airlines to optimise the take-off phase at all times.

GRI 103-2

As in the previous year, instructions from air traffic control were the most frequent legitimate reason cited for flight path deviations. 89 (2020: 83) investigations into unjustified deviations were launched and 13 (2020: 18) interviews with chief pilots were conducted.

GRI 103-3

Night flights and special authorisations

Residents in the region perceive night-time flights to be particularly intrusive. In particular, noise between 11 p.m. and 11.30 p.m. often gives rise to complaints. This period can be used to work off the backlog of delays built up over the day. Together with the airlines and ground handling agents, Flughafen Zürich AG has taken steps to reduce the number of flights during this period. Measures include optimising operational processes, increasing noise surcharges and prioritising the long-haul flights scheduled for 10:40 p.m. and 10:45 p.m. Analyses carried out prior to the pandemic indicate that the measures taken have helped improve the situation.

GRI 103-2

In 2021, night flights (between 10 p.m. and 6 a.m.) accounted for only 3.5% (2020: 3.0%) of flight movements. Special authorisations were issued for a total of 75 flights (2020: 69) during the night-time curfew period (11.30 p.m. to 6 a.m.). Such night flights are only authorised when there are legitimate grounds, for example for emergency landings or for rescue, police, disaster relief, government or calibration flights (see [Noise statistics](#)).

GRI 103-3

Use of the noise protection hangar

The soundproofed hangar built at Zurich Airport in 2014 greatly helps to reduce the noise from engine ground testing. The hangar allows engines from aircraft up to the size of a Boeing 747-800 to be tested. Although it greatly reduces noise exposure for nearby residents, the hangar does not eliminate noise completely, so limits apply to the number of tests that may be run.

GRI 103-2

A total of 377 (2020: 406) engine ground tests were carried out in the noise protection hangar during 2021. The majority of engine tests carried out at night were for short-haul and medium-haul aircraft (80% of all night-time engine tests). Most engine tests for long-haul aircraft such as the A343, A333 and B777 and all other aircraft types were performed during the day. The permitted noise level was exceeded in six individual time windows in 2021. This is significantly fewer than the 25 instances per year permitted by the operating regulations. According to figures provided by the aircraft maintenance companies, 865 idle tests were performed on the apron and on the stands. 314 of these were run at night (10 p.m. and 6 a.m.).

GRI 103-3

At the beginning of December in the reporting year the noise protection hangar was damaged during an engine test and had to be taken out of service. Until it is fully repaired, which is likely to take several months, engine ground tests will have to be run outside.

Noise charges and Airport Zurich Noise Fund

Levying noise-related charges gives airlines a financial incentive to operate the quietest possible aircraft on their Zurich routes. All jet aircraft are assigned to one of five noise categories, each of which has a different charge rate based on the time of take-off and landing. In addition, the rates for night-time flights vary according to noise category and the specific take-off or landing time.

GRI 103-2

In the past, all income from noise charges was credited to the Airport Zurich Noise Fund (AZNF). AZNF funds are used primarily to cover the costs of noise mitigation measures, in particular the sound insulation programme, and the costs of meeting compensation claims for noise and overflying. As the law currently stands, the AZNF has sufficient assets to cover the known future costs for these purposes. Since 1 January 2021,

therefore, revenue from [aircraft noise charges](#) has been reallocated to the “Aviation” segment. Further details about AZNF can be found in [Note 20](#).

A total of CHF 6.5 million in revenue was generated from aircraft noise charges in 2021. Of this, CHF 3.8 million were from standard charges applicable to all 24 hours, and CHF 2.7 million were from surcharges levied during shoulder periods and at night (9 p.m. to 7 a.m.). The surcharges were last adjusted in 2019.

GRI 103-3

Sound insulation

As the airport's operator, Flughafen Zürich AG is obliged to protect residents of properties in the vicinity of the airport who are exposed to excessive aircraft noise. Along with reducing engine noise, the company's sound insulation programme is a key element of its aircraft noise mitigation efforts. Flughafen Zürich AG funds passive sound insulation measures, primarily the installation of sound-insulating windows, in buildings in the surrounding communities. Owners of properties with noise-sensitive rooms which are located within a clearly defined perimeter, and which were not subject to any obligation to install sound insulation during construction or conversion, are eligible to benefit from the programme. Property owners who have already taken the initiative of fitting sound-insulating windows themselves are reimbursed by Flughafen Zürich AG.

GRI 103-2

To prevent local residents being awoken by early-morning inbound flights from the south, Flughafen Zürich AG installs automated window-closing systems or sound-absorbing ventilators in bedrooms in the areas affected. At the request of owners, these window-closing systems or ventilators can also be paid for and installed in areas where permitted night-time noise levels are exceeded.

As part of the now completed phase 1 of the south-side sound insulation concept, around 1100 window-closing systems and 900 sound-absorbing ventilators were installed between the middle of 2016 and spring 2018. On 19 January 2021, the Federal Office of Civil Aviation (FOCA) published its decision on phase 2 of the south-side sound insulation concept with a larger perimeter. The new perimeter encompasses around five times as many properties as phase 1.

From 1999 through 2021, approximately CHF 289 million was spent on sound insulation measures in around 5350 buildings. In contrast to the 2020 Annual Report, the number of properties no longer includes ones that are not eligible. Of CHF 14.5 million expenditure in 2021, CHF 0.6 million was spent on project planning, CHF 10.2 million on window upgrades and CHF 3.7 million on reimbursements.

GRI 103-3

Noise compensation (formal expropriations)

As air traffic noise can affect the value of a property, the company is faced with around 20,100 claims for compensation from property owners around Zurich Airport. The compensation claims were submitted at the time the airport was privatised and following the imposition by Germany of restrictions on flight approaches over its territory. Any new claims may now only be submitted if there are substantial changes to flight operations; as a result no further claims have been submitted to Flughafen Zürich AG since then. Of the compensation claims received, as at the end of 2021 over 14,496 (72%) had been concluded, with CHF 85.6 million being paid in noise compensation. All noise compensation claims are paid from the Airport Zurich Noise Fund (AZNF).

GRI 103-2

As there are very few provisions regarding noise compensation or direct overflights in federal legislation, every open question of law must first be tested in the relevant courts. Legal test cases are being conducted in the interests of processing outstanding claims efficiently. They are helpful both for clarifying open questions of law and for obtaining legal rulings regarding the specific situation in the various airport regions.

Noise statistics for Zurich Airport

Zurich Airport (Zurich site), AO7	2019	2020	2021
Number of residents ¹⁾ above alarm value	6,413	0	n/a ²⁾
above immission limit	56,348	10,303	n/a ²⁾
above the planning value	144,518	34,903	n/a ²⁾
Daytime aircraft noise levels ³⁾ at NMT 1/3/6/10 (dB[A]) ⁴⁾	66/59/66/59	61/55/59/55	62/55/60/54
Number of engine ground tests in the noise protection hangar during the day/night	273/214	303/103	284/93
of which number of exceedances of the permissible noise exposure level	3	2	6
outside the noise protection hangar during the day/night	1	1	21
Number of registered flight path deviations/investigated	4144/136	3628/83	4584/89
Number of night flight movements (10 p.m. – 6 a.m.)	12,968	3,157	4,422
of which in the first hour (10 p.m. – 11 p.m.)	10,342	2,770	3,755
Number of special authorisations for night flights issued ⁵⁾	272	69	75
of which emergency, relief and rescue flights	65	31	23
of which police, military and government flights	20	12	1
of which various other types of flight	187	26	51
2010 Sound Insulation Programme: number of properties fitted ⁶⁾	6,400	6,700	5,350
Number of complaints and enquiries relating to noise ⁷⁾	2,588	891	817

1) Encompassing noise contours

2) Figures will be calculated by Empa and published only after this report is printed.

3) Energy-equivalent continuous sound level of daytime aircraft noise (6 a.m. - 10 p.m.).

4) NMT = Noise Monitoring Terminal, 1 = Rumlang, 3 = Oberglatt, 6 = Glattbrugg, 10 = Nürensdorf.

5) Special authorisations can be granted for urgent flights operating during the night-time curfew.

6) Number of buildings and properties renovated to date, incl. reimbursements. In contrast to the 2020 Annual Report, the number of properties no longer includes ones that are not eligible.

7) Includes complaints and enquiries relating to noise nuisance, flight paths, increased air traffic, etc.

Environmental impacts

Energy and climate

The Zurich Airport Group has been striving to improve energy efficiency and protect the climate for many years.

Relevance

The vital necessity of limiting the global rise in temperatures caused by greenhouse gas emissions is now indisputable. The Zurich Airport Group acknowledged this fact early on: already in 1991 it began taking steps to save energy at Zurich Airport in order to reduce CO₂ emissions. Despite expanding the infrastructure and doubling passenger numbers, Flughafen Zürich AG has succeeded in cutting its own CO₂ emissions by around a third since then. It is aiming to reduce its carbon emissions to net zero by 2050.

GRI 103-1

Of the known greenhouse gases, only carbon dioxide (CO₂) is emitted in any relevant quantity at Zurich Airport. Each year, therefore, the Zurich Airport Group records the CO₂ emitted by each of its airports in an emissions inventory in accordance with the Greenhouse Gas Protocol. Other greenhouse gases, such as those emitted by refrigerants for example, are recorded as CO₂ equivalents. All carbon sources are allocated to different spheres of influence known as “scopes”. Scope 1 comprises sources within the company. At Zurich Airport these mainly include heating systems, in-house electricity generation and the vehicle fleet. Scope 2 relates to emissions resulting from generation of the energy purchased from external suppliers. Finally, scope 3 covers all other airport-related sources (e.g. ground handling and aircraft, including flights to the final destination) plus sources from upstream and downstream processes, for example in connection with landside access traffic, energy production or waste disposal. At over 98%, by far the majority of emissions arising at Zurich Airport as a whole fall into scope 3.

The priority for the Zurich Airport Group is to reduce its own CO₂ emissions (scopes 1 and 2). It will also play its part in helping its airport partners reduce their emissions too (scope 3). At the same time it is taking on the challenge of combating climate change and adapting its business model and infrastructure accordingly.

To date only the carbon emissions for scopes 1 and 2 have been recorded for the airports in Brazil and Chile.

Approach and progress

Zurich net zero by 2050

GRI 103-2

The Zurich Airport Group is endeavouring to reduce its energy demand and fossil fuel consumption as much as possible in order to lower the resulting greenhouse gas emissions. The company has set itself the goal of reducing its own CO₂ emissions at its Zurich base to net zero by 2050. Net zero means that any anthropogenic greenhouse gas emissions must be offset by removal of carbon from the atmosphere so that the balance is zero. In other words: those who continue emitting greenhouse gases must also ensure that they remove an equivalent amount from the atmosphere for a given period.

Flughafen Zürich AG has set itself intermediate targets of reducing annual CO₂ emissions to 30,000 tonnes by 2020, 20,000 by 2030 and 10,000 tonnes by 2040. To help it meet these targets, the company has drawn up a [reduction](#) roadmap describing how it plans to gradually reduce its CO₂ emissions. This is based on its 2050 Energy masterplan and its 2050 Vehicle Strategy which set out specific steps in these areas.

The biggest contributor to carbon emissions is the airport's own combined heat and power generation plant which both produces electricity for the airport and distributes heat over a district heating grid. The plant is operated with natural gas and fuel oil which, although used efficiently, also emits a considerable amount of CO₂. Reducing energy demand in buildings therefore has the highest priority. This is being achieved by upgrading buildings and optimising systems. Each renovated building leads to lower energy demand thanks to better insulation, more efficient systems and new concepts.

Alongside energy demand, the second focal point is generating renewable energy. As many as twenty years ago, Zurich Airport already utilised geothermal technology in Dock E to meet the majority of the dock's heating and cooling energy requirements. Since then both the Circle and parts of the maintenance area have likewise been built using geothermal structures. In the medium term, the intention is to replace fossil fuels with underground geothermal storage for central heating and cooling purposes. However, the feasibility of this plan has not yet been fully established. Until it can be realised, the company plans to reduce carbon emissions by purchasing a quantity of biogas, and then later synthetic gas, which will enable existing systems to be operated with far lower CO₂ emissions.

To meet its electricity needs, Flughafen Zürich AG purchases fossil-free grid electricity. It also generates some electricity itself in the heating plant and from solar panels, the capacities of which are continually being increased.

In addition to buildings, emissions produced by vehicles are a further target. Many of the vehicles used today are already electric powered. The reduction roadmap outlines the full transition to electric vehicles, powered either by batteries or hydrogen. The planned airport in Noida, India has also set itself the goal of achieving net zero emissions.

Sustainable fuels

Another hurdle for the use of sustainable aviation fuels was surmounted during the year under review. Thanks to the efforts of Flughafen Zürich AG in collaboration with other stakeholders in the sector, it has been possible to structure and define the process for importing sustainable aviation fuel (SAF) into Switzerland so that airlines are able to refuel with SAF at any time. SAF was used for scheduled flights from Zurich for the first time in July 2021. SAF is fuel made from biogenic waste or synthetically manufactured fuel. It produces at least 80% lower carbon emissions than fossil-based kerosene.

Flughafen Zürich AG itself has signed an agreement with Synhelion, a company that plans to produce synthetic fuel at scale from water, CO₂, methane and solar energy. This agreement commits Flughafen Zürich AG to purchasing fuel at cost price from a test facility from 2023 onwards for use in its vehicles and machines at Zurich Airport. This type of fuel could also be later used in aircraft.

Large-scale consumers agreement

As a large-scale energy consumer, Flughafen Zürich AG has signed an agreement with the Building Department of the Canton of Zurich. This requires the company to make average annual efficiency improvements of 2% until 2030, measured on the basis of the heated area of the airport and the number of user units (passengers, freight, other visitors). The target for specific energy consumption was met in the reporting period.

Energy and climate leader

Participation in the Swiss Confederation's "Exemplary Energy and Climate" initiative further underlines Flughafen Zürich AG's intention to play a leading role in energy and climate protection. As part of this initiative it is implementing concrete measures to improve energy efficiency and cut CO₂ emissions.

Airport Carbon Accreditation

Flughafen Zürich AG's climate protection programme has been accredited by Airport Carbon Accreditation (ACA) since 2010. The accreditation is audited every three years so the one carried out in 2019 is still valid until 2023. The ACA scheme was launched in 2009 as an initiative of ACI Europe, the association of European airports. The accreditation recognises airports all over the world that first draw up an inventory of their CO₂ emissions and then take steps to reduce them. Flughafen Zürich AG is accredited at the third of six levels. This means that the company is continually reducing its own CO₂ emissions and is helping its partners reduce theirs too.

Situation in the reporting year

GRI 103-3

While the year under review saw more activity than in the previous year, it was still at a level below available capacities. This also affected energy usage. Expressed in primary energy terms, the rise in demand for the airport as a whole from the previous year was 11%.

A look at the final energy used by buildings owned by Flughafen Zürich AG reveals the increased need for heating. This is due to more buildings being included, to the initial requirements of the Circle and to increased electricity production at the airport's own heating plant. The slight rise in electricity used by Flughafen Zürich AG was covered by renewable sources, whose share rose from 26% to 30%.

The greenhouse gas emissions in Scope 1 at Zurich Airport amounted to 32,651 tonnes in the reporting period, i.e. 22% higher than in the previous year. The intermediate target of producing fewer than 30,000 tonnes of CO₂ each year from 2020 was thus not reached. The shorter supply of natural gas resulted in a sharp rise in the price of gas in the autumn. Considerations in terms of supply security and the persistently uncertain business prospects meant that heating fuel was purchased and used as fuel rather than natural gas, as was recently the case. Heating oil has a much higher emissions quotient, resulting in higher CO₂ emissions.

CO₂ emissions in Scope 2 were much lower in the reporting period than in previous years. This was due to a change in the definition of the Scopes. Only emissions directly resulting from electricity generation now fall into Scope 2. Indirect emissions, such as arise from setting up and maintaining the power plant infrastructure for example, are now stated in Scope 3. The CO₂ emissions in Scope 3, determined primarily by emissions of aircraft en route to their destinations, reflected a modest increase (+8%).

Key data

Climate (GRI 305-1, 305-2, 305-3)

Zurich Airport, Switzerland	Unit	2019	2020	2021
CO ₂ emissions Flughafen Zürich AG, Scope 1	Tonnes	26,218	26,284	32,632
CO ₂ emissions Flughafen Zürich AG, Scope 2	Tonnes	1,632	1,212	19
Total Scope 1 and 2	Tonnes	27,850	27,496	32,651
CO ₂ emissions at Zurich Airport, Scope 3 ¹⁾	Tonnes	4'261'934 ²⁾	1,544,551	1,641,745
Florianópolis Airport, Brazil				
	Unit	2019	2020	2021
CO ₂ emissions, Scope 1	Tonnes	n/a	n/a	256
CO ₂ emissions, Scope 2	Tonnes	n/a	n/a	960
Total Scope 1 and 2	Tonnes	n/a	n/a	1,216
Vitória/Macaé Airports, Brazil				
	Unit	2019	2020	2021
CO ₂ emissions, Scope 1	Tonnes	n/a	n/a	276
CO ₂ emissions, Scope 2	Tonnes	n/a	n/a	1,221
Total Scope 1 and 2	Tonnes	n/a	n/a	1,497
Antofagasta Airport, Chile				
	Unit	2019	2020	2021
CO ₂ emissions, Scope 1	Tonnes	n/a	22	10
CO ₂ emissions, Scope 2	Tonnes	n/a	300	305
Total Scope 1 and 2	Tonnes	n/a	322	315
Iquique Airport, Chile				
	Unit	2019	2020	2021
CO ₂ emissions, Scope 1	Tonnes	n/a	97	99
CO ₂ emissions, Scope 2	Tonnes	n/a	236	251
Total Scope 1 and 2	Tonnes	n/a	333	350
Noida Airport, India				
	Unit	2019	2020	2021
CO ₂ emissions, Scope 1	Tonnes	n/a	n/a	n/a
CO ₂ emissions, Scope 2	Tonnes	n/a	n/a	n/a
Total Scope 1 and 2	Tonnes	n/a	n/a	n/a

Scope 1: In accordance with GHG Protocol: Flughafen Zürich AG's own sources (vehicles, machinery, heating).

Scope 2: In accordance with GHG Protocol: externally sourced electricity for Flughafen Zürich AG.

- 1) In accordance with GHG Protocol: aircraft in LTO cycle and complete route (outbound flight only), calculated by Eurocontrol, other emission sources at airport (ground handling, other heating) and all landside traffic from start to destination for all modes of transport.
- 2) Retroactive adjustment to the calculation method.

Energy (GRI 302-1, 302-2, 302-3, 302-4)

Zurich Airport, Switzerland	Unit	2019	2020	2021
Thermal energy	MWh	88,469	88,302	121,539
renewable	MWh	1,508	1,480	1,584
non-renewable	MWh	86,961	86,822	119,955
Fuels	MWh	6,110	3,662	4,922
renewable	MWh	0	0	0
non-renewable	MWh	6,110	3,662	4,922
Electricity	MWh	61,342	44,124	46,553
renewable	MWh	15,771	11,839	14,263
non-renewable	MWh	45,571	32,285	32,290
Total energy consumption	MWh	155,921	136,088	173,014
Overall consumption primary energy ¹⁾	MWh	497,595	411,709	457,774
Energy intensity ratio according to GVV ²⁾	%	82.8	94.8	102.5 ³⁾
Florianópolis Airport, Brazil				
Total fuel consumption	MWh	n/a	n/a	252
Electricity consumption	MWh	n/a	9,420	7,464
Total energy consumption	MWh	n/a	9,420	7,716
Vitória/Macaé Airports, Brazil				
Total fuel consumption	MWh	n/a	n/a	254
Electricity consumption	MWh	n/a	10,820	9,492
Total energy consumption	MWh	n/a	10,820	9,746
Antofagasta Airport, Chile				
Total fuel consumption	MWh	n/a	89	40
Electricity consumption	MWh	n/a	734	746
Total energy consumption	MWh	n/a	823	786
Iquique Airport, Chile				
Total fuel consumption	MWh	n/a	393	400
Electricity consumption	MWh	n/a	577	614
Total energy consumption	MWh	n/a	970	1,014
Noida Airport, India				
Total fuel consumption	MWh	n/a	n/a	n/a
Electricity consumption	MWh	n/a	n/a	n/a
Total energy consumption	MWh	n/a	n/a	n/a

1) Scope total airport excl.fuel.

2) Energy consumption measured in terms of energy reference area and user units.

3) Increase in target to 109.5 owing to newly added buildings.

Waste and circular economy

Reducing waste and increasing recycling – a step closer to the circular economy.

Relevance

The Zurich Airport Group influences the circular economy primarily through the way in which it manages waste. A wide variety of waste streams are generated at Zurich Airport. As the licence holder, Flughafen Zürich AG has defined the principles in a waste concept so that all waste materials across the airport can be safely recycled or disposed of in a lawful, economic and environmentally friendly way. Flughafen Zürich AG collects the majority of waste materials produced by itself and its partners at the airport and sends them to appropriate recycling points. These include a large amount of general waste, paper and cardboard, along with waste collected by aircraft cabin cleaners.

Construction work results in considerable amounts of material for recycling or disposal. As most of this waste is disposed of by the contractors themselves, it is not recorded in the waste statistics for Zurich Airport. Nonetheless, the practice of reusing materials in order to save resources is becoming increasingly important.

More attention is also being paid to recycling and the circular economy at the company's airports abroad. Environmentally friendly disposal is not possible everywhere in Chile, Brazil and India. This makes it even more vital for the company to strive to close the materials cycle in order to avoid negative environmental impacts.

Approach

Zurich Airport's waste concept is based on the principle of "prevention – recycling – responsible disposal". Material cycles are closed and material streams minimised wherever possible. In line with the "originator pays principle", the costs arising from waste disposal are passed on to the waste producers to encourage them to produce less.

The principles applicable to waste disposal are included in the general environmental protection regulations which form part of the company's tenancy agreements. Another document, the general waste disposal concept (GEK), governs construction waste at Zurich Airport and ensures its proper disposal.

Waste is prevented by significantly reducing the amount of materials used or using materials that can subsequently be returned to the materials cycle. Wherever possible, any waste still remaining is collected in separate fractions so the materials can be reused as secondary raw materials. Much progress has been made in this area over the past ten years. The proportion of materials recycled at Zurich Airport rose from 36% to 51% over this period.

Most materials that cannot be recycled can be thermally utilised. They can be burned in a waste incineration plant and the heat produced can be used to generate electricity or to heat buildings in a district heating network. During the year under review, non-recyclable waste was sent to the waste incineration plant in Hagenholz in Zurich, only 6 kilometres away.

In the reporting period, a total of 8506 tonnes of waste was disposed of at Zurich Airport, 1 % less than in the previous year.

Waste management is one of the highest priority matters to be tackled by the company's subsidiaries abroad. Florianópolis Airport is leading the way in the region. It received the "Green Airport Recognition Airport Professional Award" from the Latin American association of airport operators ACI-LAC for its waste management. Since being taken over by Flughafen Zürich AG, the airport almost halved the amount of waste it sent to landfill by separating out recyclables, composting organic waste, and utilising some combustible waste for cement production. It also launched a major campaign to motivate its airport partners to reduce waste too.

In India there are plans to produce biogas from biogenic waste at the airport in Noida.

Key data

Waste amount Zurich Airport (Zurich site), GRI 306-3	Unit	2019	2020	2021
Overall waste amount ¹⁾	Tonnes	18,439	8,623	8,506
of which recyclable material (e.g. paper, cardboard, glass, wood)	in %	45.9	55.2	51.3
Confiscated liquids from security checks	Tonnes	202	56	80
Florianópolis Airport, Brazil				
Total waste amount	Tonnes	433	383	412
Vitória/Macaé Airports, Brazil				
Total waste amount	Tonnes	n/a	349	172
Antofagasta Airport, Chile				
Total waste amount	Tonnes	n/a	328	180
Iquique Airport, Chile				
Total waste amount	Tonnes	n/a	55	79
Noida Airport, India				
Total waste amount	Tonnes	n/a	n/a	n/a

1) For better comparability defined according to the German Airports Association (ADV).

Air quality

The Zurich Airport Group works hard to mitigate the negative impacts of air pollution. Globally, it is one of the leading airport operators tackling this issue.

Relevance

A range of air pollutants from one of four different source categories are emitted at airports: aircraft, handling operations, airport infrastructure and landside traffic. Pollutants are primarily produced by the combustion of fossil fuels such as kerosene, natural gas, heating oil, diesel or petrol. In addition, particulate matter is produced by tyre abrasion. In comparison with the other sources, aircraft account for the majority of emissions.

Various air pollutants with different characteristics are emitted, but the following are particularly relevant: nitrogen oxides (NOX), particulate matter (PM), volatile organic compounds (VOC) and carbon monoxide (CO).

In order to assess air quality at Zurich Airport, pollutants must be monitored from two different perspectives: firstly the quantity emitted at source ('emissions'), and secondly the quantity measured at a specific location ('pollution'). A complex interrelationship exists between emissions and pollution exposure: once discharged into the atmosphere, emissions do not remain in the same state – their composition changes, and they are diluted and dispersed before actively becoming pollutants.

Flughafen Zürich AG does everything necessary on the one hand to report on the air pollution situation fully and transparently, and on the other hand to minimise its impact on the environment as far as possible. Today it is known that the air pollution caused directly by airports is only significant within a very narrow radius. In the case of Zurich, residential areas are affected by pollution exposure only to a limited extent.

Approach

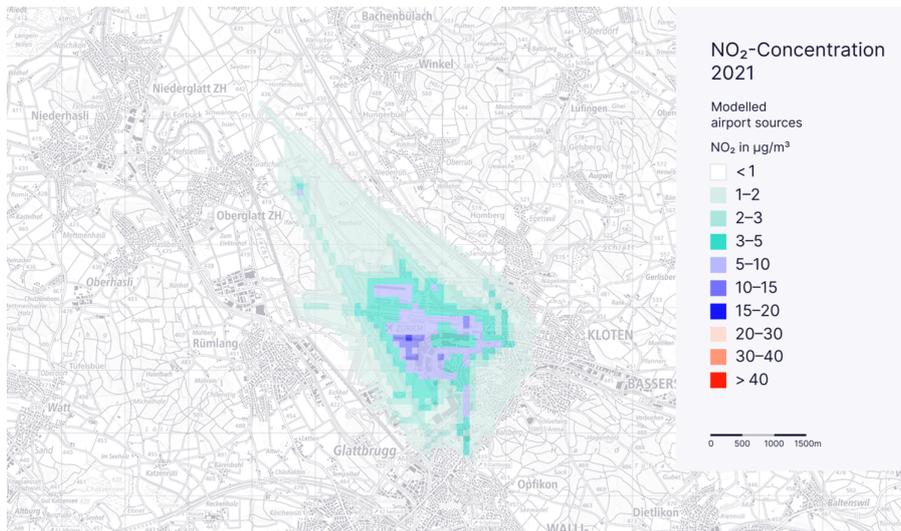
Official nitrogen oxide emission limits are specified for Zurich Airport. To document compliance, Flughafen Zürich AG maintains an emissions inventory which records how much of each individual pollutant is emitted annually. The company must also comply with emission standards specified for individual emission sources such as vehicles or heating furnaces.

Concentration standards likewise apply to pollution exposure; this is measured at certain locations and is also modelled over the area as a whole. A network of monitoring equipment has been set up across the airport and the surrounding region. Both fully automatic monitoring stations at Zurich Airport itself as well as passive samplers that measure the amount of the indicator pollutant nitrogen dioxide in the environment are used. Flughafen Zürich AG commenced operating the fully automatic monitoring stations itself from the beginning of the reporting year. The company is taking steps aimed at

reducing air pollutant emissions in all four source categories, and not only the ones it produces itself, but also those produced by its airport partners.

Flughafen Zürich AG has long levied emissions-based landing charges to encourage airlines to use low-emission aircraft. Fixed ground power systems to supply electrical power and air conditioning to aircraft are mandated at all gate parking stands. This results in far lower noise, CO₂ and pollutant emissions than if aircraft were to use their own auxiliary power units. Operational processes have also been optimised to minimise the amount of time aircraft spend queueing with their engines running. In ground handling, the transition from combustion engines to electric-powered vehicles and equipment is already well underway. Where infrastructure is concerned, new and renovated buildings plus operating optimisation are helping to reduce the demand for fossil-based heating and consequently lower pollutant emissions. Zurich Airport is also taking a number of steps to encourage people to use public transport for travelling to and from the airport, hence reducing private car transport.

During the year under review, emissions of almost all air pollutants at Zurich Airport rose slightly over the previous year. Compared with the period prior to the Covid-19 pandemic, the figures are still down by approximately half. The concentration figures continued to be significantly lower than the long-term average, and no limits were exceeded.



Impact of Zurich Airport on local air quality

No information regarding the air pollution situation is available for the airports in Latin America. Likewise, as yet there are no measurements for Noida in India, although preparatory construction work commenced before the end of the year.

Key data

Air quality Zurich Airport (Zurich site), GRI 305 – 7, A05	Unit	2019	2020	2021
NO _x emissions	Tonnes	1,396	535	611
Proportion from aircraft ¹⁾	Tonnes	1,293 ²⁾	469	539
Proportion from handling	Tonnes	42	19	22
Proportion from infrastructure	Tonnes	41	38	39
Proportion from landside traffic	Tonnes	20	9	11
VOC emissions	Tonnes	274	134	129
Proportion from aircraft	Tonnes	190 ²⁾	79	88
Proportion from handling	Tonnes	19	8	9
Proportion from infrastructure	Tonnes	55	42	27
Proportion from landside traffic	Tonnes	9	5	5
CO emissions	Tonnes	1,297	544	568
Proportion from aircraft	Tonnes	1,209 ²⁾	491	512
Proportion from handling	Tonnes	22	10	12
Proportion from infrastructure	Tonnes	17	14	15
Proportion from landside traffic	Tonnes	48	28	29
PM emissions	Tonnes	19	8	10
Proportion from aircraft	Tonnes	15 ²⁾	6	7
Proportion from handling	Tonnes	2	1	1
Proportion from infrastructure	Tonnes	2	1	2
Proportion from landside traffic	Tonnes	0	0	0

1) Flight operations in LTO cycle (up to 915 m), taking into account actual engine power, APU, engine start-up and airframe.

2) Retroactive adjustment to the calculation method.

Biodiversity

Biodiversity refers to the variety of species and habitats found at a site. The Zurich Airport Group is helping to preserve this variety.

Relevance

The Zurich Airport Group protects the ecological value of the green spaces at its airports and helps to preserve biodiversity.

As Zurich Airport was originally built in the middle of reed meadows, its perimeter still encompasses extensive areas that are of especially high ecological value. Of the total 953 hectares within its perimeter, around half is green space. Thanks to the airport fence, a mosaic of different habitats provides animals and plants – in some cases rare ones – with a home where they can be largely undisturbed. A total of 74 hectares are designated nature conservation areas, including wetlands of national importance. The company aims to preserve these habitats within the airport perimeter, especially since they are of a nature and quality that has become something of a rarity elsewhere in central Switzerland.

The Zurich Airport Group also promotes biodiversity at its airports abroad. All three of the Brazilian airports it controls are near the coast and therefore adjacent to sensitive ecosystems. At its two airports in Chile on the other hand, the airfields and consequently their development and maintenance are in the hands of the authorities.

Approach

As well as safety and operational considerations, international regulations for airports also include specific stipulations or recommendations with regard to the maintenance and conservation of green spaces around airports. Together with nature conservation stipulations in local legislation, these form the framework for how the Zurich Airport Group manages green areas not used for aviation purposes.

At its Zurich site the company is doing everything necessary to preserve the ecological value of the protected areas within the airport perimeter and to meet the associated conservation goals defined by the authorities. The protected areas include wetlands with various habitats and wooded areas. Cultivation of large parts of the airport grounds as high-grass meadows is in fact in the interests of both airfield operations and nature conservation.

From the point of view of biodiversity, careful management and maintenance of these extensive green spaces increases their value over the years. When Flughafen Zürich AG plans to build on green areas, their ecological value is measured using recognised methods and then, as part of the construction project, it subsequently offsets this by compensatory measures of equal value elsewhere. It aims to replace such areas with

high-quality habitats appropriate to the location wherever possible, ones considered a priority by the Confederation for example.

Owing to their location on the coast, and consequently close to sensitive wetlands, preserving biodiversity during construction projects is also important for the airports in Brazil. In Macaé, for example, plans for an additional runway would have involved losing parts of a mangrove forest. Abandoning these plans enabled this valuable ecosystem to be preserved.

Construction of the new airport in Noida in India impacts both agricultural land and settlement areas. The surrounding area includes various nature conservation areas, although these are not within the actual project perimeter itself. Construction of the airport will nevertheless have an impact on the ecosystems there. An environmental impact assessment that identified the animal species present was therefore used as the basis for drawing up a concept for their preservation. The concept is being implemented by the authorities. Also planned are the officially prescribed compensatory measures for the woodlands affected.

For the construction phase that commenced in October of the reporting year, a comprehensive monitoring programme was set up in India which covers the aspects of soil, drinking water, wastewater, air quality and noise. Monthly reports document the associated impacts so countermeasures can quickly be taken if necessary.

Bird strikes

With its wooded areas, watercourses and large open spaces, Zurich Airport also attracts a large number of bird species. However, large birds and flocking birds in particular can present a safety risk for aircraft. Collisions between birds and aircraft (known as bird strikes) can have very serious consequences and so must be avoided at all costs.

Flughafen Zürich AG takes various steps to make the airfield less attractive to birds that pose a particular risk to safety in an effort to avoid potential collisions. One tactic is to cultivate most of the open areas as extensive high-grass meadows; this approach is also taken at the company's airports in Brazil. This is both environmentally friendly and also helps to prevent bird strikes as the high grass makes it difficult for birds of prey to spot their prey on the ground. It also discourages flocking birds from settling there. Specific steps have also been taken to reduce the birds' food supply – for instance weasels especially are encouraged because they compete with birds of prey in hunting small mammals.

Water

The availability of sufficient clean drinking water is by no means a matter of course. The Zurich Airport Group therefore uses this resource sparingly.

Relevance

Clean water is a precious resource which the Zurich Airport Group is committed to conserving at all its airports. Along with minimising the volume of fresh water consumed, the company also has wastewater appropriately treated to save on fresh water so a sufficient supply of it remains available for the region.

Various types of wastewater are produced at airports, each of which are treated in different ways. These include domestic wastewater, aircraft sewage and wastewater from workshops, as well as runoff from operational areas and from aircraft de-icing.

Approach

Fresh water

Zurich Airport obtains drinking water from the municipal water supply for the town of Kloten. In addition, groundwater is used as process water and for toilet flushing. As some parts of the airport's infrastructure are located below ground, they are at risk if the groundwater table rises above a critical level. Groundwater is therefore constantly pumped away from under the main airport complex. Rainwater is used to flush some toilets, which additionally helps to control rainwater runoff.

The airports in Latin America likewise obtain their drinking water from the public water supply. Florianópolis gets 30–50% of the water it needs from treated rainwater and wastewater, which it uses for toilet flushing, irrigation and fire service drills, among other things.

Noida Airport in India plans to meet 80% of its fresh water needs with treated rainwater. As Noida lies in a tropical zone with seasonal heavy precipitation, rainwater is stored in tanks for use later in the year.

Wastewater

Like the municipalities in the canton, Zurich Airport has its own general drainage plan (GEP) which sets out the basic principles for water protection on the airfield. Following the "avoid – separate – treat" approach, the aim is to produce as little wastewater as possible. Along with measures to ensure airfield drainage systems comply with the law, the drainage plan includes stipulations relating to the operation and maintenance of the existing sewage and pump systems.

After separation, the wastewater produced at Zurich Airport is treated in different ways. All domestic waste water, from toilets or restaurant kitchens for example, is discharged into the local sewage treatment plant at Kloten-Opfikon where it is treated. The contents of grease separators are sent to a biogas plant. Special wastewater, from workshops or from aircraft toilets for example, requires pre-treatment before it can likewise be sent on to the sewage plant.

The airports in Latin America all have their own wastewater treatment plants. In Macaé, Brazil, a new treatment plant will also be built by 2023 as part of the new terminal construction project. Whereas treated wastewater is discharged into the ocean in Iquique in Chile, in Antofagasta it is used for irrigating green areas.

A separate wastewater treatment plant is planned for Noida in India in order to produce greywater that can be used for cooling and irrigation purposes, for instance.

Aircraft and surface de-icing

In order to ensure safe flight operations, in winter it is essential to keep both aircraft and operational areas at Zurich Airport free of ice. The winter of 2020/2021 was marked by frequent snowfalls. The actual precipitation volume was nevertheless average, and temperatures were relatively mild from a long-term standpoint. While an average amount of surface de-icing agents was used, the amount of de-icing agent consumed was well below average due to the low volume of air traffic. Propylene glycol is used for aircraft de-icing, whereas formate is used as a surface de-icing agent. Conventional de-icing salts are used on service roads, in the car parks and around the maintenance area.

Wastewater runoff from operational areas contaminated with de-icing agents is collected and, depending on the degree of contamination, is treated in one of three ways (more detailed information can be found online at [Zurich Airport De-Icing Wastewater](#)). One unique feature is the spraying of medium-contaminated wastewater over suitable green areas. As the water percolates down through the soil, the carbon compounds from the propylene glycol and the formate biodegrade, thus cleaning the water in the process. To assess the success of the cleaning systems, the degree of treatment is calculated for each winter season. This indicates what percentage of carbon contained in the collected wastewater was removed. Owing to the exceptional situation with far less aircraft de-icing required but at the same time a relatively large volume of wastewater runoff from operational areas, the degree of treatment fell from 98% to 88% during the 2020/2021 winter season. At 23 tonnes, the effectively untreated amount of carbon was slightly below the long-term average however.

Key data

Fresh water consumption at Zurich Airport, GRI 303-3	Unit	2019	2020	2021
Drinking water	m ³	649,997	410,550	402,903
Groundwater	m ³	188,230	100,980	113,069
Rainwater	m ³	13,180	3,712	4,993
Total fresh water	m³	851,407	515,242	520,965

Consumption of de-icing agents Zurich Airport, GRI AO6	Unit	2018/19	2019/20	2020/21
Aircraft de-icer	m ³	2,113	982	862
Surface de-icing agents formate solution	m ³	1,364	112	1,338
Surface de-icing agents, solid	Tonnes	0	0	16
De-icing salts for other surfaces	Tonnes	349	60	569
Degree of treatment (aprons, runway and taxiways)	in %	94	98	88
Washed off untreated carbon	Tonnes	30	5	23

Social impacts

Occupational and aviation safety

Protecting the physical integrity of all people and infrastructure at the airport is a cardinal duty. Systematic and innovative approaches to safety and security ensure they are protected.

Relevance

Protecting people and infrastructure from injury, damage, accidents or criminal acts is a top priority for the Zurich Airport Group. The aim therefore is to avoid incidents and accidents involving people or material objects. Efforts in this direction fall into the category of safety. As the licence holder for the airport, Flughafen Zürich AG is obliged to take precautions against wilful acts and must be ready to limit any resulting damage. Such matters fall into the category of security. The responsibility for both safety and security and implementing appropriate measures at Zurich Airport extends beyond the company to the airport as a whole. For matters relating to occupational health and safety on the other hand, Flughafen Zürich AG's responsibility extends only to the company itself.

GRI 103-1

For its International division too, ensuring safety and security is one of Flughafen Zürich AG's core responsibilities. However, owing to the specific terms of the concession models in the various countries, this may be handled organisationally in different ways at the airports. In Brazil, the airport operator is responsible for drafting and implementing safety and security concepts. These must be approved by various government agencies at different levels (security, customs and regulatory authorities). In Chile, on the other hand, all aspects of operational safety are a matter for the government, namely through the Dirección General de Aeronáutica Civil (DGAC). The licence holder companies then have responsibility for safety solely in the publicly accessible passenger zones.

All countries where the Zurich Airport Group operates belong to the International Civil Aviation Organization (ICAO) and are contractually obliged to follow its safety and security standards and recommendations for commercial airports. The company is additionally obliged to comply with further statutory and regulatory requirements relating to safety, security and occupational health and safety.

Approach and progress

Overarching safety and security responsibilities

The company operates an integrated management system (IMS) for the systematic management of all safety and security aspects relating to flight operations at Zurich Airport. As well as safety and security, this also encompasses occupational health and safety. The aim of the integrated management system is firstly to reduce organisational risks by putting clear processes and organisational structures in place, and secondly to systematically improve prevention so that injuries and material damage are avoided from the outset.

GRI 103-2

Ensuring safety and security at airports requires the collaboration of numerous people and companies. Various factors play a role, from construction requirements through to the organisation of processes and the behaviour of employees. With its supervision of flight and ramp operations, the company has two intervention units that steer daily operations at Zurich Airport. They make sure the airport is running smoothly in accordance with the regulations at all times and that it is able to respond to any incidents.

In addition, in the event of an incident, Flughafen Zürich AG has the primary responsibility for coordinating the various emergency responders. As well as drafting and updating emergency plans and operation concepts, it is also obliged to carry out regular wide-scale drills. Although the airport fire and rescue service is based on the airfield, it is actually part of the City of Zurich's emergency services. Flughafen Zürich AG additionally operates a company fire brigade, as does its service partner SR Technics.

Safety

The IMS at Zurich Airport also includes a Safety Management System which provides a comprehensive and systematic way of managing risks and hazards in order to ensure safe and compliant flight operations. The aim is to prevent both personal injury and material damage. The key principles of the safety and reporting culture and the Safety Management System are anchored in the company's safety policy, which also details the respective responsibilities. In addition, the aerodrome manual published annually by the Safety Office lists all safety-relevant management processes. This fulfils the requirements of EU Regulation 139/2014.

GRI 103-2

Cooperation of all the parties involved, namely the airport partner companies, is essential. These meet in various committees. By training, followed by examinations in some cases, the company ensures that all personnel with access to the airside operating areas of Zurich Airport are adequately trained. In addition, it periodically runs awareness campaigns to spotlight individual aspects. Another important point is how incidents and infringements are handled. At Zurich Airport, importance is attached to cultivating a culture in which critical or potentially critical incidents are reported. The aim here is to identify what improvements could be made and put them into practice.

One specific initiative launched by the airports in Brazil is awareness-raising among the residents of neighbouring communities. Information campaigns highlight the dangers of laser pointers or sport kites as potential hazards to aircraft. Florianópolis, Macaé and Vitória are the first airports in Brazil to deploy drones to check the condition of runways, fences and other parts of the infrastructure.

Both the authorities and Flughafen Zürich AG itself regularly conduct inspections and airport operation audits to verify that rules and safety procedures are being followed in day-to-day operations. During the year under review, FOCA carried out 3 audits and inspections at Zurich Airport. In addition, the internal Safety Office performed 11 (including emergency drill) audits. A few findings and a few dozen recommendations were identified, but no significant deficiencies were discovered.

GRI 103-3

13 (of which some anonymous) tip-offs were received on the electronic platform for reporting safety concerns. All reports were followed up and action taken where possible. Unless the tip-offs were anonymous, those reporting their concerns were informed of the outcome.

Security

Zurich Airport is obliged to implement many national and international regulations relating to security in the air. This is based on the National Civil Aviation Security Programme (NASP) issued by FOCA. The airport operator is responsible for ensuring and verifying that its processes comply with all legislation. However, the Zurich cantonal police and private security firms are responsible for carrying out the actual security checks at doors and gates, and for passengers, baggage and freight.

GRI 103-2

The performance of security checks at airports always involves balancing security, efficiency and customer-friendliness. However, ongoing improvements to the security processes aim to continually enhance the user experience.

Both the authorities and Flughafen Zürich AG itself regularly carry out spot checks and audits at the checkpoints to verify the quality of the service and compliance with the regulations. Compared with other European airports, compliance with regulations is very high, and Zurich Airport frequently receives high ratings for the customer-friendliness of its passenger security checkpoints.

GRI 103-3

During the year under review, FOCA carried out 19 audits, inspections and tests. In addition, the internal Airport Security unit performed 191 quality control checks. 35 deviations were ascertained and corrected with the appropriate measures. Neither FOCA nor Airport Security detected any serious deviations. No incidents of a terrorist nature occurred at Zurich Airport during the year under review.

Occupational safety

For the Zurich Airport Group, occupational safety is not merely about complying with legislation, it is also a matter of attitude and showing leadership at all levels. Safety at work makes a valuable contribution both to preventing suffering and to avoiding – or at least reducing – the costs associated with absences. Switzerland's accident insurance legislation obliges Flughafen Zürich AG to take all technically feasible steps deemed necessary according to experience in the circumstances to prevent occupational illnesses and workplace accidents. The company has set out its position in its occupational safety policy.

GRI 103-2

Flughafen Zürich AG attaches great importance to informing its employees about risks and safety measures at the workplace. It encourages a positive safety culture through training and professional development. Accident risks and hazards are systematically identified and mitigated by appropriate safeguards. The company provides the resources

required and treats occupational health and safety matters with the same priority as quality, productivity and profitability.

Flughafen Zürich AG regularly conducts internal inspections and audits. Inspections are also carried out by various official bodies. As well as day-to-day operations, the latter also review the systematic implementation of occupational health and safety measures.

GRI 103-3

Key data

Zurich Airport	Unit	2017	2018	2019	2020	2021
Aircraft damage	Number of cases	46	24	29	20	25
Vehicle damage	Number of cases	95	108	131	38	33
Infrastructural damage	Number of cases	28	20	87 ¹⁾	52	53

1) since 2019: all operating areas (not only aircraft operating areas)

Flughafen Zürich AG, Zurich site	Unit	2017	2018	2019	2020	2021
Number of hours lost through accidents (occupational accidents)	Hours (h)	3,941	1,975	5,478	3,652	2,334
Number of hours lost through accidents (non-occupational accidents)	Hours (h)	8,632	10,010	9,104	16,609	13,837

Business ethics

Complying with the law, treating all people with respect, and conducting business as a fair and reliable partner all rank among the fundamental values of the Zurich Airport Group.

Relevance

The high-profile position of airports as mobility hubs for a region or an entire country brings with it a wider responsibility. Over the long term, the Zurich Airport Group can fulfil its mandate only in an intact society, in a healthy environment and in an efficient economy. Matters relating to [human rights](#) and [anti-corruption measures](#) are discussed in greater detail elsewhere in this report.

GRI 103-1

Approach and progress

The ethical business principles of the Zurich Airport Group are set out in a [Code of Conduct](#) drawn up specifically for each country represented in the group (Switzerland, Brazil, Chile and India). These are further supplemented by other documents that go into more detail.

GRI 103-2

On signing up to the UN Global Compact (UNGC) in July 2021, Flughafen Zürich AG initiated a process for further developing these fundamental principles. They are being reviewed to ascertain whether existing documents meet the requirements of the UNGC or whether revision is necessary. Any changes required to fully align the principles will be made in 2022.

GRI 103-3

Compliance management

Flughafen Zürich AG's compliance management system is used to systematically identify, understand and comply with statutory requirements as well as with internal corporate guidelines and ethical principles such as the Code of Conduct that are based on those requirements. This is described in more detail in the [Risk management](#) section.

GRI 103-2

During the reporting period no sanctions were imposed as a result of non-compliance with environmental laws and regulations (no fines or non-monetary sanctions), and there were no out-of-court dispute settlement proceedings as a result of non-compliance with environmental laws or regulations.

GRI 307-1

In the year under review, no relevant fines or sanctions were imposed due to non-compliance with legislation and/or regulations.

GRI 419-1

Whistleblower office

Alongside its standard compliance process, Flughafen Zürich AG operates a whistleblower office. The company is reliant on irregularities and violations of rules and regulations being discovered and rectified. The whistleblower office, run by the General Secretary, is available for cases where an employee has a justifiable suspicion that a concern they have reported via the normal channels is not being followed up appropriately, or where they fear personal reprisals. As far as possible, the identity of the whistleblower will remain confidential during any investigations. There were no cases processed by the whistleblower office during the reporting year.

GRI 103-2

A separate process exists for reporting safety concerns relating to flight operations (see [Occupational and aviation safety](#) section) and for the human resources department (HR) or staff representation council (PeV) in relation to bullying, sexual harassment and discrimination.

Anti-competitive behaviour

At all its airports the Zurich Airport Group has a number of service partners whose business activities are dependent on the group's infrastructure. It is therefore in a strong position as a vendor and in some cases has a monopoly over infrastructures.

GRI 103-2

The particular infrastructures for which it has a monopoly are specified by the Swiss government and set out transparently in the [operating regulations for Zurich Airport](#) (Annex 4, Attachment 2). The charges for using these infrastructures are specified and levied in accordance with legally regulated procedures. These procedures ensure that users are involved in setting the charges and have access to information about the cost basis used.

Market access for ground handling and for the airlines is likewise specified in Zurich Airport's operating regulations. Zurich Airport is obliged to manage and provide stakeholders with access to its infrastructures in a fair, objective, transparent and non-discriminatory way.

The operating licences of the international subsidiaries are also subject to government regulation, which varies depending on the particular country concerned. For instance, the bigger airports in Brazil are regulated by Brazil's National Civil Aviation Authority (ANAC) on the basis of a dual-till system. The new airport in India will be regulated by the Airports Economic Regulatory Authority of India (AERA) on the basis of a hybrid-till system.

No legal proceedings were brought against Flughafen Zürich AG or its fully consolidated subsidiaries for anti-competitive behaviour or violations of anti-trust and monopoly laws during the year under review.

GRI 206-1

Internal Audit

Internal Audit is an independent and autonomous unit within the company. It reports functionally to the Audit & Finance Committee. Its auditing activities help to identify risks and weaknesses in established processes, enabling any gaps to be closed.

GRI 103-2

Political contributions

Flughafen Zürich AG grants cantonal parties in the Canton of Zurich an annual fixed sum supplemented by additional contributions during election years provided a party has enough members to form a recognised parliamentary group in the Cantonal Parliament and supports demand-driven aviation policy. The applicable principles are documented in writing. No political contributions are made in Latin America or India.

Secondary occupations and political office

Flughafen Zürich AG supports public service through paid leave where necessary. Employees who wish to take up public office or pursue another time-consuming secondary occupation must notify the company so any conflicts of interest are recognised in good time.

GRI 103-2

Resettlements in India

2377 families from a total of eight villages will be resettled for the development and construction of the new greenfield airport in Noida, India. Most of the area earmarked for the new airport is agricultural land. The Gautam Buddha Nagar Administration, part of the government of Uttar Pradesh, is responsible for and is handling the resettlement and compensation process for the families affected. Compensation for the displaced families is in accordance with established government processes in India and falls under the "Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act" (RFCTLARR Act, 2013). Most families are paid cash for their land and receive an offer of new accommodation. The proportion of women affected by the resettlement is approximately 49%. The process of resettlement started in 2020 and should be completed during 2023.

GRI AO8

Anti-corruption

The Zurich Airport Group does not tolerate any form of corruption or bribery and has taken precautions to prevent such abuses.

Relevance

Corruption has negative social and economic consequences and may lead to criminal prosecution and reputational damage to the company. As an international enterprise with a wide variety of business relationships and close contacts with government agencies, the Zurich Airport Group is aware that it is also exposed to certain risks of corruption, both in Switzerland and abroad.

The Zurich Airport Group is headquartered and anchored in the legal system of Switzerland which has ratified various international conventions. The group is thus directly subject to its stringent anti-corruption regulations.

Approach

By signing up to the UN Global Compact, the Zurich Airport Group publicly affirms that it does not tolerate any form of corruption and bribery. Effective corruption prevention requires action on a number of fronts and also depends on individual employees behaving with integrity.

Preventive measures

In accordance with its statutory and regulatory obligations, the Zurich Airport Group has taken a number of preventive measures to prevent or expose corruption. The guidelines for the behaviour of all employees are laid down in the Code of Conduct which is defined individually for each country represented in the group. As a more detailed supplement to the Code of Conduct, an anti-corruption directive which is binding for all employees of Flughafen Zürich AG sets out the obligations in greater detail. All employees based in Zurich can readily access both documents on the intranet.

The peer review principle also applies in the Zurich Airport Group: contracts require two signatures to be legally binding. The allocation of powers further clearly defines the extent of employees' financial powers, and hence also their authority to sign contracts. Finally, Internal Audit is available to check and report on specific transactions at any time.

Staff in leadership roles are explicitly trained and made aware of these matters. Those who are new to a management role with financial powers attend an induction event in which their attention is drawn to anti-corruption issues. The Legal, Risk & Compliance department also offers specific anti-corruption training courses.

Procurement

Flughafen Zürich AG is obliged to procure goods and services in accordance with public procurement rules (see [>Regional wealth creation](#) and [>Human rights](#) sections). This requires a transparent, regulated procedure and contracts to be awarded on the basis of clearly defined criteria. Tenders are always evaluated by multiple people. In addition, all staff working in procurement sign a “no conflict of interest” declaration. This declaration obliges all employees concerned to stand aside in the event of any conflicts of interest, and to avoid any contact with potential suppliers during the procurement process that goes beyond this direct process. It also binds them to treat all internal information and tenders in confidence.

Integrity clause in international business contracts

The Zurich Airport Group also imposes obligations on its international business partners. Flughafen Zürich AG includes a model contract anti-corruption clause (active and passive) in all its contracts with local partners abroad. In the event of a breach, this clause stipulates a contractual penalty and the premature termination of the contract without compensation. The Brazilian subsidiaries and A-Port in Chile also include anti-corruption clauses in their contracts.

Gifts

Flughafen Zürich AG has a clear rule that only gifts up to a value of CHF 200 may be accepted or given. Any gifts above this fixed cap must be reported. The list of reports received is then presented to the Board of Directors once a year. Rules also apply to business meals and hospitality events for customers.

A cap on the value of gifts is likewise imposed at the company's airports in Brazil and India. The subsidiary in Chile forbids the acceptance of any and all gifts.

Violations

During the reporting year no cases of bribery and corruption were reported or otherwise came to light (active and passive bribery). Furthermore, no pending or completed legal proceedings in connection with corruption are known for the Zurich Airport Group.

GRI 205-3

Human rights

The Zurich Airport Group values compliance with statutory social standards and likewise expects its suppliers and business partners to meet such standards.

Relevance

As one of the signatories to the UN Global Compact, the Zurich Airport Group has undertaken to uphold human rights. The company focuses on issues such as child labour, forced labour, health and safety, freedom of assembly and the right to collective bargaining, the right to property, and discrimination.

The Zurich Airport Group predominantly conducts its business activities in Switzerland where human rights are enshrined in the constitution and the European Convention on Human Rights (ECHR) applies. There are effective mechanisms in place both in government administration and in the courts that are open to anyone to enforce the observance of human rights in Switzerland. The Zurich Airport Group deems the risk of human rights violations within its own sphere of influence in Switzerland to be low.

However, the situation is more delicate in other countries where it is a majority shareholder in companies. Although human rights are likewise protected by laws in these countries, the Zurich Airport Group pays particular attention to upholding human rights there to avoid becoming complicit in any violations.

Approach

The Zurich Airport Group prescribes certain fundamental codes of behaviour in codes of conduct drawn up individually for each subsidiary. These require all employees to uphold human rights in their activities.

At Zurich Airport the following matters are relevant in the context of human rights:

- Under the terms of the operating licence for Zurich Airport, a right of expropriation exists in connection with noise emissions. This follows a legally defined procedure and obliges Flughafen Zürich AG to pay compensation in the event of a formal and material expropriation (see [› Noise compensation \(formal expropriations\)](#) in the Noise section for further details).
- As a sector company, Flughafen Zürich AG is obliged to procure goods and services in accordance with public procurement rules (see [› Regional wealth creation](#) for further information). Suppliers are obliged to offer Swiss working conditions and comply with occupational health and safety regulations, to follow the notification procedures and work permit rules for employees, and to offer men and women equal pay. For services provided outside Switzerland, the ILO core conventions must be observed. These obligations must also be imposed on any subcontractors. If these obligations are not met, the contract may be revoked and the supplier barred from participating in tenders. During the year under review no instances of abuse were reported and there were no cases where non-compliance by a contracting party led to exclusion (see [› Compliance management](#) in the section on Business ethics).

The subsidiaries in Latin America have established processes designed to ensure that human rights are observed. All business partners and their backgrounds are vetted to ascertain any violations before entering into a business relationship with them. Supplier contracts for the airports in Brazil also include a provision binding the supplier to uphold human rights.

Equality of opportunity and freedom from discrimination

The Zurich Airport Group is committed to respectful and fair treatment of all people, irrespective of attributes such as language, sex or gender identity, age, sexual orientation, ethnic origin or religion.

Relevance

The Zurich Airport Group operates transport hubs and public spaces where all manner of people come together. Treating people fairly and respectfully is essential for providing high-quality services for everyone in a peaceful atmosphere. The company offers equal opportunities and does not tolerate any kind of discrimination. This is enshrined in all the country-specific codes of conduct which are binding on all employees. This fundamental attitude applies in particular to interactions with the company's own employees, but also to everyone with whom they are in direct contact.

Approach

Employees

Flughafen Zürich AG offers all employees the same rights and opportunities. Its personnel guidelines set out the principles of collaborative working which include treating others with respect, being mutually supportive in one's daily work, and cultivating an open and respectful culture of communication.

Women, men and non-binary individuals are treated equally at Flughafen Zürich AG. This applies in particular with regard to maternity/paternity leave, pay, part-time working, training and professional development, and flexible working time models.

Flughafen Zürich AG has drawn up guidelines for the specific case of dealing with discrimination in the form of sexual harassment. These state that the company does not tolerate any harassment, and set out what action an affected individual can take and where support is available. More information about the subject of employees can be found in the [Responsible employer](#) section.

Customers

People with restricted mobility or other disabilities may take advantage of support services at Zurich Airport. All European airports have been obliged to provide such services free of charge since 2009. The relevant EU regulation, which also applies in Switzerland, covers individuals with any kind of restricted mobility, blind and visually impaired people, deaf people and those with an intellectual impairment. These services at Zurich Airport are funded by means of a solidarity levy included in the passenger-related airport charges. Flughafen Zürich AG has subcontracted these services to another company through a service level agreement.

In addition, ground handling firms also provide other support services. Unaccompanied minors or passengers requiring medical assistance are able to get to and from the gates safely.

All the public zones of Zurich Airport are barrier-free. This also applies to the new buildings in Latin America, which are obliged to take the needs of people with restricted mobility into account.

Responsible employer

As a company providing services, it is the Zurich Airport Group's employees who hold the key to its success. The daily efforts of 1915 employees in over 70 different occupations have a major influence on the quality of the services and the long-term success of the company.

Relevance

The Zurich Airport Group has a major responsibility towards its own staff, and its conduct also has an influence on the working conditions of the employees of its airport partners. The company maintains a collaborative and respectful relationship with its workforce. This applies to all employees, irrespective of their background and their position in the company. Owing to the still ongoing Covid-19 pandemic, the year under review was challenging for all employees of the Zurich Airport Group as well as for the aviation industry as a whole. Along with keeping the airport running, the health and wellbeing of its workforce was therefore a key priority for the Zurich Airport Group.

Approach

Safeguarding rights and health

The Zurich Airport Group respects the international standards of the ILO (International Labour Organization) and all the labour laws applicable locally at its airports. It offers fair pay, higher than the respective minimum wage, and does not tolerate any child or forced labour, neither in the company itself nor at its suppliers, contractors and airport partners. Measures and precautions relating to [human rights](#) are described in a separate section.

Participation rights

Employees of Flughafen Zürich AG have a statutory guaranteed right of participation which is exercised by the staff representation council (PeV) on behalf of all staff. Comprising seven members from all areas of the company, the PeV represents the interests of employees at Zurich Airport to the Management Board. The rights and obligations of employees are set out in a participation agreement. Participation of the PeV in all matters that directly affect employees is a keystone of the company's social partnership. The participation agreement covers, for instance, issues such as occupational safety and health, working time arrangements, business transfers (parts or whole), collective pay bargaining, and mass redundancies as defined by the Swiss Code of Obligations.

GRI 102-41

There are no collective bargaining agreements at Zurich Airport or in India and Chile. In Brazil on the other hand, 100% of employees with a local contract of employment are legally entitled to the conditions negotiated annually in collective bargaining agreements.

A comprehensive employee survey is carried out at Zurich Airport at regular intervals. The last survey was conducted in 2016. Scores for work satisfaction and having a sense of belonging to the company were very high. It was intended to hold a new employee survey in 2020, but that had to be postponed due to the pandemic. A new employee survey is planned for 2022.

Health management

Flughafen Zürich AG's health management policy is aimed at promoting and maintaining the health of its employees, both at the workplace and in their private lives. On the one hand this includes occupational safety (see [Occupational and aviation safety](#) section), that is to say the prevention of accidents and other negative health impacts resulting from work. On the other hand, Flughafen Zürich AG offers its workforce an extensive range of opportunities to improve their physical and mental health. For instance, the company offers free sport benefits and free vaccinations against flu and – for personnel exposed to them – tick-borne encephalitis (FSME), Hepatitis A and B, as well as specific travel vaccines for staff who are sent to work abroad. Flughafen Zürich AG also regularly informs its workforce about certain issues through campaigns – on workplace ergonomics, on preventing accidents, on healthy eating, and much more besides.

If they have any personal issues or work problems, employees at Zurich Airport also have the option of contacting an external advice center for free and confidential advice. The center can be contacted 24/7 and is completely confidential – Flughafen Zürich AG cannot determine who has made use of this service.

At the airports in Brazil, employees must be allowed to participate in a "CIPA" forum (Comissão Interna de Prevenção de Acidentes de Trabalho). As well as promoting good health, such forums seek to prevent workplace accidents and occupational illnesses. Employees choose the members of this body themselves.

Attractive and secure jobs

An airport is a unique working environment involving an enormous variety of jobs. The jobs Flughafen Zürich AG offers are attractive to applicants and cover a wide range of occupations: both highly qualified specialists and less-qualified individuals can find jobs with the company. This also applies to the other companies operating at Zurich Airport – a total of 270 firms employing some 25,000 people between them.

Flughafen Zürich AG was a reliable partner for its employees during 2021 as the year continued to be overshadowed by the Covid-19 pandemic. The short-time working at the Zurich site that came into effect in March 2020 continued into the reporting year. However, the company made up the difference in pay resulting from the reduced working hours so no one suffered a drop in earnings.

As the instrument of short-time working does not exist there, it was not possible to maintain such stability at the airports in Latin America so unfortunately it proved necessary to cut some jobs there.

Flughafen Zürich AG attaches importance to fair, market-based remuneration: it pays bonuses above the statutory minimum for working at night and over weekends and holidays. It also awards bonuses for work in especially unpleasant, dirty or noisy environments.

At the airports in Latin America, the company contributes to employee health insurance premiums. While arranging and paying for health insurance policies for workers is mandatory in Brazil, in Chile the subsidiary voluntarily pays 70% of these costs.

Pay survey

Equal pay for work of equal value is a core principle for the company. In the past, the company periodically compared the pay disparity between men and women at its Zurich headquarters. The pay gap calculated was generally approximately 2% in favour of men, based on total pay excluding allowances. If the bonuses for unpleasant, dirty or noisy jobs were included, the gap was greater as mainly men tend to work in these types of occupation.

GRI 405-2

From 30 June 2021, new legislation required businesses in Switzerland to compare remuneration using a pay equality tool provided by the federal government ([> Logib](#)). According to its method of calculation, there was a gender pay gap of 3.5% in favour of men in the reporting year, which is within the Confederation's tolerance threshold of 5%. Taking a more granular look at the individual hierarchy levels during the reporting year yields a more detailed picture of the pay disparities between men and women. Flughafen Zürich AG distinguishes six function levels, with 1 to 3 being management levels. At +/- 1.5%, pay disparity at the management levels is minimal. On function level 4, women receive 3.4% more pay. At the lower function levels 5 and 6, on the other hand, women are paid 7.0% and 4.1% less respectively.

Pension fund

Through the BVK pension fund, the company offers its Zurich-based employees a well-structured retirement plan with above-average benefits and individual savings options. The company also provides pre-retirement guidance: seminars on retirement furnish people with the skills to deal with both financial and personal issues, and consequently smooth the transition into retirement. 40 employees and their partners (previous year: 36) attended these seminars during the reporting year. The company furthermore allows early retirement. More information on BVK can be found in [>Note 22.1](#).

GRI 404-2

In Brazil, the subsidiaries match the amount of any additional payments into a private pension plan.

Discounts

All Zurich staff enjoy a range of benefits and discounts at the airport such as discounted prices in cafes and shops.

As in Zurich, employees in Brazil benefit from discounts in stores at the airports. Certain deals for employees have also been negotiated with schools, shops, pharmacies, etc.

Work-life balance

Employees can produce first-rate work not only in an office, but also increasingly at other locations too. In the wake of the pandemic, there has been a significant upsurge in remote working, i.e. working from home or at another place away from the company. Wherever feasible and expedient, Flughafen Zürich AG can provide the necessary equipment and organisational structures to facilitate remote working. Meeting face-to-face in person on site remains important too, however. Moreover, many employees cannot work remotely as their particular job requires their physical presence on site.

All Zurich-based staff benefit from flexible working time models. These enable them, for instance, to work around family commitments, devote time to important public or political office, have time for further education, or simply pursue social activities. The annual hours working time model provides a basic level of flexibility for most employees. 32% of Zurich-based employees with open-ended contracts worked part-time in the year under review. To encourage more part-time working, the company offers the option of a trial reduction in working hours for three months. It also supports unpaid leave, allowing employees to pursue life goals such as world travel, longer courses of study, extended maternity or paternity leave, or for any other reason they wish a leave of absence. After such time spent on personal development, they will return to their jobs with renewed energy and all the more motivated.

The ability to combine work with family life is especially important to Flughafen Zürich AG. In addition to the enhanced flexibility options outlined above, new mothers receive 16 weeks paid maternity leave, two weeks more than the statutory minimum. Fathers are entitled to the statutory 10 days paternity leave.

Education and professional development

Developing employees' skills is very important to Flughafen Zürich AG. The company invests a great deal of money both in training people just starting out in their career and in fostering the professional, social and leadership skills of existing employees. At least once a year, personnel in Zurich and Brazil receive a personal performance review and discuss career development with their line manager. A similar process is being established in India.

GRI 404-2, 404-3

The provision of apprenticeships is both an investment in the company's future and a contribution to wider society and the economy in general. The company employed 40 apprentices in 13 different vocational education schemes in the year under review. Additionally during the reporting year, a total of 3 interns received work experience over several months. In total, the number of trainees represents around 3% of the overall workforce.

A 14-month programme for trainees is offered at the Florianópolis, Vitória and Macaé airports, with a total of five people being trained during the reporting year.

The company offers a very wide range of training courses at its Zurich headquarters. Employees and managers can deepen or extend their technical, personal and social competences in a variety of seminars and training courses. Overall approximately 450 courses are offered. While a large number of training courses are mandatory for certain groups to enable them to continue practising their professions, there are also a wide variety of other learning and development opportunities for employees. Flughafen Zürich AG furthermore contributes funding and/or time for specific external training courses, on average for some 60 employees each year.

As the operator of several airports around the world, the Zurich Airport Group furthermore offers suitable personnel the opportunity to take up airport-related posts abroad so they can develop their skills in an international environment.

Key data

Zurich Airport Group, GRI 102-8	Unit	2019	2020	2021
Employee composition				
No. of employees (excl. apprentices/interns/trainees)	Number of people	2,129	1,983	1,915
No. of employees in FTEs (excl. apprentices/interns/trainees)	Full-time equivalents (FTE)	1,848	1,722	1,694
Apprentices	Number of people	49	48	43
Interns/trainees	Number of people	18	7	3
Employees by employment contract				
Permanent (excl. apprentices/interns/trainees)	Number of people	2,070	1,930	1,856
Female	Number of people	700	644	596
Male	Number of people	1,370	1,286	1,260
Other	Number of people	0	0	0
Temporary (excl. apprentices/interns/trainees)	Number of people	59	53	59
Female	Number of people	22	14	18
Male	Number of people	37	39	41
Other	Number of people	0	0	0
Permanent employees by employment type				
Full-time (excl. apprentices/interns/trainees)	Number of people	1,540	1,420	1,404
Female	Number of people	331	293	282
Male	Number of people	1,209	1,127	1,122
Other	Number of people	0	0	0
Part-time (excl. apprentices/interns/trainees)	Number of people	541	521	478
Female	Number of people	376	354	325
Male	Number of people	165	167	153
Other	Number of people	0	0	0
Employees by region				
Switzerland	Number of people	1,706	1,652	1,534
Permanent (excl. apprentices/interns/trainees)	Number of people	1,658	1,610	1,501
Temporary (excl. apprentices/interns/trainees)	Number of people	48	42	33
Latin America	Number of people	423	317	330
Permanent (excl. apprentices/interns/trainees)	Number of people	412	306	309
Temporary (excl. apprentices/interns/trainees)	Number of people	11	11	21
Asia	Number of people	0	14	51
Permanent (excl. apprentices/interns/trainees)	Number of people	0	14	46
Temporary (excl. apprentices/interns/trainees)	Number of people	0	0	5

Zurich Airport (Zurich site), GRI 401 – 1		Unit	2019	2020	2021
Newly hired employees (excl. apprentices/interns/trainees)	Number of people		102	90	76
of which female	Number of people		32	28	28
of which male	Number of people		70	62	48
of which employee's age up to 30 years	Number of people		12	6	7
of which employee's age between 31 and 50 years	Number of people		58	49	40
of which employee's age above 50 years	Number of people		32	35	29
Employee turnover rate¹⁾	in %		4.7	5.4	9.7
of which female	Number of people		24	27	46
of which male	Number of people		55	60	99
of which employee's age up to 30 years	Number of people		5	5	10
of which employee's age between 31 and 50 years	Number of people		43	47	81
of which employee's age above 50 years	Number of people		31	36	54

1) No. of notices of termination over last 12 months (excl. apprentices/interns/trainees, retirees/early retirees, people on zero-hours or temporary contracts)

Zurich Airport (Zurich site), GRI 405 – 1		Unit	2019		2020		2021	
Percentage of following categories in Board of Directors								
Women	in %		38		38		38	
Men	in %		62		62		62	
Age: 30–50	in %		0		0		0	
Age: >50	in %		100		100		100	
Percentage of all employees by hierarchy level		in %	w¹⁾	m²⁾	w¹⁾	m²⁾	w¹⁾	m²⁾
Management board	in %		0	0.3	0	0.3	0	0.4
Management personnel (FS1–3)	in %		7	25	7	26	7	27
Employees without management function	in %		26	42	25	42	25	41
Percentage of all employees by age		in %	w	m	w	m	w	m
<30	in %		2	4	2	4	2	4
30–50	in %		17	37	17	38	17	37
>50	in %		12	28	12	27	12	28

1) women

2) men

ICT security and data protection

The Zurich Airport Group ensures that its systems, data and information are available, confidentiality and integrity are maintained, and threats can be averted.

Relevance

The Zurich Airport Group uses a variety of ICT systems at its various locations. In Zurich, Flughafen Zürich AG maintains extensive ICT systems with data centers that are absolutely vital for its operations. The entire airport infrastructure can only function if data can be processed.

In addition to risks of a physical nature such as natural disasters for example, cyberattacks pose a great threat to ICT systems today. The Zurich Airport Group is accordingly faced with the challenge of continually developing its security strategies. The ICT systems and associated data and information must be protected from unauthorised access, while availability, confidentiality and integrity must be maintained at all times.

As a key element of Switzerland's infrastructure, Zurich Airport is part of the national strategy to protect critical infrastructures and is consequently required to take steps to increase resilience. At the same time the National Aviation Safety Programme (NASP) run by the Federal Office of Civil Aviation (FOCA) stipulates certain ICT security requirements that are binding for Zurich Airport.

Personal data that is collected from, for example, passenger handling, video surveillance, access points to buildings and security zones, vehicle car parks, and from the provision of further services are subject to Swiss and/or European data protection legislation.

Approach

ICT security

To ensure the availability, confidentiality and integrity of its ICT systems, an information security management system (ISMS) is being set up at Zurich Airport. This management system should ensure that comprehensive ICT security is maintained and constantly adapted to meet ever-evolving challenges. Zurich Airport thus complies with the requirements of the NASP. The cybersecurity strategy of Flughafen Zürich AG defined as part of the ISMS is based on internationally recognised standards and the ISMS is set to be certified to ISO 27001 in 2022. The technical and organisational requirements are being implemented and elaborated in an ongoing process audited by the Federal Office of Civil Aviation.

This tight integration with the national strategy to protect critical infrastructures and close conformance with sector standards is intended to ensure the company will always be in a position to detect external cyberattacks or other data breaches at an early juncture and/or minimise their impacts. System-critical infrastructures are provided redundantly, also to limit the damage to ICT systems caused by other incidents such as earthquakes for example.

Data protection

The framework for handling personal data is primarily provided by the [>Swiss Data Protection Act](#) and the [>European General Data Protection Regulation](#).

As well as complying with data protection laws, Flughafen Zürich AG handles all the data and sensitive information of its business customers, service partners, consumers and other stakeholders with care and observes its duties of confidentiality.

Flughafen Zürich AG has appointed a data protection officer to ensure compliance with respect to protecting personal data. This officer advises line managers on the correct handling of personal data, maintains a list of the company's data repositories, and provides information to affected individuals, external bodies and public agencies.

The management of operational and personal data at the company's airports abroad is based on the respective local regulations in force.

GRI content index

General disclosures

GRI Standards	General Disclosures (GRI 101: 2016, GRI 102: 2016)	Reference	Explanation
Organizational profile			
GRI 102-1	Name of the organisation		Flughafen Zürich AG
GRI 102-2	Activities, brands, products, and services	Flughafen Zürich AG	
GRI 102-3	Location of headquarters	Headquarters	Zurich, Switzerland
GRI 102-4	Location of operations	Locations	
GRI 102-5	Ownership and legal form	Significant shareholders	
GRI 102-6	Markets served	Flughafen Zürich AG	
GRI 102-7	Scale of the organisation	Key data	
GRI 102-8	Information on employees and other workers	Key data employees	
GRI 102-9	Supply chain	Flughafen Zürich AG	
GRI 102-10	Significant changes to the organisation and its supply chain	Locations	No significant changes
GRI 102-11	Precautionary principle or approach	Risk management	
GRI 102-12	External initiatives	Memberships	
GRI 102-13	Membership of associations	Memberships	
Strategy			
GRI 102-14	Statement from senior decision-maker	Letter to shareholders	
Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	Strategy	
Governance			
GRI 102-18	Governance structure	Organisational structure	
Stakeholder engagement			
GRI 102-40	List of stakeholder groups	Stakeholders	
GRI 102-41	Collective bargaining agreements	Participation rights	
GRI 102-42	Identifying and selecting stakeholders	Stakeholders	
GRI 102-43	Approach to stakeholder engagement	Stakeholders	
GRI 102-44	Key topics and concerns raised	Stakeholders	
Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements	Group structure	
GRI 102-46	Defining report content and topic boundaries	Material topics	
GRI 102-47	List of material topics	Material topics	
GRI 102-48	Restatements of information		No significant changes
GRI 102-49	Changes in reporting	Focus	
GRI 102-50	Reporting period		01.01.2021 – 31.12.2021
GRI 102-51	Date of most recent report		First reporting year 2021
GRI 102-52	Reporting cycle		Annual
GRI 102-53	Contact point for questions regarding the report	Contact details	
GRI 102-54	Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards: Core option.
GRI 102-55	GRI content index	GRI content index	
GRI 102-56	External assurance		None

Topic-specific disclosures

GRI Standards	Material topics (GRI 200: 2016, GRI 300: 2016, GRI 400: 2016)	Reference
Regional contribution		To the chapter
GRI 103-1	Explanation of the material topic and its boundary	Management approach
GRI 103-2	The management approach and its components	Management approach
GRI 103-3	Evaluation of the management approach	Management approach
GRI 201-1	Direct economic value generated and distributed	Consolidated income statement
GRI 203-1	Infrastructure investments and services supported	Infrastructure investments
GRI 204-1	Proportion of spending on local suppliers	Local suppliers
Noise		To the chapter
GRI 103-1	Explanation of the material topic and its boundary	Management approach
GRI 103-2	The management approach and its components	Management approach
GRI 103-3	Evaluation of the management approach	Management approach
Climate		To the chapter
GRI 103-1	Explanation of the material topic and its boundary	Management approach
GRI 103-2	The management approach and its components	Management approach
GRI 103-3	Evaluation of the management approach	Management approach
GRI 305-1	Direct (Scope 1) GHG emissions	Climate key data
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Climate key data
GRI 305-3	Other indirect (Scope 3) GHG emissions	Climate key data
Occupational and flight safety		To the chapter
GRI 103-1	Explanation of the material topic and its boundary	Management approach
GRI 103-2	The management approach and its components	Management approach
GRI 103-3	Evaluation of the management approach	Management approach
Business ethics		To the chapter
GRI 103-1	Explanation of the material topic and its boundary	Management approach
GRI 103-2	The management approach and its components	Management approach
GRI 103-3	Evaluation of the management approach	Management approach
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Legal procedures
GRI 307-1	Non-compliance with environmental laws and regulations	Environmental laws
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Non-compliance with laws
GRI Standards	Other sustainability topics	Reference
Energy		To the chapter
GRI 302-1	Energy consumption within the organisation	Energy key data
GRI 302-2	Energy consumption outside the organisation	Energy key data
GRI 302-3	Energy intensity	Energy key data
GRI 302-4	Reduction of energy consumption	Energy key data
Waste and circular economy		To the chapter
GRI 306-3	Waste generated	Waste generated
Air Quality		To the chapter
GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Air emissions
Biodiversity		To the chapter
Water		To the chapter

GRI 303-3	Water withdrawal	Water consumption
Anti-corruption		To the chapter
GRI 205-3	Confirmed incidents of corruption and actions taken	Incidents of corruption
Human rights		To the chapter
Equality of opportunity and freedom from discrimination		To the chapter
Responsible employer		To the chapter
GRI 102-41	Collective bargaining agreements	Collective bargaining agreements
GRI 401-1	New employee hires and employee turnover	Employee turnover
		Employee skills
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	Retirement
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Performance review
GRI 405-1	Diversity of governance bodies and employees	Diversity
GRI 405-2	Ratio of basic salary and remuneration of women to men	Ratio of basic salary
ICT security and data protection		To the chapter
GRI Standards	Airport operators sector supplement (G4: 2014)	Reference
AO1	Total number of passengers annually	Passengers
AO2	Total annual number of aircraft movements	Aircraft movements
AO3	Total amount of cargo tonnage	Cargo
AO5	Ambient air quality levels	Air quality
AO6	Aircraft and pavement de-icing/anti-icing fluid used and treated	De-icing/anti-icing fluid
AO7	Number and percentage change of people residing in areas affected by noise	Noise key data
AO8	Number of persons physically or economically displaced and compensation provided	Displacements

Corporate governance

Corporate governance forms an important element of Flughafen Zürich AG's corporate policy. It is based on transparency and clearly defined responsibilities. The company meets the guidelines of SIX Swiss Exchange and those of the Swiss Code of Obligations, and observes the Swiss Code of Best Practice for Corporate Governance recommendations issued by *economiesuisse*.

Group and capital structures

Group structure

Flughafen Zürich AG is a semi-public joint-stock company under Swiss law, based in Kloten in the Canton of Zurich. For details concerning the group operational structure, please see the section on [segment reporting](#). Apart from Flughafen Zürich AG, which is listed on SIX Swiss Exchange (securities no. 31941693, ISIN CH0319416936, market capitalisation of CHF 5.0 billion as at 31 December 2021), the consolidated group does not comprise any other listed companies. However, it does include the following unlisted companies:

GRI 102-3, 102-45

Company	Domicile	Share capital	Stake held in %
Flughafen Zürich AG	Kloten	CHF 307,018,750	Parent company
Airport Ground Services AG	Kloten	CHF 100,000	100.0
Zurich Airport International AG	Kloten	CHF 100,000	100.0
Zurich Airport International Asia Sdn. Bhd.	Kuala Lumpur	MYR 1.0 million	100.0
Yamuna International Airport Private Ltd.	New Delhi	INR 5,679 million	100.0
Concessionária do Aeroporto Internacional de Florianópolis S.A.	Florianópolis	BRL 304 million	100.0
Zurich Airport Latin America Ltda.	Rio de Janeiro	BRL 578 million	100.0
Aeropertos do Sudeste do Brasil S.A.	Vitória	BRL 571 million	100.0
A-port S.A.	Santiago de Chile	CLP 16,139 million	100.0
Sociedad Concesionaria Aeropuerto de Antofagasta S.A.	Santiago de Chile	CLP 3,600 million	100.0
Sociedad Concesionaria Aeropuerto de Iquique S.A.	Santiago de Chile	CLP 600 million	100.0
Sociedad Concesionaria Aeropuerto Diego Aracena S.A.	Santiago de Chile	CLP 10,700 million	100.0
A-port Operaciones S.A.	Santiago de Chile	CLP 1,352 million	99.0
A-port Operaciones Colombia S.A.	Bogotá	COP 100 million	99.0
Unique IDC S.A. de C.V.	Tegucigalpa	HNL 0.2 million	99.0

Capital structure

The group's ordinary share capital amounts to CHF 307,018,750, which is divided into 30,701,875 fully paid-up registered shares with a nominal value of CHF 10.00 each. All shares have the same dividend entitlements and voting rights (as long as they have been entered in the Share Register accordingly). No approved or conditional capital, no participation or dividend-right certificates and no outstanding convertible bonds or options existed as at the balance sheet date.

For information concerning the distribution of shares to employees (no options are distributed), please refer to the Financial report, Consolidated financial statements according to IFRS, Notes to the consolidated financial statements, [note 3, Personnel expenses](#).

The changes in share capital, reserves and available earnings (financial statements according to the provisions of the Swiss Code of Obligations) during the past three years are shown below:

(CHF million)	31.12.2019	31.12.2020	31.12.2021
Share capital	307.0	307.0	307.0
Legal capital reserves			
Capital contribution reserves	117.0	117.0	117.0
Legal retained earnings			
General legal retained earnings	42.4	42.4	42.4
Voluntary retained earnings	109.7	109.6	109.7
Available earnings			
Profit brought forward	1,501.2	1,817.1	1,689.4
Earnings for the year	315.9	-127.8	9.6
Treasury shares	-0.5	-0.5	-0.1
Total equity	2,392.7	2,264.9	2,275.0

Shareholders and participation rights

Significant shareholders

As at 31 December 2021, the Canton of Zurich held 33.33% plus one share, and the City of Zurich held 5% of the company's shares/voting rights. There were no other shareholders entered in the Share Register whose holdings exceeded 3% of the total number of shares with voting rights. Information about shareholdings in excess of or below the thresholds specified in Article 120 of the Financial Markets Infrastructure Act (FMIA) published during the reporting period can be found on the platform of the [Disclosure Office of SIX Swiss Exchange](#). There are no crossholdings and no shareholder agreements of which the company is aware.

GRI 102-5

Changes of control

The company's Articles of Incorporation contain an opting-up clause which stipulates that, in the event that the threshold at which an offer is required in accordance with the provisions of the Swiss Stock Exchange Act is exceeded, it shall be set at 49%. No clauses exist regulating a change of control in favour of members of the Board of Directors or Management Board.

Limitations on transferability of shares/voting rights and nominee registrations

Registration with voting rights is limited to 5% of the share capital. This limit applies both to individual investors and groups of shareholders, with the exception of the Canton of Zurich (limit = 49%) and the City of Zurich (limit = 10%). Other statutory registration limits apply to guarantee proof of Swiss control, should such proof be required by a special law or double taxation agreement. Nominees are exclusively registered as shareholders without voting rights. Exceptions to these registration limits may be granted by the Board of Directors at its discretion, specifically in association with contributions in kind, shareholdings, mergers and easing of tradability of shares on the stock market. No exceptions were granted during the reporting period. Limitations on transferability are set forth in Article 6 of the company's [Articles of Incorporation](#). They can be amended by a resolution of the General Meeting of Shareholders by a two-thirds majority of represented votes.

Participation rights at the General Meeting of Shareholders

Entries in the Share Register are normally made up to one week before the General Meeting of Shareholders. With respect to the convening of the General Meeting of Shareholders and the inclusion of items on the agenda, no rules in the Articles of Incorporation deviate from the statutory provisions. In accordance with Article 699 para. 3 of the Swiss Code of Obligations, shareholders representing shares with a par value of CHF 1.0 million may request that items be included on the agenda. In accordance with Article 12 para. 3 of the company's Articles of Incorporation, the relevant requests must be submitted in writing to the Board of Directors of the company together with proof of entitlement, an exact description of the requested item and a specifically formulated

resolution proposal. Only requests that are received by the company in good time, i.e. at least 60 days before the General Meeting, can be considered.

In accordance with the company's Articles of Incorporation, any shareholder may arrange to be represented at the General Meeting by another shareholder entered in the Share Register, who shall present a written power of attorney, or by an independent proxy. Members of the Board of Directors and Management Board may represent other shareholders provided this does not constitute institutionalised representation. In accordance with Article 14 para. 3 of the company's Articles of Incorporation, the Board of Directors may draw up rules of procedure covering participation in and representation at the General Meeting of Shareholders and, in particular, make detailed provision for the issue of instructions to independent proxies. It shall ensure that the shareholders are also able to issue electronic powers of attorney and instructions to the independent proxy.

In accordance with the rules set out in the Articles of Incorporation, resolutions of the General Meeting of Shareholders are generally passed by a majority of the votes cast. In addition to those defined in Article 704 of the Swiss Code of Obligations, a qualified majority as defined in the code is required for the following cases:

- Amendments to the Articles of Incorporation
- Easing or elimination of limitations with respect to the transferability of registered shares
- Conversion of registered shares into bearer shares

Board of Directors

Election and term of office

Members of the Board of Directors are elected by the General Meeting of Shareholders for a term of office of one year. They may stand for re-election, although members of the Board of Directors are required to step down for age reasons at the General Meeting of Shareholders that is held in the year in which they turn 70.

According to the Articles of Incorporation, the Canton of Zurich is entitled to appoint three of seven or eight, or four of nine members of the Board of Directors in accordance with Article 762 of the Swiss Code of Obligations. In the reporting period, the five members to be elected by the General Meeting of Shareholders were elected by individual vote.

Members

Andreas Schmid

- Chairman of the Board of Directors since the 2000 General Meeting of Shareholders
- Swiss citizen, born in 1957, MA (Law); member of the Movenpick Executive Board of Management from 1993 to 1997 and then CEO of Jacobs AG (until 2000); CEO of Barry Callebaut AG (until mid-2002), Chairman of the Board of Directors of Barry Callebaut AG from 1999 to 2005, member of the Board of Directors of Barry Callebaut AG from December 2014 to December 2017 and Vice-Chairman from December 2005; Chairman of the Board of Oettinger Davidoff Group between 2007 and 2017, and Chairman of the Board of Directors of Helvetica Capital AG since 2016
- Other activities and vested interests: Chairman of the Supervisory Board of Villeory & Boch AG, Germany, Member of the Board of Directors of Gategroup Holding AG and of Steiner AG

Vincent Albers

- Member of the Board of Directors since May 2015 (delegation)
- Swiss citizen, born in 1956, degree in mechanical engineering from the Federal Institute of Technology (ETH Zurich) and MSc in management from Stanford Graduate School of Business; mechanical engineer at Amdahl Corp., Sunnyvale and Fujitsu Ltd., Tokyo; Director of Albers & Co AG, Zurich since 1986, responsible since 1992 for the Real Estate division, Partner since 1993
- Other activities and vested interests: CEO of Hardturm AG, member of the Board of Directors of Schoeller Textil AG

Guglielmo Brentel

- Member of the Board of Directors since the 2014 General Meeting of Shareholders
- Swiss citizen, born in 1955, commercial apprenticeship, Swiss federal diploma as administration officer, Swiss Hospitality Management School in Lausanne with Swiss federal diploma; various consultancy roles for the hotel and tourism sector since 1989; founder, owner and managing director of H&G Hotel Gast AG
- Other activities and vested interests: none

Josef Felder

- Member of the Board of Directors since the 2017 General Meeting of Shareholders
- Swiss citizen, born in 1961, Swiss Certified Expert for Accounting and Controlling and Executive MBA Harvard Business School; various positions at Crossair AG between 1989 and 1998, culminating in deputy director and divisional head, then as CEO of Flughafen-Immobilien-Gesellschaft FIG (from 1998 to 2000) and Flughafen Zürich AG (from 2000 to 2008); member of the Boards of Directors at various companies since 2009
- Other activities and vested interests: Vice Chairman of the Board of Directors of Luzerner Kantonalbank AG as well as of AMAG Group AG and subsidiaries, member of the Boards of Directors of Cereal Property Group AG, Gebr. Knie Schweizer National-Circus AG and of HTC Corporation, Chairman of the Board of Directors of Musikpunkt Hug Holding AG and member of the Board of Directors of SGV Holding AG

Stephan Gemkow

- Member of the Board of Directors since the 2017 General Meeting of Shareholders
- German citizen, born in 1960, graduated in business management from the University of Paderborn and St. Olaf College, Northfield, MN, USA, business consultant at BDO Deutsche Warentruhand AG (from 1988 to 1990) and, from 1990, various management roles at Deutsche Lufthansa AG, between 2006 and 2012 Chief Financial Officer and member of the Executive Board; Chairman of the Board of Franz Haniel & Cie. GmbH from 2012 to 2019
- Other activities and vested interests: Member of the Board of Directors of Airbus SE, Leiden, Netherlands, and of Amadeus IT Group S.A., Madrid, Spain, Senior Advisor BNP Paribas Group, Frankfurt, Germany and member of the Board of Trustees of C. D. Waelzholz GmbH & Co. KG, Hagen, Germany

Corine Mauch

- Member of the Board of Directors since the 2011 General Meeting of Shareholders
- Swiss citizen, born in 1960, degree in agr. engineering from the Federal Institute of Technology (ETH); research work (from 1993 to 2002) and political studies (from 2002 to 2008) in the fields of environment, transport, energy and sustainable development; politically active as a member of the City Parliament of Zurich (from 1999 to 2009), Mayor of Zurich since 2009
- Other activities and vested interests: Member of the Greater Zurich Area Foundation Board, member of the Metropolitan Council of the Metropolitan Conference Association of Zurich, Deputy President of the SSV Association of Swiss Cities, member of the Steering Committee of the Association of Mayors of the Canton of Zurich, member of the Technopark Zurich Foundation Board, member of the Foundation Board of Switzerland Innovation Park Zurich, member and patron of Digital Switzerland, member of the Board of Directors of Tonhalle-Gesellschaft Zürich AG

Eveline Saupper

- Member of the Board of Directors since May 2015 (delegation)
- Swiss citizen, born in 1958, PhD (Law); attorney-at-law and federally qualified tax expert; degree from the University of St. Gallen; positions in tax and company law at Homburger AG since 1985, from 1994 to 2014 as Partner and from 2014 to 2017 as “of counsel”; own practice since 2017
- Other activities and vested interests: Member of the Boards of Directors of Clariant AG, Georg Fischer AG, Staubli Holding AG and Tourismus Savognin Bivio Albula AG

Carmen Walker Späh

- Member of the Board of Directors since July 2015 (delegation)
- Swiss citizen, born in 1958, MA (Law); attorney-at-law, head of Legal Services and deputy head of the Building Inspectorate of the City of Winterthur (from 1998 to 2000); independent attorney (from 2000 to 2015), politically active as a member of the Cantonal Parliament (from 2002 to 2015) and since 2015 as member of the Government Council and Head of the Department for Economic Affairs of the Canton of Zurich
- Other activities and vested interests: President of the Greater Zurich Area Foundation Board, location marketing, Vice-Chairwoman of the Board of the Swiss Conference of Cantonal Directors of Finance and of the Conference of Cantonal Directors of Public Transport (KoV), President of the Conference of Directors of Public Transport for the Zurich Region, Chairwoman of the ZVV Transport Council, member of the Swiss Conference of Directors of Building, Planning and Environmental Protection, member of the Conference of Directors of Public Works, Planning and Environmental Protection Region East, President of the Zurich Metropolitan Council and President of the Metropolitan Conference, member of the Intercantonal Conference of the Zurich Metropolitan Area, President of the Gotthard-Komitee, member of the Board of the Swiss Blockchain Federation

None of the members of the Board of Directors holds an executive position at Flughafen Zürich AG, and none was a member of the Management Board of Flughafen Zürich AG or any of its group companies during the three financial years prior to the period under review. As at the reporting date, with the exception of the transactions disclosed in the consolidated financial statements (see note [24.4 Related parties](#)), there were no significant business relationships between members of the Board of Directors or the entities they represent and Flughafen Zürich AG.

According to Article 19 of the company's Articles of Incorporation, the number of additional mandates that members of the Board of Directors are permitted to hold in the most senior managerial or administrative organs of legal entities outside the scope of consolidation of the company is restricted to five mandates at listed companies and ten mandates at unlisted companies, and to an additional ten mandates at other legal entities entered in the Commercial Register.

Internal organisation

Chairman of the Board of Directors

Andreas Schmid (elected by the General Meeting of Shareholders for one year at a time)

Vice Chairwoman of the Board Of Directors

Eveline Saupper

The Board of Directors has formed the following committees:

Audit & Finance Committee

Members

Josef Felder (Chairman), Stephan Gemkow, Vincent Albers, Andreas Schmid

Duties

This committee is responsible for the close supervision of the annual accounts and the monitoring of compliance with accounting policies, the evaluation of financial reporting and auditing activities, the assessment of findings obtained from audits and recommendations by the auditors and Internal Audit, ICT security and cyber resilience, the definition of the group's financing policy and an examination of business transactions of special importance.

International Business Committee

Members

Stephan Gemkow (Chairman), Vincent Albers, Andreas Schmid

Duties

This committee reviews the strategic development of existing and new business activities abroad and oversees the development of major investment projects. The committee also considers investment opportunities and proposals for international business, and in particular evaluates and finalises any related tenders to be submitted within the bounds stipulated by the Board of Directors in each case.

Nomination & Compensation Committee

Members

Eveline Saupper (Chairwoman), Vincent Albers, Guglielmo Brentel, Andreas Schmid (are elected by the General Meeting of Shareholders for one year at a time)

Duties

This committee deals with all matters relating to the appointment or removal of members of the executive management of the Group, including their compensation and questions relating to succession planning. It formulates the principles of the Group's personnel and compensation policies and ensures that these are duly complied with. It is also

responsible for assessing any potential conflicts of interest on the part of members of the Board of Directors or Management Board.

Public Affairs Committee

Members

Carmen Walker Späh (Chairwoman), Eveline Saupper, Corine Mauch, Andreas Schmid

Duties

This committee chiefly monitors political matters that are relevant to Zurich Airport and acts as an advisory panel for political issues of strategic importance to the company.

Organisation and participants

The executive bodies of Flughafen Zürich AG convene meetings as required. During the reporting period the Board of Directors held eight meetings (including a two-day conference) with an average duration of around five hours, the Audit & Finance Committee held nine meetings, the International Business Committee held a two-day conference plus two meetings lasting an average of two hours in each case, while the Nomination & Compensation Committee and the Public Affairs Committee each held three meetings with an average duration of two hours.

The committees approve recommendations and submit proposals to the Board of Directors, and arrange for any necessary clarifications by internal or external offices. However, the committees do not pass any final, substantive resolutions.

The Chief Executive Officer, members of the Management Board and the General Secretary are regularly invited to participate in meetings of the Board of Directors; the CEO, CFO and the General Secretary are invited to attend meetings of the Audit & Finance Committee; the CEO, CFO, MD of Zurich Airport International and the General Secretary are invited to attend meetings of the International Business Committee; the CEO, Head of Human Resources and the General Secretary are invited to attend meetings of the Nomination & Compensation Committee; and the CEO, COO, Head of Public Affairs and the General Secretary are invited to attend meetings of the Public Affairs Committee.

Definition of areas of responsibility

Based on the Articles of Incorporation, the Board of Directors has issued a set of organisational regulations in accordance with the provisions of Article 716b of the Swiss Code of Obligations. Alongside the duties that are non-delegable by law, the Board of Directors has retained further fundamental strategic responsibilities, in particular those associated with the rights and obligations arising from federal civil aviation concessions, specifically deciding on significant licence applications, major budget approval requests, petitions for amendments to operating regulations and changes to fees and charges. In all other matters, it entrusts the Management Board with the general management of the company.

Delegates appointed by the Canton

Members of the Board of Directors appointed by the Canton exercise their mandate with the same rights and obligations as every other member of the Board of Directors. The Canton may issue instructions to its delegates in certain legally defined circumstances: this applies to resolutions by the Board of Directors relating to changes in the location or

length of runways and to changes to the operating regulations that have a significant impact on aircraft noise exposure.

Information and control instruments vis-à-vis the Management Board

The Management Board reports to the Board of Directors by means of a monthly Management Information System (MIS). Comprehensive financial and business reports are prepared on a quarterly basis, and a report on substantial business risks and the compliance situation every year. The Board of Directors is also kept informed about anticipated developments by means of rolling long-term planning for various scenarios.

In consultation with the Audit & Finance Committee, the external auditors EY (Ernst & Young AG) reviewed the internal control system as part of the interim audit. In the reporting period, Internal Audit, which was set up by management as an independent entity to help the Board of Directors and the Audit & Finance Committee exercise their duty of supervision, reviewed service agreements with third parties, project audits and aspects of retail business along with time and attendance recording, among other things. Follow-up activities to previous audits also took place. Internal Audit reports directly to the Chairman of the Audit & Finance Committee.

Management Board

Members

Stephan Widrig

- Chief Executive Officer (CEO)
- Swiss citizen, born in 1972, MA (Business Economics), University of St. Gallen; business consultant at Arthur Andersen (from 1997 to 1999); joined Flughafen Zürich AG (formerly Flughafen-Immobilien-Gesellschaft, FIG) in 1999 with special responsibility for real estate operations; Chief Financial and Commercial Officer at Bangalore International Airport Ltd. (BIAL), Bengaluru, India (from 2005 to 2008)
- Returned to Flughafen Zürich AG in 2008 as member of the Management Board; CEO since 1 January 2015
- Other activities and vested interests: Member of the Board of Directors of Schweiter Technologies AG, Steinhausen (Canton Zug) since 1 April, 2021

Daniel Bircher

- Managing Director Zurich Airport International
- Swiss citizen, born in 1968, lic. phil. I degree, Project Manager at EBP Schweiz AG (from 1996 to 2006), Safety Officer at Flughafen Zürich AG (from 2006 to 2011)
- Operations Director at Bangalore International Airport Private Limited, Bengaluru, India (from 2011 to 2015), Chief Operation Officer at Belo Horizonte International Airport, Belo Horizonte, Brazil (from 2015 to 2018)
- Chief Executive Officer at Zurich Airport International Asia, Kuala Lumpur, Malaysia (from 2018 to 2021)
- Returned to Flughafen Zürich AG as a member of the Management Board in August 2021
- Other activities and vested interests: none

Lukas Brosi

- Chief Finance Officer (CFO)
- Swiss citizen, born 1979, degree in business economics; various roles in the corporate consulting division at UBS AG (2000 to 2009); joined Flughafen Zürich AG in 2009 as Group Treasurer, steadily acquiring a wider role and more responsibility, including deputising for the CFO
- Became CFO and assumed his position on the Management Board in February 2017
- Other activities and vested interests: none

Stefan Gross

- Chief Commercial Officer (CCO)
- Swiss citizen, born in 1969, studied business administration; managerial positions at IKEA in Switzerland, Australia, Germany and Russia (from 1996 to 2010); shopping centre management roles for the Federation of Migros Cooperatives (from 2010 to 2015)
- Joined Flughafen Zürich AG in February 2016
- Other activities and vested interests: none

Daniel Scheifele

- Chief Real Estate Officer (CREO)
- Swiss citizen, born in 1962, PhD in civil engineering from the Federal Institute of Technology (ETH) and completed Senior Executive Programme in Advanced Management at the London Business School; project management and planning/realisation of large infrastructure and real estate projects at Rosenthaler & Partner and at Karl Steiner AG; thereafter various management roles in project development and general contracting at Batigroup, Losinger, Steiner AG and Strabag AG
- Joined Flughafen Zürich AG in April 2016
- Other activities and vested interests: none

Stefan Tschudin

- Chief Operation Officer (COO)
- Swiss citizen, born 1968, MA (Law) and qualified airline pilot; worked as a legal consultant at a law firm and in court (from 1994 to 1997), as an airline pilot and flying instructor for Swissair (from 1997 to 2002) and as a legal advisor at PFS Pension Fund Services (from 2002 to 2006); joined Flughafen Zürich AG in 2007 as a lawyer and aviation specialist in charge of approval processes
- Became COO and assumed his position on the Management Board in October 2017
- Other activities and vested interests: none



Daniel Bircher, Daniel Scheifele, Lukas Brosi, Stephan Widrig, Stefan Tschudin and Stefan Gross (from left to right)

In the year under review there were no management agreements associated with the assignment of management duties to third parties.

According to Article 19 of the company's Articles of Incorporation, the number of additional mandates that members of the Management Board are permitted to hold in the most senior managerial and administrative organs of legal entities outside the scope of consolidation of the company is restricted to one mandate at listed companies and five mandates at unlisted companies, and to an additional five mandates at other legal entities entered in the Commercial Register.

Remuneration, participation and loans

The rules relating to the remuneration of the Board of Directors and the Management Board, which are based on Art. 25 ff. of the [Articles of Incorporation](#), and the remuneration paid in the reporting period are shown in the separate [Remuneration Report](#).

Auditors

The auditors are appointed each year by the General Meeting of Shareholders. The current auditors Ernst & Young AG assumed their mandate in 2018. The present lead auditor, Daniel Zaugg, has thus been responsible for this mandate since 2018, which is limited by law to a period of seven years.

The group-wide fee charged by the current auditors for auditing the figures for the year under review amounted to CHF 442,350 (2020: CHF 361,600). The auditors also charged a total of CHF 105,500 (2020: CHF 119,500) for additional audit-related services. In terms of non-audit-related services CHF 0 (2020: CHF 0) was charged for tax consultancy.

The Audit & Finance Committee is responsible for monitoring and supervising the external audit. It deals with the formulation and approval of integrated audit planning, which includes the plans for both external and internal audits. Moreover, the Audit & Finance Committee evaluates and analyses the respective audit reports and approves the fees for the external audit.

The auditors provide a written report on the results of the interim audit and the end-of-year audit. The lead auditor at the auditing firm attends the meetings of the Audit & Finance Committee.

Information policy

Shareholders regularly receive information about current events and developments in the Interim and Annual Reports as well as monthly reports on traffic and trading figures and ad-hoc news releases in “Investor News”. Ad-hoc announcements from the company can be read online at [› www.flughafen-zuerich.ch/newsroom/investor-news/](https://www.flughafen-zuerich.ch/newsroom/investor-news/). Anyone interested in receiving these Investor News can [› subscribe to Investor News](#).

For further information, please see [› Investor Relations](#).

Blackout periods

During the period prior to the announcement of the company's interim and annual results, a general blackout applies to members of the Board of Directors and Management Board and to all employees with access to insider information, without exception. They are not permitted to buy or sell Flughafen Zürich AG shares and options during these blackout periods. No information or estimations beyond already published financial market information may be provided to third parties. The duration of the blackout period is specified by the CFO on a case-by-case basis depending on the work required to produce the respective results, and ends on the day of publication. The blackout period is usually approximately 50 days for the annual results and around 35 days for the interim results.

Remuneration report

The following Remuneration Report describes the principles of the remuneration policy at Flughafen Zürich AG as well as the associated decision-making powers and the components of remuneration.

1. Remuneration policy at Flughafen Zürich AG

1. Foundations and principles

At Flughafen Zürich AG, the rules governing remuneration are based on the corporate and capital market law requirements of the Swiss Code of Obligations, the Ordinance against Excessive Compensation in Stock Exchange Listed Companies and SIX regulations as well as the company's Articles of Incorporation (Art. 25 ff.) and any resolutions and rules issued on the basis of these Articles.

The remuneration philosophy of Flughafen Zürich AG is geared to a corporate strategy oriented toward sustainable success. Market-based, performance-oriented remuneration is intended to create the conditions for recruiting and retaining qualified, committed employees in a competitive labour market. The remuneration system should be simply structured, clear and transparent. The basic structure of the company's existing remuneration system has been unchanged for a long time; over the years there have merely been adjustments to individual aspects.

2. Components and methods of determination

For the remuneration of members of the Board of Directors

Remuneration of active members of the Board of Directors comprises an annual lump sum plus payments for attending meetings. Annual lump sum payments are made in respect of their work on the Board of Directors and its committees (which it may form as and when required). The number of meetings of the Board of Directors and its committees and the number of committees are determined based on business requirements. The total amount to be proposed to the General Meeting of Shareholders for prospective remuneration is designed to also cover financial years in which the Board of Directors faces exceptional situations. The attendance allowances are calculated on the basis of a member's participation in meetings of the Board of Directors and its committees. The applicable amounts are defined according to the gross principle; that is to say the total amount of fees to be paid by the company is specified, including all statutory social security and occupational pension fund contributions payable by the company.

The applicable amounts are determined on a discretionary basis by the Board of Directors at the request of the Nomination & Compensation Committee. They remain valid indefinitely, that is to say until they are amended by a new resolution, if necessary. There are no bonus or participation programmes for members of the Board of Directors.

For the remuneration of members of the Management Board

Remuneration of members of the Management Board is based on individual employment contracts and comprises a fixed component (fixed salary and benefits) and a variable performance-related component plus employer contributions to social security and pension funds. Two thirds of the variable component is paid out in cash and one third in the form of shares in the company that are blocked for a period of four years, which ensures that the incentives include an element oriented to long-term perspectives.

The fixed component is determined on a discretionary basis, while the variable component is based on the degree to which the target for the company's success set by the Board of Directors for the respective financial year was achieved. EBIT according to the budget (excluding the influence of aircraft noise) has been adopted as the target. The target bonus proposed for 100% achievement of the target amounts to 100% of the fixed salary for the CEO and 50% of the fixed salary for the other members of the Management Board. If the target is exceeded, variable remuneration is limited to 150% of the target bonus. In the event that achievement falls below 70% of the target, there is no entitlement to variable remuneration. In accordance with the Articles of Incorporation and the regulatory provisions, the Board of Directors can use its discretion to adjust the variable remuneration in justified exceptional cases, while bearing the upper limit of 150% of the target bonus in mind.

The amounts concerned are set each year by the Board of Directors as proposed by the Nomination & Compensation Committee. Members of the Management Board do not participate or have any say in these decisions of the Board of Directors.

3. Approval by the General Meeting of Shareholders

Each year, the General Meeting of Shareholders holds a binding vote on the aggregate amount of remuneration for the Board of Directors and the Management Board. On the basis of Article 26 of the company's Articles of Incorporation, this vote is held prospectively; that is, the maximum aggregate amounts that could be paid to the members of the Board of Directors and the Management Board during the following reporting period are submitted to the General Meeting of Shareholders for approval.

In accordance with Article 26 para. 2 of the Articles of Incorporation, an additional sum of 30% of the approved aggregate amount is available as necessary for the remuneration of any subsequently nominated members of the Management Board (per additional member); this sum does not require the approval of the General Meeting of Shareholders.

As the amounts actually to be paid out depend in part on factors not yet known when these amounts are approved (for remuneration of the Board of Directors the actual number of meetings, for remuneration of the Management Board the consolidated result), this prospective method of approval requires that theoretical maximum amounts be used by the General Meeting of Shareholders as a basis for their approval decisions. The remuneration actually paid out for a specific reporting period will be stated the following year in the Remuneration Report, which will be presented to the General Meeting of Shareholders for approval on a consultative basis.

2. Remuneration paid

The following table shows the remuneration that was actually paid for the given financial year:

1. Remuneration of the Board of Directors

a) for the reporting period (2021):

(in CHF)		Remuneration for members of the Board of Directors ¹⁾	Remuneration for attending board meetings ¹⁾	Remuneration for committee membership ¹⁾	Remuneration for committee meetings ¹⁾	Total
Recipient	Function					
Andreas Schmid	Chairman	328,500	23,000	23,000	48,875	423,375
Eveline Saupper	Vice Chairwoman; Chairwoman Nomination & Compensation Committee	115,000	23,000	17,250	17,250	172,500
Vincent Albers	Member	97,750	23,000	17,250	43,125	181,125
Guglielmo L. Brentel	Member	97,750	23,000	5,750	8,625	135,125
Josef Felder	Member; Chairman Audit & Finance Committee	97,750	23,000	11,500	25,875	158,125
Stephan Gemkow	Member; Chairman International Business Committee	97,750	20,125	17,250	34,500	169,625
Corine Mauch ²⁾	Member	97,750	23,000	5,750	8,625	135,125
Carmen Walker Späh ³⁾	Member; Chairwoman of the Public Affairs Committee	97,750	14,375	11,500	5,750	129,375
Total		1,030,000	172,500	109,250	192,625	1,504,375

Total amount approved by the Annual General Meeting 1,700,000

1) Remuneration is presented on a gross basis, i.e. including employee and employer contributions to social security schemes and pension plans.

2) Of the total amount of CHF 135,125, CHF 94,856 was paid out to the City of Zurich and CHF 40,269 to the member.

3) Of the total amount of CHF 129,375, CHF 129,375 was paid out to the Canton of Zurich and CHF 0 to the member.

b) for the prior year (2020):

(CHF)		Remuneration for members of the Board of Directors ¹⁾	Remuneration for attending board meetings ¹⁾	Remuneration for committee membership ¹⁾	Remuneration for committee meetings ¹⁾	Total
Recipient	Function					
Andreas Schmid	Chairman	328,500	28,750	23,000	54,625	434,875
Eveline Saupper	Vice Chairwoman; Chairwoman Nomination & Compensation Committee	115,000	28,750	17,250	20,125	181,125
Vincent Albers	Member	97,750	28,750	17,250	40,250	184,000
Guglielmo L. Brentel	Member	97,750	28,750	5,750	28,750	161,000
Josef Felder	Member; Chairman Audit & Finance Committee	97,750	28,750	11,500	8,625	146,625
Stephan Gemkow	Member; Chairman International Business Committee	97,750	28,750	17,250	20,125	163,875
Corine Mauch ²⁾	Member	97,750	28,750	5,750	5,750	138,000
Carmen Walker Späh ³⁾	Member; Chairwoman of the Public Affairs Committee	97,750	17,250	11,500	2,875	129,375
Total		1,030,000	218,500	109,250	181,125	1,538,875

Total amount approved by the Annual General Meeting 1,700,000

1) Remuneration is presented on a gross basis, i.e. including employee and employer contributions to social security schemes and pension plans.

2) Of the total amount of CHF 138,000, CHF 97,300 was paid out to the City of Zurich and CHF 40,700 to the member.

3) Of the total amount of CHF 129,375, CHF 129,375 was paid out to the Canton of Zurich and CHF 0 to the member.

No severance payments or other long-term remuneration payments were made in 2021 or 2020.

2. Remuneration of the Management Board

a) for the reporting period (2021):

(CHF)	Salary	Variable remuneration (cash) ¹⁾	Variable remuneration (shares) ¹⁾	Pension and social insurance contributions	Miscellaneous	Total CHF	Number of shares ²⁾	Share price (CHF) ²⁾
Recipient								
Stephan Widrig (CEO)	400,000	266,751	133,249	226,371	26,994	1,053,365	812	164.10
Other members of the Management Board ³⁾	1,364,170	455,463	226,622	568,410	91,614	2,706,279	1,381	164.10
Total	1,764,170	722,214	359,871	794,781	118,608	3,759,644	2,193	
Total amount approved by the Annual General Meeting						4,500,000		

1) The allocation is rounded down to a whole number of shares and any remainder is added to the cash component. This may result in a slight change in the apportionment of the variable remuneration between cash and equity components, but the total amount remains unchanged.

2) The number of shares stated above is based on the share price at year-end. The definitive number of shares is calculated on the basis of the share price at the payment date.

3) A new member joined the Management Board on 1 August 2021.

Remuneration of members of the Management Board was effected as shown in the above table. The variable component is based on the degree to which the target for the company's success set by the Board of Directors for the respective financial year was achieved. In the reporting period the level of target achievement was above the target of 100%. In view of the consolidated loss, the variable remuneration for members of the Management Board was reduced to the target of 100%. In the previous year, the Board of Directors had used its discretion in setting the variable remuneration.

The variable remuneration (cash and share components) is accrued for the period under review and paid out in the spring of the following year. The aggregate variable remuneration (cash and share components) amounts to between 50% and 100% of the fixed salary for individual members of the Management Board. Shares awarded as a component of variable remuneration are blocked for a period of four years (see also "Financial report", "Consolidated financial statements according to IFRS", "Notes to the consolidated financial statements", >note 3, Personnel expenses). No long-term remuneration or severance payments were made in 2021.

b) for the prior year (2020):

(CHF)	Salary	Variable remuneration (cash) ¹⁾	Variable remuneration (shares) ¹⁾	Pension and social insurance contributions	Miscellaneous	Total CHF	Number of shares	Share price (CHF) ²⁾
Recipient								
Stephan Widrig (CEO)	400,000	186,676	93,324	226,332	26,994	933,326	599	155.80
Other members of the Management Board	1,260,000	294,548	146,452	518,768	82,964	2,302,732	940	155.80
Total	1,660,000	481,224	239,776	745,100	109,958	3,236,058	1,539	
Total amount approved by the Annual General Meeting						4,500,000		

1) The allocation is rounded down to a whole number of shares and any remainder is added to the cash component. This may result in a slight change in the apportionment of the variable remuneration between cash and equity components, but the total amount remains unchanged.

2) The number of shares stated above is based on the share price at year-end. The definitive number of shares is calculated on the basis of the share price at the payment date.

3. Loans, advances, non-market-based remuneration

No loans or advances were granted to members of the Board of Directors or the Management Board in 2021 or 2020, nor was non-market-based remuneration paid to parties related to members of the Board of Directors or the Management Board during these years.

To the General Meeting of
Flughafen Zürich AG, Kloten

Zurich, 3 March 2022

Report of the statutory auditor on the remuneration report

We have audited the remuneration report of Flughafen Zürich AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in section «2. Remuneration paid» of the remuneration report.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibility

Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion, the remuneration report for the year ended 31 December 2021 of Flughafen Zürich AG complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

Juri Frischknecht
Licensed audit expert

Consolidated financial statements

Consolidated financial statements according to International Financial Reporting Standards (IFRS)

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Consolidated income statement

(CHF million)	Notes	2021	2020
Aviation revenue	(2)	240.6	221.7
Non-aviation revenue	(2)	439.4	402.3
Total revenue		680.0	624.0
Personnel expenses	(3)	-171.3	-179.3
Police and security		-84.7	-94.1
Energy and waste		-22.2	-18.0
Maintenance and material		-27.9	-27.0
Other operating expenses	(4)	-45.2	-42.0
Sales, marketing and administration		-34.0	-39.7
Capitalised expenditure and other income	(5)	17.8	16.0
Expenses for construction projects and other expenses	(5)	-13.3	-43.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)		299.2	196.0
Depreciation and amortisation		-280.2	-252.6
Earnings before interest and tax (EBIT)		19.1	-56.6
Finance costs	(6)	-32.1	-27.7
Finance income	(6)	3.0	2.9
Share of result of associates		-3.7	-3.1
Result before tax		-13.7	-84.5
Income tax expense	(7)	3.6	15.4
Consolidated result		-10.1	-69.1
Result attributable to shareholders of Flughafen Zürich AG		-10.1	-69.1
Result attributable to non-controlling interests		0.0	0.0
Basic earnings per share (CHF)	(17)	-0.33	-2.25
Diluted earnings per share (CHF)	(17)	-0.33	-2.25

Consolidated statement of comprehensive income

(CHF million)	Notes	2021	2020
Consolidated result		-10.1	-69.1
Other comprehensive income			
Foreign exchange differences		-8.5	-64.6
Items that are or may be reclassified subsequently to profit or loss		-8.5	-64.6
Remeasurement of defined benefit liability, net of income tax	(22)	92.4	1.8
Items that will never be reclassified to profit or loss		92.4	1.8
Other comprehensive income, net of income tax		83.9	-62.8
Total comprehensive income		73.8	-131.9
Comprehensive income attributable to shareholders of Flughafen Zürich AG		73.8	-131.9
Comprehensive income attributable to non-controlling interests		0.0	0.0

Consolidated balance sheet

(CHF million)	Notes	31.12.2021	31.12.2020
Assets			
Property, plant and equipment	(8)	2,745.8	2,842.0
Right-of-use assets	(9)	73.9	80.7
Investment properties	(10)	605.9	566.9
Investments in airport operator projects	(11)	268.6	282.1
Intangible asset from right of formal expropriation	(11)	66.3	68.6
Other intangible assets	(11)	17.9	17.4
Investments in associates	(12)	0.0	3.7
Non-current financial assets of Airport Zurich Noise Fund	(13)	327.7	370.6
Non-current fixed-term deposits	(16)	2.1	0.8
Other non-current financial assets		8.7	2.0
Deferred tax assets	(21)	8.1	5.4
Non-current assets		4,125.1	4,240.3
Inventories		10.2	11.9
Current financial assets of Airport Zurich Noise Fund	(13)	45.3	48.4
Other current financial assets		8.8	2.1
Trade receivables	(14)	78.6	71.8
Other receivables and prepaid expenses	(15)	164.5	146.0
Current tax assets		0.1	0.3
Current fixed-term deposits	(16)	121.3	200.0
Cash and cash equivalents	(16)	409.3	351.2
Current assets		838.1	831.6
Total assets		4,963.2	5,072.0
Equity and liabilities			
Share capital	(17)	307.0	307.0
Treasury shares		-0.1	-0.5
Capital reserves		199.6	199.3
Translation reserve		-107.7	-99.2
Other retained earnings		2,012.4	1,930.1
Equity attributable to shareholders of Flughafen Zürich AG		2,411.2	2,336.7
Equity attributable to non-controlling interests		0.1	0.1
Total equity		2,411.3	2,336.8
Non-current financial liabilities	(18)	1,873.9	1,876.3
Non-current provisions for formal expropriations plus sound insulation and resident protection	(19)	318.3	338.5
Deferred tax liabilities	(21)	43.4	24.1
Employee benefit obligations	(22)	87.8	197.6
Non-current liabilities		2,323.4	2,436.5
Trade payables		57.0	61.0
Current financial liabilities	(18)	16.8	75.1
Current provisions for formal expropriations plus sound insulation and resident protection	(19)	36.8	32.1
Current tax liabilities		2.7	1.8
Other current liabilities, accruals and deferrals	(23)	115.1	128.7
Current liabilities		228.5	298.7
Total liabilities		2,551.9	2,735.2
Total equity and liabilities		4,963.2	5,072.0

Consolidated cash flow statement

(CHF million)	Notes	2021	2020
Consolidated result		-10.1	-69.1
Finance result	(6)	29.1	24.8
Share of result of associates		3.7	3.1
Income tax expense	(7)	-3.6	-15.4
Depreciation and amortisation of			
Property, plant and equipment (after recognition of government subsidies and grants)	(8)	231.4	222.1
Right-of-use assets	(9)	7.3	8.2
Investment property	(10)	22.8	4.8
Intangible assets	(11)	18.7	17.6
Gains (-)/losses (+) on disposal of property, plant and equipment (net)		0.7	12.4
Share-based payments		0.9	0.7
Increase (-)/decrease (+) in inventories, trade receivables and other receivables and prepaid expenses		-37.7	-46.9
Increase (+)/decrease (-) in current liabilities, excluding current financial liabilities		-20.5	20.2
Increase (+)/decrease (-) in employee benefit obligations		4.8	9.3
Increase (+)/decrease (-) in provision for formal expropriations plus sound insulation and resident protection		-15.5	-16.9
Income tax paid		-0.3	-27.6
Cash flow from operating activities		231.7	147.3
Investments in property, plant and equipment and projects in progress		-153.8	-232.1
Investments in investment property (incl. advance payments)		-37.6	-135.5
Investments in airport operator projects		-14.6	-31.0
Investments in intangible assets		-0.3	0.0
Investments in financial assets		-6.9	-22.9
Investments in fixed-term deposits due > 90 days		-222.4	-200.0
Repayment of financial assets		48.2	17.7
Repayment of fixed-term deposits due > 90 days		300.0	37.5
Proceeds from disposal of property, plant and equipment		0.2	0.0
Interest received		0.6	1.1
Cash flow from investing activities		-86.6	-565.1
Issue of new debentures	(18)	0.0	900.0
Transaction cost issue of new debentures	(18)	0.0	-1.9
Repayment of debentures	(18)	0.0	-300.0
Issue of liabilities to banks	(18)	5.0	170.2
Repayment of liabilities to banks	(18)	-68.0	-82.5
Issue of other financial liabilities	(18)	0.8	20.4
Repayment of other financial liabilities	(18)	0.0	-40.0
Repayment of lease liabilities	(18)	-7.5	-6.8
	(18)	-0.8	0.0
Purchase of treasury shares		-0.2	-1.1
Interest paid		-13.8	-17.1
Cash flow from financing activities		-84.5	641.2
Increase (+)/decrease (-) in cash and cash equivalents		60.6	223.3
Balance at 1 January	(16)	351.2	132.4
Effect of foreign exchange differences on cash and cash equivalents held		-2.5	-4.5
Balance as at reporting date	(16)	409.3	351.2

Consolidated statement of changes in equity

(CHF million)	Share capital	Treasury shares	Capital reserves	Translation reserve	Other retained earnings	Equity attributable to shareholders of Flughafen Zürich AG	Equity attributable to non-controlling interests	Total equity
Balance as at 1 January 2021	307.0	-0.5	199.3	-99.2	1,930.1	2,336.7	0.1	2,336.8
Consolidated result					-10.1	-10.1	0.0	-10.1
Foreign exchange differences				-8.5		-8.5		-8.5
Remeasurement of defined benefit liability, net of income tax					92.4	92.4		92.4
Other comprehensive income, net of income tax	0.0	0.0	0.0	-8.5	92.4	83.9	0.0	83.9
Total comprehensive income	0.0	0.0	0.0	-8.5	82.3	73.8	0.0	73.8
Dividend for the 2020 financial year						0.0		0.0
Purchase of treasury shares		-0.2				-0.2		-0.2
Share-based payments		0.6	0.3			0.9		0.9
Balance as at 31 December 2021	307.0	-0.1	199.6	-107.7	2,012.4	2,411.2	0.1	2,411.3

(CHF million)	Share capital	Treasury shares	Capital reserves	Translation reserve	Other retained earnings	Equity attributable to shareholders of Flughafen Zürich AG	Equity attributable to non-controlling interests	Total equity
Balance as at 1 January 2020	307.0	-0.6	199.7	-34.6	1,997.5	2,469.0	0.1	2,469.1
Consolidated result					-69.1	-69.1	0.0	-69.1
Foreign exchange differences				-64.6		-64.6		-64.6
Remeasurement of defined benefit liability, net of income tax					1.8	1.8		1.8
Other comprehensive income, net of income tax	0.0	0.0	0.0	-64.6	1.8	-62.8	0.0	-62.8
Total comprehensive income	0.0	0.0	0.0	-64.6	-67.3	-131.9	0.0	-131.9
Dividend for the 2019 financial year					0.0	0.0		0.0
Purchase of treasury shares		-1.1				-1.1		-1.1
Share-based payments		1.1	-0.4			0.7		0.7
Balance as at 31 December 2020	307.0	-0.5	199.3	-99.2	1,930.1	2,336.7	0.1	2,336.8

Notes to the consolidated financial statements

I Accounting policies

General remarks

The consolidated financial statements of the Zurich Airport Group – comprising Flughafen Zürich AG and its subsidiaries – have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and comply with Swiss law. They have been prepared under the historical cost convention, with the exception of the financial assets of the Airport Zurich Noise Fund, derivative financial instruments, associates and defined benefit obligations.

The single-entity financial statements of the Group companies, which have been prepared in accordance with uniform accounting policies, have been used as the basis for consolidation. The reporting date for all Group companies is 31 December. The consolidated financial statements are prepared in Swiss francs (CHF). Unless indicated otherwise, amounts are stated in millions of Swiss francs (CHF million). Due to the rules on rounding up or down, individual figures may not add up to precisely the sum total stated. This may also mean that individual amounts round to zero.

The preparation of financial statements in accordance with IFRSs requires the Management Board to make estimates and assumptions, as well as exercise its discretion, when applying the accounting policies. This may affect reported income, expenses, assets, liabilities and contingent liabilities at the time of preparation of the financial statements. In the event that such estimates and assumptions made in good faith by the Management Board at the time of preparation of the financial statements subsequently deviate from the actual circumstances, the estimates and assumptions originally made are adjusted prospectively in the financial year in which the circumstances changed.

Judgements made by the Management Board in its application of IFRSs that have a significant effect on the consolidated financial statements, and estimates and assumptions with a significant risk of adjustment in the following financial year, are discussed in [>II. Judgements and significant estimates and assumptions in the application of accounting policies](#) plus in [>note 8, Property, plant and equipment](#) and in [>note 11, Intangible assets](#), in the notes to consolidated financial statements.

New and amended accounting policies

Changes in accounting policies

The company adopted the following relevant amendments to International Financial Reporting Standards which are mandatory for the first time for the financial year beginning 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform (Phase 2)

The above-mentioned amendments did not have a significant impact on the financial position, results of operations or cash flows of the Zurich Airport Group for financial year 2021.

Introduction of new standards in 2022 and later

The following new or amended standards and interpretations issued by the end of 2021 and relevant to the company are not yet effective and were not applied early in these consolidated financial statements.

Amendments to standards and interpretations		Effective date	Planned application by the Zurich Airport Group
Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use	*	1 January 2022	Financial year 2022
Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract	*	1 January 2022	Financial year 2022
Amendments to IFRS 1: First-time Adoption of IFRS - Subsidiary as a First-time Adopter	*	1 January 2022	Financial year 2022
Amendments to IFRS 3: Reference to the Conceptual Framework	*	1 January 2022	Financial year 2022
Amendments to IFRS 9 Financial Instruments – Fees in the "10 per cent" Test for Derecognition of Financial Liabilities	*	1 January 2022	Financial year 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	*	1 January 2023	Financial year 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	*	1 January 2023	Financial year 2023
Amendments to IAS 8: Definition of Accounting Estimates	*	1 January 2023	Financial year 2023
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	*	1 January 2023	Financial year 2023

* No, or no significant, impact is expected on the consolidated financial statements of the Zurich Airport Group.

Changes in the consolidated Group

There were no changes in the consolidated Group in financial year 2021.

Changes in the presentation of the consolidated financial statements

Segment reporting

The operating segments were adjusted in connection with the changes in the areas of responsibility on the Management Board effective as of 1 May 2021. The “International” segment is therefore presented separately from the “Non-regulated business” segment. The “International” segment comprises the income and expenses of the subsidiaries and equity investments in the Zurich Airport Group’s international operations. This includes the income and expenses of the consolidated concessionaires in India, Brazil and Chile from the operation of the relevant airport infrastructure and income from consulting services. This segment also captures income and expenses from construction projects as part of concession agreements that are accounted for in accordance with IFRIC 12.

Summary of significant accounting policies

Scope and methods of consolidation

The consolidated financial statements of the Zurich Airport Group comprise Flughafen Zürich AG and all companies in Switzerland and abroad that it directly or indirectly controls. Flughafen Zürich AG controls an entity if it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control begins until the date on which control ceases. All assets and liabilities are therefore included in the consolidated financial statements together with all income and expenses in accordance with the principles of full consolidation. All unrealised gains and losses on intragroup transactions and all intragroup balances are eliminated on consolidation.

Business combinations are accounted for using the acquisition method at the date of acquisition. Consideration transferred in a business combination includes the fair value of the assets transferred, liabilities assumed or incurred and equity instruments issued by the Group. Transaction costs incurred in connection with a business combination are recognised in the income statement. Goodwill arising from a business combination is recognised as an asset. Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of any previously held equity interest in the acquiree over the fair value of the assets acquired and liabilities assumed. Two choices exist regarding the measurement of non-controlling interests. Non-controlling interests are measured at their fair value or at their proportionate share of the recognised amount of the identifiable net assets. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement, after first reassessing the fair value of the net assets acquired.

Foreign currency translation

For consolidation purposes, all assets and liabilities reported in the balance sheets of Group companies that have been prepared in foreign currency are translated into Swiss francs (functional currency of the consolidated financial statements of the Zurich Airport Group) at the closing rate. Income statements and cash flow statements are translated at the average exchange rate for the period. Foreign currency differences arising on the translation of balance sheets and income statements are credited/charged directly to the translation reserve in equity. Transactions in foreign currency are translated into Swiss francs at the exchange rate in effect on the day of the transaction.

Foreign currency monetary items are translated at the exchange rate at the reporting date. Foreign exchange gains/losses that arise from the settlement or remeasurement of foreign currency items at the reporting date are recognised in the income statement.

Alternative performance indicators

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA comprises earnings before tax, the finance result, the share of profit/loss of associates plus depreciation and amortisation.

Earnings before interest and tax (EBIT)

EBIT comprises earnings before tax, the finance result and the share of profit/loss of associates.

Revenue recognition

Revenue is recognised by the Zurich Airport Group when the customer obtains control of a service.

Revenue in the "Aviation" segment primarily comprises passenger and landing charges, and, as of 1 January 2021, noise charges (previously "Noise Segment"). Charges for providing assistance to passengers with reduced mobility are received by the "PRM" segment, while the "User fees" segment primarily receives fees for the use of the central infrastructure. Revenue in the "Air security" segment mainly includes security charges. Revenue is recognised immediately on rendering the service in question. Landing charges are billed per landing according to the weight of the aircraft. Passenger charges, fees for the use of the baggage sorting and handling system and security charges are based on the number of departing passengers. Noise charges are based, in turn, on the number of departing passengers and on an emissions-based charge according to the aircraft type.

The main components in the "Non-regulated business" segment are revenue from the marketing and rental of the commercial infrastructure at the airport (retail, tax & duty free, food & beverage operations, advertising media, parking, rental and leasing agreements, and energy and utility cost allocation). The service is rendered as soon as the commercial space is made available and the revenue recognised accordingly. For fixed-rent tenancy agreements classified as operating leases, the rents are recognised on a straight-line basis over the term of the tenancy agreement. Conditional rental payments (e.g. from turnover-based tenancy agreements) are recognised on an accrual basis based on the turnover generated by the lessee, in which case a minimum rent may be applied. If lessees are granted significant lease incentives (e.g. rent-free periods or other rent concessions), the equivalent value of the incentive is recognised on a straight-line basis over the original or remaining lease term as an adjustment to the rental income. Any lease credit losses suffered as a consequence of lockdowns in connection with the coronavirus crisis are recognised in profit or loss when incurred. The company does not currently have any tenancy agreements classified as finance leases.

Finance result

The finance result comprises interest payments on borrowings calculated using the effective interest method (excluding borrowing costs relating to buildings under construction), interest expense as a result of adjusting the present value of provisions and non-current liabilities, interest and dividend income, foreign currency gains and losses, and gains and losses on financial assets.

Interest income is recognised in the income statement using the effective interest method. Dividend income is recognised in the financial statements at the due date.

Borrowing costs arising during the construction stage for movables, buildings and engineering structures are capitalised up until the date the asset is taken into use or at the date of completion, if earlier.

Property, plant and equipment

Property, plant and equipment is stated at acquisition or construction cost, less accumulated depreciation and accumulated impairment losses. The construction cost of buildings includes direct costs for labour (third-party services and internal personnel), materials and overheads, plus the borrowing costs arising during the construction stage, which are capitalised up until the date the asset is taken into use or at the date of completion, if earlier. Borrowing costs and expenditure relating to significant assets under construction are capitalised.

Components of an item of property, plant and equipment with a different useful life are reported individually and depreciated separately. Expansion and replacement expenditure is capitalised only if it is probable that future economic benefits will flow to the Zurich Airport Group. Maintenance and renovation expenditure is charged to the income statement when incurred.

The assets (with the exception of land, which is not depreciated) are depreciated using the straight-line method over the estimated useful life or over the term of the lease, whichever is shorter. The useful life for each category of property, plant and equipment is as follows:

- Buildings: maximum 30 years
- Engineering structures: maximum 30 years
- Movables: 4 to 20 years

Projects in progress are stated at acquisition or production cost and include investments in projects that have not yet been billed. These mainly comprise assets under construction. Once a project has been put into operation and billed, the related asset is transferred to the relevant category of property, plant and equipment and segment and depreciated over its useful life. From the date the asset is taken into use, or from the date of completion, no further borrowing costs are capitalised.

Government subsidies and grants related to investments are deducted from the carrying amount in the relevant balance sheet items and recognised in profit or loss over the useful life of the related asset. They are reported in the income statement as an adjustment to the depreciation of the related asset. All government subsidies take the form of "a fonds perdu" grants and do not have to be repaid.

Leases as lessee

At inception of a contract, the Zurich Airport Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This assessment requires a certain amount of judgement.

The Zurich Airport Group recognises the right-of-use asset and the lease liability at the commencement date of the lease. The right-of-use asset is presented in "Right-of-use assets" and the lease liability as a current or non-current financial liability, depending on its maturity. The initial measurement of the right-of-use asset is based on the present value of the lease payments, plus any initial direct costs and costs for the obligation to dismantle and remove the asset and restore the site, less any incentives received. When calculating the present value of the lease payments, the company uses its incremental borrowing rate at the commencement date, as the interest rate implicit in the lease cannot be readily determined. The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the underlying asset. The right-of-use asset is tested for impairment if there are indicators of impairment. If the lease contains an extension or purchase option that the company believes it is reasonably certain to exercise, the costs related to the option are included in the lease payments.

The Zurich Airport Group has decided not to recognise the right-of-use asset and the lease liability if the lease term is twelve months or less or if the lease relates to IT equipment of low value (less than CHF 5,000). Payments for such leases are recognised on a straight-line basis over the term of the contract.

Investment property

Investment property (in accordance with IAS 40) is property held for the long term to earn rentals or for capital appreciation. It is measured at initial recognition at its cost and subsequently at cost less straight-line depreciation and any impairment losses in accordance with IAS 36.

In the case of projects, the costs incurred are billed and allocated to the relevant categories of investment property at the date when the related assets are brought into use. The assets are then depreciated over their useful lives.

The useful life for each category of investment property is as follows:

- Buildings: maximum 40 years
- Engineering structures: maximum 50 years
- Movables: 4 to 20 years

Joint arrangements

A joint arrangement (in accordance with IFRS 11) is a contractual arrangement between two or more parties which gives those parties joint control of an activity. Each joint arrangement must be classified as either a joint operation or a joint venture. In a joint operation, the parties that have joint control have rights to the assets and obligations for the liabilities of the joint arrangement and account for them in relation to their interest. In a joint venture, the parties that have joint control merely have rights to the net assets of the joint arrangement (the investment is accounted for using the equity method).

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised using the straight-line method.

With the award of the operating licence for Zurich Airport, Flughafen Zürich AG was also granted a right of formal expropriation in respect of property owners exposed to aircraft noise. This right of formal expropriation was granted on condition that the airport operator bears the costs associated with compensation payments and is recognised as an intangible asset at the date when the probable total cost can be estimated based on final-instance court rulings, so that the cost can be reliably estimated in accordance with IAS 38.21. The timing of recognition may differ depending on the airport region. At the same time as an intangible asset is recognised at the present value of the expected future payments, an equal amount is recognised as a provision. Any future adjustments to the probable total cost already recognised as assets and liabilities will be reflected on both sides of the balance sheet. The intangible asset is amortised using the straight-line method over the remaining duration of the operating licence (i.e. until May 2051).

In the case of clearly defined projects, external and internal costs directly attributable to the development of computer software are capitalised if they will be exceeded by the future economic benefits. The useful life of software is three to five years.

Investments in airport operator projects

If concession agreements for the operation of foreign airports fall within the scope of IFRIC 12, they are generally accounted for under the intangible asset model (IFRIC 12.17). In this case, the concessionaire receives the right as operator to charge for usage as consideration for the obligation to pay concession fees and provide upgrade services. The obligations under the concession agreements to pay fixed concession fees are recognised as financial liabilities. They are initially measured at the fair value of the liabilities using a discount rate appropriate to the risk. The rights to operate the airports that are received as consideration are recognised as intangible assets in the same amount and presented as investments in airport operator projects. The rights received as consideration for the upgrade services provided are recognised as an intangible asset on an accrual basis at the cost of construction. Revenues and costs relating to upgrade services are generally recognised in accordance with IFRIC 12.14. The financial liabilities recognised are subsequently measured at amortised cost using the effective interest method. The rights recognised as assets are subsequently measured at cost less accumulated amortisation over the term of the concessions. In accordance with IFRIC 12.18, any minimum revenue guaranteed by the grantor is deducted from the intangible asset and accounted for as a financial asset.

Investments in associates

Associates are companies where the Zurich Airport Group is able to exercise significant influence, but not control, over the financial and operating policies (where the Group holds between 20% and 50% of the voting rights). Associates are included in the consolidated financial statements by applying the equity method. Any difference between the cost of the investment and the fair value of the share of net assets acquired is determined at the time of acquisition and recognised as goodwill and included in the carrying amount of the investment. In subsequent reporting periods, the carrying amount is adjusted to recognise Flughafen Zürich AG's share of any profit or loss and changes recognised in other comprehensive income of the investee and any dividends received.

Investments in associates where the Group holds less than 20% of the voting rights, but where it nonetheless is able to exercise significant influence, are also included in the consolidated financial statements by applying the equity method.

Financial assets of the Airport Zurich Noise Fund

In accordance with the principles in IFRS 9, the financial assets of the Airport Zurich Noise Fund are classified as at amortised cost (bonds) or at fair value through profit or loss (other financial assets).

Derivative financial instruments

Derivative financial instruments are used exclusively for the purpose of hedging interest rate and currency risks, and are recognised as other receivables or other current liabilities at fair value. Changes in fair value are recognised in the income statement.

Inventories

Inventories mainly comprise operating supplies and consumables used for the maintenance and repair of property, plant and equipment and are stated at cost or, if lower, at net realisable value. The first-in, first-out method is applied when calculating the cost.

Receivables

Receivables are measured initially at fair value and subsequently at amortised cost, which is usually their nominal value, minus individual allowances for doubtful accounts. As soon as there is sufficient evidence that a receivable will not be recoverable, it is directly written off or offset against the corresponding allowances.

Flughafen Zürich AG uses a simplified method to calculate expected credit losses on trade receivables. Changes in credit risk are not tracked; instead, a loss allowance is recognised at each reporting date on the basis of the lifetime expected credit losses. In addition to forward-looking factors specific to the borrowers and general economic conditions, credit loss experience to date is also taken into account.

The recoverable amount of receivables is the present value of the estimated future cash flows. Impairment losses on receivables are reversed if the amount of the impairment loss decreases and the decrease is related to an event that occurred in a period after the impairment loss was recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, in postal accounts and at banks and short-term investments with a maturity of 90 days or less from the date of acquisition.

Impairment of assets

The carrying amounts of non-current non-financial assets (excluding deferred taxes) are assessed once a year for indications of impairment. If such indications exist, impairment tests are performed for cash-generating units (CGU) and non-financial assets in accordance with IAS 36.

An impairment exists if the carrying amount of a CGU or a non-financial asset exceeds its recoverable amount (higher of fair value less costs of disposal and value in use).

Value in use is calculated using the discounted cash flow (DCF) method, where the discount rate applied is a post-tax rate that reflects the risks associated with the relevant asset. If an asset does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are recognised in profit or loss. They may be reversed if there are indications that the impairment loss has decreased or no longer exists and if there has been a change in the estimates used to determine recoverable amount.

The increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years.

Equity

Share capital

Shares are classified as equity since they are non-redeemable and dividend payments are at the discretion of the company.

Treasury shares

The cost (purchase price and directly attributable transaction costs) of treasury shares is deducted from equity.

Dividends

Dividends are recognised as a liability as soon as they have been approved at the General Meeting of Shareholders.

Financial liabilities

Financial liabilities are initially recognised at fair value less transaction costs. The difference between the carrying amount and the redemption amount is amortised over the term of the liability using the effective interest method.

Provisions

Provisions are recognised when the entity has a present obligation as a result of a past event that occurred prior to the reporting date, if an outflow of resources is probable and the amount of the outflow can be estimated reliably. If the effect is significant, provisions are reported in the balance sheet at their present value.

Provisions for legal and constructive obligations for sound insulation and resident protection measures are recognised on the basis of the Environmental Protection Act as soon as they can be estimated reliably.

Provisions for formal expropriations are recognised for compensation payments as soon as the probable total cost can be estimated reliably based on final-instance court rulings (see Intangible assets).

Employee benefits

For defined benefit plans, the benefit cost and the defined benefit obligation are determined on the basis of various economic and demographic assumptions using the projected unit credit method and taking into account the past years of insurance up until

the measurement date. The assumptions required to be made by the Zurich Airport Group include, among others, expectations about future salary increases, the long-term return on retirement savings accounts, employee turnover and life expectancy. The calculations are performed annually by independent actuaries. The plan assets are measured annually at fair value and deducted from the defined benefit obligation.

The defined benefit cost consists of three components:

- service cost, which is recognised in the income statement within personnel expenses;
- net interest expense, which is recognised in the income statement within finance costs; and
- remeasurement components, which are recognised in other comprehensive income.

Service cost comprises current service cost, past service cost and gains and losses on settlement. Gains and losses resulting from curtailments are regarded as past service cost. Employee contributions and contributions from third parties reduce service cost and are deducted from it if they are set out in the formal terms of the plan or arise from a constructive obligation.

The net interest expense is the amount calculated by multiplying the net defined benefit liability (or asset) by the discount rate, both as at the beginning of the financial year, including any changes during the period as a result of contributions and benefit payments. Cash flows and changes during the year are factored in pro rata.

Remeasurement components comprise actuarial gains and losses resulting from changes in the present value of the defined benefit obligations due to changes in assumptions and experience adjustments, the return on plan assets less amounts included in net interest expense, and changes in unrecognised assets less effects included in net interest expense. Remeasurement components are recognised in other comprehensive income and cannot be recycled.

The amount recognised in the consolidated financial statements is the surplus or deficit of the defined benefit plans (net defined benefit liability or asset). However, the asset recognised as a result of any surplus is limited to the present value of economic benefits to the Group available in the form of reductions in future contributions.

Employer contributions to defined contribution plans are recognised in the income statement as personnel expenses when the employee earns the benefit entitlement. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

For other long-term employee benefits, the present value of the obligation is recognised at the end of the reporting period. Changes in the present value are recognised in the income statement as personnel expenses.

Share-based payment

Flughafen Zürich AG's annual bonus programme provides for one-third of the allocated bonus to be paid out to members of the Management Board and eligible members of management in the form of shares. The share-based payment is recognised as an expense with a corresponding increase in equity.

Income taxes

Income taxes comprise current and deferred taxes. They are recognised in the income statement unless relating to transactions recognised in other comprehensive income or directly in equity. In these cases, taxes are also recognised in other comprehensive income or directly in equity.

Current taxes comprise the taxes expected to be payable on the taxable result, calculated using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes are recognised for temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and their tax base using the balance sheet liability method. No deferred taxes are recognised for temporary differences in the following cases: the initial recognition of goodwill, the initial recognition of an asset or a liability in a transaction that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Measurement of deferred taxes takes into account the expected timing and manner of realisation or settlement of the assets and liabilities concerned using tax rates that are enacted or substantively enacted at the reporting date.

Deferred tax assets are only recognised if it is probable that the deductible temporary differences can be offset against future taxable profits.

Segment reporting

Reporting of operating segments is carried out in accordance with IFRS 8 in line with the internal reporting to the company's chief operating decision-maker. The Board of Directors of Flughafen Zürich AG has been identified as chief operating decision-maker of the Zurich Airport Group responsible for major decisions concerning the allocation of resources and the assessment of the operating segments' performance.

II Judgements and significant estimates and assumptions in the application of accounting policies

Reporting of noise-related costs in the consolidated financial statements

With respect to formal expropriations, the reporting of noise-related costs in the financial statements is a complex matter due to a multitude of relevant legal bases, unclear or pending case law and political debate. Especially in the case of formal expropriations, this financial reporting requires significant assumptions and estimates concerning the capitalisation of such costs and the obligation to recognise appropriate provisions.

Flughafen Zürich AG has received a total of around 20,000 noise-related claims for compensation, of which around 5600 were still pending at the end of 2021. Slightly more than 600 of these cases are currently being examined by the Swiss Federal Assessments Commission.

The rulings by the Swiss Federal Supreme Court in the first half of 2008 on fundamental issues related to formal expropriations enabled Flughafen Zürich AG to estimate the total cost of compensation for formal expropriations for the first time, in spite of the remaining uncertainties regarding the accuracy of this estimate. In further rulings in 2010, the Swiss Federal Supreme Court definitively set the cut-off date for the foreseeability of an eastern

approach as 1 January 1961 and, in 2011, it ruled definitively on the method used to calculate a decline in the market value of investment property. In 2016, the Swiss Federal Supreme Court handed down two rulings in test cases regarding claims for compensation relating to eastern and southern approach routes and, in 2018, it handed down two rulings in test cases regarding cooperative ownership. In November 2019, the Swiss Federal Supreme Court handed down a ruling in test cases regarding the period of limitation on claims for compensation in Oberglatt. Based on these Swiss Federal Supreme Court rulings and other fundamental issues that have been decided, the company undertook a reappraisal of costs for formal expropriations at these dates, which in each case led to an adjustment to both the provision for formal expropriations and the intangible asset from the right of formal expropriation.

As at the reporting date, the estimated costs for formal expropriations remained unchanged at CHF 330.0 million, of which CHF 85.6 million had already been paid out at that date. As at 31 December 2021, a provision was recognised for the outstanding costs of CHF 244.4 million (see [note 19, Provision for formal expropriations plus sound insulation and resident protection](#)).

Depending on future legal judgements, including with respect to the southern approaches at Zurich Airport, noise-related liabilities may in future be subject to substantial adjustments, which would also require adjustments to the noise-related costs recognised as assets and liabilities in the balance sheet. At the present time, it is not possible to reliably estimate the total costs to capitalise as an intangible asset from the right of formal expropriation, the resulting amortisation or the corresponding provision.

With respect to sound insulation and resident protection measures, the Federal Office of Civil Aviation (FOCA) required Flughafen Zürich AG, in connection with its 2014 operating regulations application, to submit an extended sound insulation programme. In June 2015, based on the sound insulation programme submitted, the Board of Directors approved a further CHF 100.0 million of measures in addition to the CHF 240.0 million of costs previously estimated for sound insulation and resident protection. The company is also required to implement sound insulation measures in the area where it claims exemptions from noise limits (emission limit). In this context, the FOCA initiated a night-time noise abatement procedure. The area with exemptions under the Sectoral Aviation Infrastructure Plan adopted by the Federal Council on 23 August 2017 was extended. In this context in mid-2018, Flughafen Zürich AG recognised a provision for further costs of CHF 60.0 million, in addition to the costs previously estimated for sound insulation and resident protection.

As at the reporting date, the estimated costs for sound insulation and resident protection measures remained unchanged at CHF 400.0 million, of which CHF 289.3 million had already been paid out at that date. As at 31 December 2021, a provision was recognised for the outstanding costs of CHF 110.7 million (see [note 19, Provision for formal expropriations plus sound insulation and resident protection](#)).

Impairment of assets in accordance with IAS 36

The coronavirus crisis brought air traffic almost completely to a standstill in some cases. This and the related reduction in commercial activities resulted in lower demand at airports around the globe and also affected the Zurich Airport Group. As these circumstances indicate that the carrying amount of assets could be impaired, the company performed an impairment test for its cash-generating units (CGU) and non-financial assets in accordance with IAS 36.

An impairment exists if the carrying amount of a CGU or a non-financial asset exceeds its recoverable amount (higher of fair value less costs of disposal and value in use).

Value in use is calculated using the discounted cash flow (DCF) method. In doing so, cash flows are derived for the CGU Zurich Airport site from the long-term budget approved for the period to 2031 and in the case of investments in airport operator projects from the budget over the remaining terms (5 to 28 years) of the concession agreements. These budgets and forecasts are based on past experience and expected market trends and take into account the effects of the COVID-19 pandemic. The key assumptions used to determine recoverable amount for the different CGUs and non-financial assets are disclosed and explained in further detail below:

Zurich Airport site

Recoverable amount was determined for the CGU Zurich Airport site as at 31 December 2021 based on a value in use calculation using cash flow forecasts derived from the long-term budget approved for the period to 2031. The post-tax discount rate (WACC) applied to the cash flow forecasts was 5.5% (previous year: 5.5%) and the cash flows were extrapolated beyond the forecast period using a real growth rate of 0.5% (previous year: 0.5%).

Investments in airport operator projects

Recoverable amount was determined for investments in airport operator projects as at 31 December 2021 based on value in use calculations using cash flow forecasts from the financial budgets for the remaining terms of the contractually agreed concessions (5 to 28 years). The country-specific WACC applied to the cash flow forecasts ranged from 9.0% to 10.3% (previous year: 7.9% to 10.3%).

Result

As at 31 December 2021, no impairment losses were required to be recognised for the assets concerned as a result of the impairment test on the CGUs and non-financial assets.

III Notes to the consolidated financial statements

1 Segment reporting

The following table shows the reportable segments in the current financial year:

(CHF million)						
2021	Regulated business	Noise	Non-regulated business	International ¹⁾	Eliminations	Consolidated
Revenue from contract with customers (IFRS 15)	240.4	0.0	109.0	55.4	0.0	404.8
Other revenue (non IFRS 15)	0.2	0.0	275.0	0.0	0.0	275.2
Total revenue from third parties	240.6	0.0	384.0	55.4	0.0	680.0
Inter-segment revenue	22.8	0.0	66.8	0.0	-89.6	0.0
Total revenue	263.4	0.0	450.8	55.4	-89.6	680.0
Personnel expenses	-61.2	-1.7	-97.9	-10.5	0.0	-171.3
Other operating expenses	-128.6	-0.9	-52.7	-27.3	0.0	-209.5
Inter-segment operating expenses	-70.2	-0.8	-18.6	0.0	89.6	0.0
Segment result (EBITDA)	3.5	-3.3	281.5	17.6	0.0	299.2
Depreciation and amortisation	-144.7	-3.6	-124.2	-7.6	0.0	-280.2
Segment result (EBIT)	-141.2	-6.9	157.3	9.9	0.0	19.1
Finance result						-29.1
Share of result of associates						-3.7
Income tax expense						3.6
Consolidated result						-10.1
Invested capital as at 31 December 2021	1,869.6	110.3	1,937.2	384.9		4,302.0
Non-interest-bearing non-current liabilities ²⁾						449.5
Non-interest-bearing current liabilities ³⁾						211.7
Total assets as at 31 December 2021						4,963.2
ROIC (in %)	-6.1	-4.9	6.6	2.2		0.4
Capital expenditure	84.2	0.0	97.3	38.1		219.6
Investments in associates	0.0	0.0	0.0	0.0		0.0

1) As of financial year 2021, the "International" segment will be presented separately from the "Non-regulated business" segment due to the changes in the areas of responsibility on the Management Board. For the purposes of comparison, the prior-year figures were adjusted accordingly.

2) Non-interest-bearing non-current liabilities include non-current provisions for formal expropriations plus sound insulation and resident protection, deferred tax liabilities and employee benefit obligations.

3) Non-interest-bearing current liabilities include current provisions for formal expropriations and sound insulation and resident protection, current tax liabilities, trade payables and other current liabilities plus accruals and deferrals.

(CHF million)

2021	Aviation	PRM	User fees	Air security ⁵⁾	Access fees ⁵⁾	Eliminations	Total regulated business
Revenue from contract with customers (IFRS 15)	149.4	4.6	31.4	54.4	0.6	0.0	240.4
Other revenue (non IFRS 15)	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Revenue from third parties	149.6	4.6	31.4	54.4	0.6	0.0	240.6
Inter-segment revenue	21.3	0.0	4.6	9.0	2.5	-14.6	22.8
Total revenue	170.9	4.6	36.1	63.4	3.1	-14.6	263.4
Personnel expenses	-51.7	0.0	-6.7	-2.1	-0.7	0.0	-61.2
Other operating expenses	-35.3	-7.1	-4.0	-40.2	-42.0	0.0	-128.6
Inter-segment operating expenses	-50.8	-0.8	-12.7	-8.4	-12.0	14.6	-70.2
EBITDA	33.0	-3.2	12.7	12.6	-51.7	0.0	3.5
Depreciation and amortisation	-105.4	-0.2	-29.1	-6.8	-3.3	0.0	-144.7
EBIT	-72.4	-3.4	-16.4	5.8	-54.9	0.0	-141.2
Invested capital as at 31 December 2021	1,315.2	7.9	407.0	116.2	23.3		1,869.6
ROIC (in %)	-4.4	-36.8	-3.4	4.1	-195.0		-6.1
Operating assets pursuant to Ordinance on Airport Charges (OAC) ⁴⁾	1,210.3	3.4	387.1	67.9	20.3		1,689.0
ROIC (in %) pursuant to OAC	-4.6	-87.7	-3.5	7.0	-206.9		-6.6

4) The Ordinance on Airport Charges (OAC) defines operating assets, on which a reasonable rate of return forms the basis for the charges, as the sum of the "residual cost of the existing assets and net working capital". This definition therefore results in minor deviations compared with the reported capital employed.

5) In accordance with the Swiss Ordinance on Airport Charges, the shortfall in the "Access fees" segment can be charged to the "Air security" segment. Taking the shortfall into account, the ROIC pursuant to OAC of the "Air security" segment amounts to 7.0%.

The following table shows the reportable segments in the previous year:

(CHF million)						
2020	Regulated business	Noise	Non-regulated business	International ¹⁾	Eliminations	Consolidated
Revenue from contract with customers (IFRS 15)	216.0	5.5	93.0	63.4	0.0	377.9
Other revenue (non IFRS 15)	0.2	0.0	245.9	0.0	0.0	246.1
Total revenue from third parties	216.2	5.5	338.9	63.4	0.0	624.0
Inter-segment revenue	23.5	0.0	71.7	0.0	-95.2	0.0
Total revenue	239.7	5.5	410.6	63.4	-95.2	624.0
Personnel expenses	-62.5	-1.6	-103.1	-12.1	0.0	-179.3
Other operating expenses	-145.5	-1.4	-56.9	-44.8	0.0	-248.7
Inter-segment operating expenses	-69.6	-0.8	-24.8	0.0	95.2	0.0
Segment result (EBITDA)	-37.9	1.7	225.8	6.4	0.0	196.0
Depreciation and amortisation	-138.0	-3.6	-102.9	-8.0	0.0	-252.6
Segment result (EBIT)	-176.0	-1.9	122.9	-1.6	0.0	-56.6
Finance result						-24.8
Share of result of associates						-3.1
Income tax expense						15.4
Consolidated result						-69.1
Invested capital as at 31 December 2020	1,891.7	115.8	1,937.6	343.2		4,288.2
Non-interest-bearing non-current liabilities ²⁾						560.2
Non-interest-bearing current liabilities ³⁾						223.6
Total assets as at 31 December 2020						5,072.0
ROIC (in %)	-7.9	-1.3	5.5	-0.3		-1.1
Capital expenditure	128.8	0.1	254.3	30.2		413.5
Investments in associates	0.0	0.0	0.0	3.7		3.7

1) As of financial year 2021, the "International" segment will be presented separately from the "Non-regulated business" segment due to the changes in the areas of responsibility on the Management Board. For the purposes of comparison, the prior-year figures were adjusted accordingly.

2) Non-interest-bearing non-current liabilities include non-current provisions for formal expropriations plus sound insulation and resident protection, deferred tax liabilities and employee benefit obligations.

3) Non-interest-bearing current liabilities include current provisions for formal expropriations and sound insulation and resident protection, current tax liabilities, trade payables and other current liabilities plus accruals and deferrals.

(CHF million)

2020	Aviation	PRM	User fees	Air security ⁵⁾	Access fees ⁵⁾	Eliminations	Total regulated business
Revenue from contract with customers (IFRS 15)	136.0	4.1	27.6	47.6	0.7	0.0	216.0
Other revenue (non IFRS 15)	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Revenue from third parties	136.2	4.1	27.6	47.6	0.7	0.0	216.2
Inter-segment revenue	22.1	0.0	2.7	11.3	2.3	-14.9	23.5
Total revenue	158.3	4.1	30.3	58.9	3.0	-14.9	239.7
Personnel expenses	-53.0	0.0	-6.9	-1.9	-0.7	0.0	-62.5
Other operating expenses	-43.6	-6.4	-4.5	-46.6	-44.4	0.0	-145.5
Inter-segment operating expenses	-51.1	-0.8	-11.6	-6.9	-14.1	14.9	-69.6
EBITDA	10.6	-3.1	7.3	3.4	-56.2	0.0	-37.9
Depreciation and amortisation	-103.2	-0.2	-24.6	-6.9	-3.2	0.0	-138.0
EBIT	-92.6	-3.3	-17.3	-3.5	-59.3	0.0	-176.0
Invested capital as at 31 December 2020	1,366.7	7.1	380.0	115.5	22.3		1,891.7
ROIC (in %)	-5.6	-66.7	-3.9	-3.5	-178.2		-7.9
Operating assets pursuant to Ordinance on Airport Charges (OAC) ⁴⁾	1,268.9	2.9	361.7	67.9	22.7		1,724.1
ROIC (in %) pursuant to OAC	-5.7	-102.2	-4.0	-4.2	-180.8		-8.1

4) The Ordinance on Airport Charges (OAC) defines operating assets, on which a reasonable rate of return forms the basis for the charges, as the sum of the "residual cost of the existing assets and net working capital". This definition therefore results in minor deviations compared with the reported capital employed.

5) In accordance with the Swiss Ordinance on Airport Charges, the shortfall in the "Access fees" segment can be charged to the "Air security" segment. Taking the shortfall into account, the ROIC pursuant to OAC of the "Air security" segment amounts to -54.6%.

Internal reporting of operating segments to the chief operating decision-maker is carried out in accordance with the Swiss Ordinance on Airport Charges (OAC), more specifically with regard to the regulated charges and fees affected by the Ordinance. The following segments are presented for the regulated business and submitted to the chief operating decision-maker as the basis for his significant judgements and decisions:

- "Aviation" segment
- "PRM" segment
- "User fees" segment
- "Air security" segment
- "Access fees" segment

The "Regulated business" column presented in the segment reporting tables is not a separate segment in accordance with IFRS 8; for presentation reasons, it merely combines the reportable segments in which charges and fees are regulated by the OAC (excluding the "Noise" segment).

As of 1 January 2021, income from aircraft noise charges are allocated to the "Aviation" segment as, according to current knowledge, the Airport Zurich Noise Fund (AZNF) has sufficient resources to cover the known costs for sound insulation, resident protection and formal expropriations.

In all, the Zurich Airport Group therefore has the following reportable segments:

→ Aviation

The “Aviation” segment comprises the original infrastructure and services related to flight operations. It incorporates all the core services provided to airlines and passengers by Flughafen Zürich AG in its capacity as operator of Zurich Airport. These services include the runway system, most apron zones (including control activities), passenger zones in the terminals, freight operations, passenger handling and services, and safety. The main sources of revenue for the “Aviation” segment are passenger and landing charges. Revenue from third parties is determined by passenger volumes, flight volumes and the trend with respect to aircraft take-off weights. As of 1 January 2021, aircraft noise charges are also allocated to this segment.

→ PRM

The “PRM” (People with Reduced Mobility) segment combines the infrastructure and services related to implementing the regulation regarding the provision of support for passengers with reduced mobility. Revenue consists exclusively of the PRM charge.

→ User fees

The “User fees” segment comprises the central infrastructure, in particular the check-in areas and facilities, baggage sorting and handling system, aircraft power supply system, handling apron areas and the related services and fees.

→ Air security

The “Air security” segment comprises the equipment and services that Flughafen Zürich AG is responsible for providing for air security (passenger and aircraft security measures). This includes all systems and their operation and maintenance designed to prevent actions of any kind that affect the security of commercial civil aviation, in particular facilities for checks on passengers, hand luggage, checked baggage and freight. The security charges levied per passenger are the main source of revenue for covering the costs of the “Air security” segment.

→ Access fees

The “Access fees” segment comprises the air security-related equipment and services that have to be provided in order to allow all persons other than passengers to access the airside areas. This includes all relevant systems and their operation and maintenance. It also includes airport policing duties such as surveillance patrols and other security-related duties. Revenue in the “Access fees” segment comes mainly from the fees for issuing airport badges.

→ Noise

As of 1 January 2021, income from aircraft noise charges are allocated to the “Aviation” segment as, according to current knowledge, the Airport Zurich Noise Fund (AZNF) has sufficient resources to cover the known costs for sound insulation, resident protection and formal expropriations. The related expenses continue to be presented separately in the “Noise” segment. A liquidity-based statement of all noise-related data is presented in the notes to the consolidated financial statements (see [note 20, Airport Zurich Noise Fund](#)). This statement presents the accumulated surplus or shortfall as at the reporting date arising from noise charges determined on a costs-by-cause basis, less expenses for formal expropriations, sound insulation and resident protection measures, and operating costs.

→ Non-regulated business

The “Non-regulated business” segment encompasses all activities relating to the development, marketing and operation of the commercial infrastructure at Zurich Airport. This includes all retail and restaurant/catering operations at the airport, revenue from rented premises and supplementary costs (energy supply, etc.), parking charges plus a broad range of commercial services provided by Flughafen Zürich AG.

→ International

The “International” segment comprises the income and expenses of the subsidiaries and equity investments in the Zurich Airport Group’s international operations. This includes the income and expenses of the consolidated concessionaires in India, Brazil and Chile from the operation of the relevant airport infrastructure and income from consulting services. This segment also captures income and expenses from construction projects as part of concession agreements that are accounted for in accordance with IFRIC 12.

Principles of segment reporting

For internal reporting purposes, each profit center has been allocated to a segment. Any internal supplies and services that have been provided to other segments have been booked as inter-segment revenue or offset against costs. For example, the “Supplementary costs” profit center is allocated to Non-regulated business and proportionate costs are charged to the Regulated business segments on a costs-by-cause basis. Support functions are also allocated to Non-regulated business and charged on accordingly.

Invested capital is allocated to the individual operating segments based, firstly, on the allocation of the individual assets in the fixed-asset ledger and, secondly, on the pro rata allocation of the remaining assets (buildings, engineering structures and net working capital) to the respective segments. Until projects in progress have been completed, they are allocated to the segment with the largest share of the project measured by value. The definitive allocation to segments takes place after the projects have been classified into the relevant asset categories.

The identified operating segments have not been aggregated.

Additional disclosures in accordance with the Swiss Ordinance on Airport Charges (OAC)

In accordance with Art. 34 OAC, 30% of the economic added value in the airside area of Zurich Airport not relevant to flight operations and in road vehicle parking is to be used in the form of a transfer payment to finance the costs in the "Aviation" segment. Pursuant to this rule, in financial year 2021, an amount of CHF 1.3 million (previous year: CHF 0.0 million) was allocated to the "Aviation" segment and is reflected in the reported return on operating assets. Moreover, in accordance with Art. 45 OAC, the shortfall in the "Access fees" segment can be charged to the "Air security" segment.

Revenue from security charges is allocated in full to the "Security" segment and revenue from PRM charges to the "PRM" segment. All other flight operations charges (with the exception of aircraft noise charges until the end of 2020) are allocated to the "Aviation" segment. A breakdown of revenue by charge type can be found in [note 2, Revenue](#).

Additional disclosures

The Zurich Airport Group primarily provides services within Switzerland. In financial year 2021, consulting services totalling CHF 5.4 million (2020: CHF 4.8 million) were provided abroad, more specifically in Brazil and Chile.

Flughafen Zürich AG's revenue with Lufthansa Group in the reportable segments amounted to CHF 117.2 million in the past financial year (2020: CHF 145.7 million).

2 Revenue

(CHF million)	2021	2020
Passenger charges	77.9	68.7
Security charges	53.5	47.2
PRM charges	4.6	4.1
Passenger-related flight operations charges	136.0	120.0
Landing charges	35.2	32.7
Aircraft-related noise charges	6.5	5.5
Emission charges	1.8	1.6
Parking charges	18.9	24.4
Freight revenue	6.8	6.3
Other flight operations charges	69.2	70.5
Total flight operations charges	205.2	190.5
Baggage sorting and handling system	18.9	14.7
De-icing	5.1	5.0
Check-in	2.3	2.3
Aircraft energy supply system	2.8	2.1
Other fees	3.2	4.2
Total aviation fees	32.3	28.3
Refund of security costs	0.8	0.4
Other revenue	2.3	2.5
Total other aviation revenue	3.1	3.0
Total aviation revenue	240.6	221.7
Retail, tax & duty-free	107.4	89.7
Food & beverage operations	13.3	14.6
Advertising media and promotion	16.2	13.1
Revenue from multi-storey car parks	51.4	40.8
Other commercial revenue (car rentals, taxis, banks, etc.)	10.9	11.6
Total commercial revenue	199.2	169.8
Revenue from rental and leasing agreements	123.6	113.5
Energy and utility cost allocation	23.5	20.5
Cleaning	2.3	2.3
Revenue from services	3.6	4.5
Total revenue from facility management	153.0	140.9
Communication services	14.1	14.5
Other services and miscellaneous	13.5	9.9
Catering	0.6	0.5
Fuel charges	3.6	3.2
Total revenue from services	31.8	28.2
Revenue from consulting activities	5.4	4.8
Other revenue from international business	39.3	31.2
Revenue from construction projects as part of concession agreements	10.7	27.4
Total revenue from international business	55.4	63.4
Total non-aviation revenue	439.4	402.3
Total revenue	680.0	624.0

Commercial partners have seen sales revenues fall significantly as a result of the coronavirus crisis, especially in retail, tax & duty free and food & beverage operations. The legal assessment is that the minimum annual rent agreed is not payable by lessees affected by the closures ordered by the authorities. Accordingly, the Zurich Airport Group adopted the same procedure as in the previous year and did not recognise the minimum rental income amounting to CHF 4.7 million for the period of the closures ordered by the authorities in financial year 2021 (2020: CHF 18.9 million).

In addition, further rent concessions for the period after the closures ordered by the authorities were discussed with the commercial partners concerned in the reporting period and solutions agreed. The rent concessions (rent waivers and contractual amendments such as staggered rents or lease term extensions) of CHF 40.9 million granted in this context for financial year 2021 (2020: CHF 32.6 million) were recognised as assets in accordance with IFRS 16 and will be amortised on a straight-line basis over the term of the relevant contracts. For the financial year, the amortisation amounted to a total of CHF 11.6 million (2020: CHF 6.3 million).

Presentation of revenue from contracts with customers (IFRS 15):

(CHF million)	2021	2020
Flight operations charges	205.2	190.5
Aviation charges	32.3	28.3
Other aviation revenue	2.9	2.7
Total aviation revenue from contracts with customers (IFRS 15)	240.4	221.5
Aviation revenue (non IFRS 15)	0.2	0.2
Total aviation revenue	240.6	221.7
Commercial and parking revenue	49.5	38.8
Revenue from facility management	28.7	27.0
Revenue from services	30.8	27.2
Revenue from international business	55.4	63.4
Total non-aviation revenue from contracts with customers (IFRS 15)	164.4	156.4
Non-aviation revenue (non IFRS 15)	275.0	245.9
Total non-aviation revenue	439.4	402.3
Total revenue	680.0	624.0

3 Personnel expenses

(CHF million)	2021	2020
Wages and salaries	125.2	125.0
Pension costs for defined benefit plans ¹⁾	23.6	27.4
Social security contributions	14.1	14.8
Other personnel expenses and employee benefits	8.4	12.1
Total personnel expenses	171.3	179.3
Average number of employees (full-time positions) ²⁾	1,708	1,785
Number of employees as at reporting date (full-time positions) ²⁾	1,694	1,722
Personnel expense per full-time position as at 31 December (in CHF)	101,092	104,133

1) See note 22, Employee benefits.

In the past financial year, short-time working compensation of CHF 29.5 million (2020: CHF 34.0 million) was offset against personnel expenses (wages and salaries).

Staff participation programme

The Zurich Airport Group gives those employees of Flughafen Zürich AG who have completed their first year of service one share free of charge as a one-off payment in kind. In financial year 2021, 82 shares (2020: 147 shares) worth CHF 13,024 (2020: CHF 19,232) were handed out.

Variable remuneration for members of the Management Board and other members of management

The total annual remuneration awarded to members of the Management Board and other members of management comprises a fixed salary and a variable remuneration component, which is based on the consolidated result. EBIT according to the budget (excluding the influence of aircraft noise) has been adopted as the target. The decision relating to the degree of achievement of the relevant target is taken in the following financial year (grant date). Two thirds of the variable remuneration is paid out in cash and one third in shares.

	2021	2020	2020 ¹⁾	Price per share ¹⁾
(Recipient)	(CHF)	(CHF)	(Number of shares)	(CHF)
Members of the Management Board	360,698	240,335	1,539	155.80
Other members of management	598,365	479,354	3,001	155.80
Adjustment of variable remuneration accrued in the previous year ²⁾	-12,357	-20,131		
Total	946,706	699,558	4,540	

1) Shares distributed in the 2021 financial year under the variable remuneration programme for the Management Board and other members of management (number and price per share) for the 2020 financial year.

2) In the subsequent period, the accrued variable remuneration is adjusted through personnel expenses on the basis of the actual degree of achievement of the relevant profit figure.

The equity-settled portion of the bonus for financial year 2021 is calculated and accounted for on the basis of the data available as at the reporting date regarding the degree of achievement of the consolidated result. The number of shares to be granted cannot yet be established precisely at the reporting date, as that number is determined based on the quoted price as at the payment date (mid-April 2022). If the shares had been granted as at year-end, a total of 5,844 shares would have been distributed.

Remuneration of the Board of Directors

The remuneration awarded to the Board of Directors comprises an annual lump sum plus payments for attending meetings.

Option programme

No option programme exists at the Zurich Airport Group.

4 Other operating expenses

(CHF million)	2021	2020
Zurich Protection & Rescue Services	22.0	20.4
PRM costs (service costs of service providers)	7.1	6.4
Other operating costs	3.8	4.4
Insurance	4.5	4.0
Cleaning by external contractors, incl. snow clearing	3.7	2.5
Costs for own car park	1.9	1.4
Communication costs	1.4	1.6
Passenger services	0.7	1.2
Total other operating expenses	45.2	42.0

5 Other income and expenses

(CHF million)	2021	2020
Capitalised expenditure	10.8	14.2
Other income	7.0	1.8
Capitalised expenditure and other income	17.8	16.0
Expenses for construction projects as part of concession agreements	-10.6	-27.1
Other expenses	-2.7	-16.8
Expenses for construction projects and other expenses	-13.3	-43.8

Capitalised expenditure of CHF 10.8 million (2020: CHF 14.2 million) consists primarily of fees for the company's architects and engineers as well as for project managers representing the client.

In the reporting period, other income comprised compensation payments of CHF 5.0 million for projects written down in the previous year and income of CHF 1.1 million from the reversal of provisions no longer required.

The expenses of CHF -10.6 million (2020: CHF -27.1 million) for construction projects as part of concession agreements are the result of investments in airport infrastructure in Brazil and Chile. The corresponding counter-item can be found under [note 2, Revenue](#).

The items recognised in other expenses in the reporting period primarily included losses on asset disposals and losses on receivables. In the previous year, this item also included project costs amortised in the amount of CHF 10.1 million.

6 Finance result

(CHF million)	2021	2020
Interest expenses on debentures and non-current loans	-10.8	-9.7
Net interest expenses on defined benefit obligations	-0.3	-0.3
Interest expenses on finance lease liabilities	-0.0	-0.0
Other interest expenses	-12.9	-8.2
Present value adjustment on liabilities from concession agreements	-4.9	-2.7
Foreign exchange losses	-1.1	-0.0
Other finance costs	-2.0	-6.7
Total finance costs	-32.1	-27.7
Interest income on financial assets of Airport Zurich Noise Fund	0.5	0.4
Adjustments to fair value on financial assets of Airport Zurich Noise Fund	2.0	1.8
Other interest income	0.4	0.5
Other finance income	0.1	0.1
Total finance income	3.0	2.9
Finance result	-29.1	-24.8

Despite average interest rates being lower, interest expenses on debentures and non-current loans increased slightly year on year due to the higher level of debt.

Other interest expenses increased compared with the previous year after some interest payments were discontinued at the Brazilian subsidiaries in 2020 and added to the loan amount.

The expense for the present value adjustment on liabilities from concession agreements increased year on year due to high inflation in Brazil.

In the previous year, other finance costs included an impairment loss of CHF 3.8 million on a financial interest in Curaçao airport held through the subsidiary A-Port S.A.

7 Income tax

(CHF million)	2021	2020
Taxes for current year	-0.7	-0.8
Taxes for prior years	-2.1	0.1
Total current income tax	-2.8	-0.6
Deferred income tax on changes in temporary differences	2.2	16.0
Change in tax rate	4.2	0.0
Total deferred income tax	6.4	16.0
Total income tax	3.6	15.4

Income tax can be analysed as follows:

(CHF million)	2021	2020
Result before tax	-13.7	-84.5
Income tax based on the statutory tax rate of 19.0% applicable at the parent company (2020: 20.4%)	2.6	17.2
Effect of application of different income tax rates in foreign countries	1.0	1.5
Prior-period adjustments	-2.1	0.1
Effect of tax rate changes on deferred taxes	4.2	0.0
Effect of share of results of associates	0.0	-0.1
Non-deductible expenses	0.0	-1.0
Current-year losses for which no deferred tax assets were recognised	-2.0	-1.9
Foreign exchange differences	-0.1	-0.5
Miscellaneous items	0.0	0.1
Total income tax	3.6	15.4

8 Property, plant and equipment

(CHF million)	Land	Engineering structures	Buildings	Movables	Projects in progress	Total
Cost						
Balance as at 1 January 2020	129.0	1,673.3	4,607.7	277.4	305.2	6,992.6
Additions	9.1	0.0	0.8	0.0	234.4	244.3
Disposals	0.0	-2.0	-27.7	-13.2	-10.1	-53.0
Transfers	0.0	12.8	100.6	16.3	-139.2	-9.5
Reclassifications	0.0	0.0	21.8	0.0	0.0	21.8
Foreign exchange differences	0.0	0.0	0.0	0.0	0.0	0.0
Balance as at 31 December 2020	138.1	1,684.1	4,703.2	280.5	390.3	7,196.2
Balance as at 1 January 2021	138.1	1,684.1	4,703.2	280.5	390.3	7,196.2
Additions	0.0	0.0	0.0	0.0	141.6	141.6
Disposals	0.0	-3.2	-124.1	-15.3	0.0	-142.6
Transfers	0.0	23.2	220.2	15.0	-268.0	-9.6
Reclassifications	0.0	0.0	0.0	0.0	4.6	4.6
Foreign exchange differences	0.0	0.0	-0.1	-0.2	0.0	-0.3
Balance as at 31 December 2021	138.1	1,704.1	4,799.2	280.0	268.5	7,189.9
Depreciation, amortisation						
Balance as at 1 January 2020	0.0	-921.4	-3,022.6	-193.9	0.0	-4,137.9
Additions	0.0	-58.9	-147.7	-16.7	0.0	-223.3
Disposals	0.0	1.9	26.2	12.8	0.0	40.9
Reclassifications	0.0	0.0	-21.7	0.0	0.0	-21.7
Balance as at 31 December 2020	0.0	-978.4	-3,165.8	-197.8	0.0	-4,342.0
Balance as at 1 January 2021	0.0	-978.4	-3,165.8	-197.8	0.0	-4,342.0
Additions	0.0	-60.1	-155.1	-17.3	0.0	-232.5
Disposals	0.0	3.2	123.6	15.3	0.0	142.1
Foreign exchange differences	0.0	0.0	0.0	0.1	0.0	0.1
Balance as at 31 December 2021	0.0	-1,035.3	-3,197.3	-199.7	0.0	-4,432.3
Government subsidies and grants						
Balance as at 1 January 2020	0.0	-9.3	-1.7	-0.2	0.0	-11.2
Additions	0.0	0.0	0.0	0.0	-2.2	-2.2
Disposals	0.0	0.8	0.2	0.2	0.0	1.2
Transfers	0.0	0.0	-1.9	0.0	1.9	0.0
Balance as at 31 December 2020	0.0	-8.5	-3.4	0.0	-0.3	-12.2
Balance as at 1 January 2021	0.0	-8.5	-3.4	0.0	-0.3	-12.2
Additions	0.0	0.0	0.0	0.0	-0.7	-0.7
Disposals	0.0	0.8	0.3	0.0	0.0	1.1
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Balance as at 31 December 2021	0.0	-7.7	-3.1	0.0	-1.0	-11.8
Net carrying amount as at 31 December 2020	138.1	697.2	1,534.0	82.7	390.0	2,842.0
Net carrying amount as at 31 December 2021	138.1	661.1	1,598.8	80.3	267.5	2,745.8

PROJECTS IN PROGRESS

In the past financial year, Flughafen Zürich AG invested a total of CHF 141.6 million in projects in progress (2020: CHF 234.4 million). The largest investments at Zurich Airport are attributable to the following projects:

- Expansion and refurbishment of the baggage sorting system (CHF 54.3 million)
- Renovation of runway 28/10 (CHF 12.7 million)
- Expansion of the landside passenger zones (CHF 9.3 million)

Also in the reporting period, CHF 21.7 million was invested in development and planning relating to the construction and operation of Noida International Airport in New Delhi, India.

DEPRECIATION

Depreciation of property, plant and equipment totalling CHF –232.5 million was offset against government grants and subsidies recognised in the income statement in the amount of CHF 1.1 million.

IMPAIRMENT

Due to the coronavirus pandemic and the related indicators that items of property, plant and equipment may be impaired, Flughafen Zürich AG performed an impairment test (see [Impairment of assets in accordance with IAS 36](#)).

9 Right-of-use assets

The Zurich Airport Group as lessee

(CHF million)	Technical installations	Real estate	Total right-of-use assets
Cost			
Balance as at 1 January 2020	21.8	87.3	109.1
Additions	0.0	5.6	5.6
Reclassification	-21.8	0.0	-21.8
Balance as at 31 December 2020	0.0	92.9	92.9
Balance as at 1 January 2021	0.0	92.9	92.9
Additions	0.0	0.5	0.5
Reclassification	0.0	0.0	0.0
Balance as at 31 December 2021	0.0	93.4	93.4
Depreciation, amortisation			
Balance as at 1 January 2020	-20.8	-4.8	-25.7
Additions	-0.8	-7.3	-8.2
Reclassification	21.7	0.0	21.7
Balance as at 31 December 2020	0.0	-12.2	-12.2
Balance as at 1 January 2021	0.0	-12.2	-12.2
Additions	0.0	-7.3	-7.3
Reclassification	0.0	0.0	0.0
Balance as at 31 December 2021	0.0	-19.5	-19.5
Net carrying amount as at 31 December 2020	0.0	80.7	80.7
Net carrying amount as at 31 December 2021	0.0	73.9	73.9

Technical installations

In December 2001, the Zurich Airport Group entered into a framework lease contract to finance the aircraft energy supply system (ESS), which expired on 31 July 2020. At that date, the ESS was purchased at its residual value of CHF 0.1 million and transferred to the engineering structures category of assets (see [note 8, Property, plant and equipment](#)).

Real estate

The Zurich Airport Group has a right-of-use asset entitling it to use space in a building that is located on Flughafen Zürich AG's land and was constructed under a granted building right from 2005. Although its right to use the space ends on 31 January 2080, Flughafen Zürich AG has termination options, which have been taken into account. The undiscounted potential future lease payments for periods after the exercise date of the termination options that are not included in the lease term amounted to CHF 91.2 million as at 31 December 2021 (2020: CHF 91.2 million).

In financial year 2020, following the completion of the real estate project the Circle, Flughafen Zürich AG moved into new office premises for which the company signed a 20-year lease with the co-ownership structure the Circle. Taking into account extension options, the lease ends in October 2039.

The Zurich Airport Group leases space that is subleased as car parking space. The average period of use is five years.

The following table shows the carrying amounts of the lease liabilities and the changes during the reporting period:

(CHF million)	2021	2020
Balance as at 1 January	-83.3	-84.6
Additions	-0.5	-5.6
Payments	7.5	6.9
Present value adjustment	0.0	-0.0
Balance as at 31 December	-76.3	-83.3
of which current (payment within 1 year)	-7.5	-7.5
of which non-current (payment from 1 year on)	-68.8	-75.8

A detailed overview of the maturities of the lease liabilities can be found in [note 18, Financial liabilities](#).

In the reporting period, the following amounts were recognised in profit or loss in connection with leases:

(CHF million)	2021	2020
Depreciation charges for right-of-use assets	-7.3	-8.2
Interest expense on lease liabilities	0.0	0.0
Expense relating to short-term leases	-0.1	-0.1
Total amount recognised for leases in profit or loss	-7.4	-8.2

The total cash outflow for leases amounted to CHF 7.4 million in the reporting period (2020: CHF 8.2 million). Future cash outflows for leases not yet commenced as at the reporting date amount to CHF 13.8 million (2020: CHF 17.6 million).

The Zurich Airport Group as lessor

The tenancy agreements entered into by the Zurich Airport Group as lessor may be either fixed tenancy or turnover-based agreements:

Commercial leases

Commercial leases consist primarily of leases of commercial space. These agreements between the parties generally comprise guaranteed basic rents plus turnover-based portions with a fixed term of five years and no other options. Moreover, some agreements involving basic rents and turnover-based portions exist as a function of passenger trends or prior-year sales.

Fixed tenancy agreements

Fixed tenancy agreements comprise in particular agreements for office, warehouse, archive and workshop premises. They are divided into limited-term and indefinite agreements, with the latter usually being subject to either six or twelve months' notice to be communicated in advance.

Commercial revenue (retail, tax & duty free plus food & beverage) and revenue from facility management (rental and lease agreements) contained conditional rental

payments amounting to CHF 6.1 million in the reporting period (2020: CHF 3.1 million); see also [note 2, Revenue](#).

At the reporting date, minimum lease payments (fixed rents and guaranteed basic rents) under non-cancellable leases were as follows:

(CHF million)	31.12.2021	31.12.2020
Due date up to 1 year	239.5	213.1
Due date from 1 to 5 years	800.7	801.3
Due date in more than 5 years	377.0	476.9
Total	1,417.2	1,491.3

10 Investment property

(CHF million)	Land	Project costs	Buildings and engineering structures plus movables	Total investment property
Cost				
Balance as at 1 January 2020	1.0	431.8	0.7	433.5
Additions	0.0	138.9	0.0	138.9
Transfer	0.0	-394.5	394.5	0.0
Balance as at 31 December 2020	1.0	176.2	395.2	572.4
Balance as at 1 January 2021	1.0	176.2	395.2	572.4
Additions	0.0	61.8	0.0	61.8
Disposals	0.0	0.0	-0.7	-0.7
Transfer	0.0	-237.4	237.4	0.0
Balance as at 31 December 2021	1.0	0.6	631.9	633.5
Depreciation, amortisation				
Balance as at 1 January 2020	0.0	0.0	-0.7	-0.7
Additions	0.0	0.0	-4.8	-4.8
Balance as at 31 December 2020	0.0	0.0	-5.5	-5.5
Balance as at 1 January 2021	0.0	0.0	-5.5	-5.5
Additions	0.0	0.0	-22.8	-22.8
Disposals	0.0	0.0	0.7	0.7
Balance as at 31 December 2021	0.0	0.0	-27.6	-27.6
Net carrying amount as at 31 December 2020	1.0	176.2	389.7	566.9
Net carrying amount as at 31 December 2021	1.0	0.6	604.3	605.9

THE CIRCLE

In 2015, Flughafen Zürich AG and Swiss Life AG notarised the purchase agreement for the share of land for the Circle and registered it for entry in the Land Register, thereby establishing the Circle co-ownership structure between the two parties provided for in the financing agreements, in which Flughafen Zürich AG has a 51% interest and Swiss Life AG a 49% interest.

Based on the nature of the contractual arrangement, the co-ownership structure the Circle is classified as a joint operation in accordance with IFRS 11. The share of the rights to the assets and the share of the obligations for the liabilities of the co-ownership structure are therefore recognised and presented in the relevant line items in the consolidated financial statements of the Zurich Airport Group.

The share of the property is classified as investment property in accordance with IAS 40. In this context, the Zurich Airport Group has decided to apply the cost model.

The Circle was opened in November 2020 even though not all of the construction work had been completed. Following the largely completed handover of the space to the lessees, during the reporting period, the share of the project costs is regularly billed, allocated to the relevant categories of investment property and depreciated over their useful lives.

The share of the fair value of the Circle was CHF 759.9 million at the reporting date (2020: CHF 707.9 million). The value was determined by an external expert using the discounted cash flow method (level 3) and taking into account the highest and best use. Under this method, the fair value is determined on the basis of the total expected future net income (before tax, interest payments, depreciation and amortisation) discounted to the present date. A risk-adjusted discount rate is set depending on the risks and rewards and in line with market rates.

11 Intangible assets

(CHF million)	Investments in airport operator projects	Intangible asset from right of formal expropriation	Other intangible assets	Total intangible assets
Cost				
Balance as at 1 January 2020	353.8	134.0	94.1	581.9
Additions	30.2	0.0	0.0	30.2
Disposals	0.0	0.0	-22.3	-22.3
Transfer	0.0	0.0	9.6	9.6
Reclassification	4.3	0.0	-4.3	0.0
Foreign exchange differences	-88.8	0.0	0.0	-88.8
Balance as at 31 December 2020	299.6	134.0	77.1	510.6
Balance as at 1 January 2021	299.6	134.0	77.1	510.6
Additions	16.2	0.0	0.1	16.3
Disposals	-0.9	0.0	-3.8	-4.7
Transfer	0.0	0.0	9.6	9.6
Reclassification	-4.6	0.0	0.0	-4.6
Foreign exchange differences	-22.1	0.0	0.0	-22.1
Balance as at 31 December 2021	288.2	134.0	83.0	505.1
Depreciation, amortisation				
Balance as at 1 January 2020	-10.5	-63.2	-75.6	-149.2
Additions	-7.7	-2.3	-7.6	-17.6
Disposals	0.0	0.0	21.9	21.9
Reclassification	-1.6	0.0	1.6	0.0
Foreign exchange differences	2.4	0.0	0.0	2.4
Balance as at 31 December 2020	-17.4	-65.4	-59.7	-142.6
Balance as at 1 January 2021	-17.4	-65.4	-59.7	-142.6
Additions	-7.2	-2.3	-9.2	-18.7
Disposals	0.2	0.0	3.8	4.0
Reclassification	0.0	0.0	0.0	0.0
Foreign exchange differences	4.9	0.0	0.0	4.9
Balance as at 31 December 2021	-19.5	-67.7	-65.1	-152.4
Net carrying amount as at 31 December 2020	282.1	68.6	17.4	368.1
Net carrying amount as at 31 December 2021	268.6	66.3	17.9	352.8

INVESTMENTS IN AIRPORT OPERATOR PROJECTS

The investments in airport operator projects in the amount of CHF 268.6 million (2020: CHF 282.1 million) consist of concession rights which, due to the application of IFRIC 12, comprise minimum concession payments recognised as assets and investments made. They relate mainly to the expansion and operation of the Chilean airports in Antofagasta and Iquique (CHF 56.4 million; 2020: CHF 56.2 million), the expansion and operation of the Brazilian airport in Florianópolis (CHF 122.0 million; 2020: CHF 128.9 million) and the expansion and operation of the Brazilian airports in Vitória and Macaé (CHF 90.2 million; 2020: CHF 92.4 million).

The obligations of CHF 24.7 million (2020: CHF 23.2 million) relating to the relevant concessions have been recognised as current and non-current liabilities (see [note 18, Financial liabilities](#)).

INTANGIBLE ASSET FROM RIGHT OF FORMAL EXPROPRIATION

With the award of the operating licence for Zurich Airport, Flughafen Zürich AG was also granted a right of formal expropriation in respect of property owners exposed to aircraft noise. This right of formal expropriation was granted on condition that the airport operator bears the costs associated with compensation payments and is recognised as an intangible asset at the date when the probable total cost can be estimated based on final-instance court rulings, so that the cost can be reliably estimated in accordance with IAS 38.21 (see [Reporting of noise-related costs in the financial statements](#)). This is amortised using the straight-line method over the remaining term of the operating licence (until May 2051).

As at 31 December 2021, the Zurich Airport Group has recognised an intangible asset from the right of formal expropriation in the amount of CHF 66.3 million (2020: CHF 68.6 million).

IMPAIRMENT

Due to the coronavirus pandemic and the related indicators that investments in airport operator projects may be impaired, Flughafen Zürich AG performed an impairment test (see [Impairment of assets in accordance with IAS 36](#)).

12 Investments in associates

(CHF million)	31.12.2021	31.12.2020
Sociedade de Participação no Aeroporto de Confins S.A., Belo Horizonte (Brazil)		
Share capital: BRL 474 million (previous year BRL 474 million)/Equity share 25.0% (previous year 25.0%)	0.0	3.7
Administradora Unique IDC C.A., Porlamar (Venezuela)		
Share capital: VEB 25 million (previous year VEB 25 million)/Equity share 49.5% (previous year 49.5 %)	0.0	0.0
Aeropuertos Asociados de Venezuela C.A., Porlamar (Venezuela)		
Share capital: VEB 10 million (previous year VEB 10 million)/Equity share 49.5% (previous year 49.5 %)	0.0	0.0
Total investments in associates	0.0	3.7

BRAZIL

Alongside Brazilian company CCR, the Zurich Airport Group holds a 25% interest in Sociedade de Participação no Aeroporto de Confins S.A., Belo Horizonte, a private consortium which in turn controls 51% of the airport operator Concessionária no Aeroporto Internacional de Confins S.A. The remaining 49% of the shares are held by the state-owned Infraero. The Zurich Airport Group and CCR have therefore been responsible for the expansion of the international airport in Belo Horizonte in the Brazilian state of Minas Gerais since 2014 and for its operation since 2016. The concession agreement is for 30 years and prescribes certain infrastructure expansion. The Zurich Airport Group appoints the flight operations manager. Until the first quarter of financial year 2021, there was also an Operations, Management and Service Agreement (OMSA) with the licence holder, from which the company received revenue.

VENEZUELA

In 2010, the Zurich Airport Group and its consortium partner Unique IDC turned to the International Centre for Settlement of Investment Disputes (ICSID) in Washington D.C. in the matter of the airport expropriated in Venezuela (Isla de Margarita). This step is in compliance with the investment protection treaty between Venezuela, Switzerland and Chile. The ICSID reached its decision in November 2014, requiring the Bolivarian Republic of Venezuela to reimburse the consortium the costs incurred for the proceedings and project plus a compensation payment of around USD 19.5 million as well as interest incurred up until receipt of payment. The Zurich Airport Group is entitled to 50% of this. After an application for annulment was rejected, the tribunal's decision is definitive and final. The value of this holding has been fully impaired.

ADDITIONAL DISCLOSURES

The following table contains the summarised financial information for the associate Sociedade de Participação no Aeroporto de Confins S.A. The amounts correspond to those in the associate's financial statements prepared in accordance with IFRSs.

SOCIEDADE DE PARTICIPAÇÃO NO AEROPORTO DE CONFINS S.A.

(CHF million)	31.12.2021	31.12.2020
Revenue	50.2	56.0
Loss	-33.1	-24.3
Comprehensive income	-33.1	-24.3
Non-current assets	360.5	369.4
Current assets	31.4	27.0
Non-current liabilities	-359.3	-343.7
Current liabilities	-36.7	-23.5
Equity attributable to non-controlling interests	2.0	-14.3
Net equity	-2.1	14.9
Equity share	25.0%	25.0%
Carrying amount of interest in associate	0.0	3.7

13 Financial assets of the Airport Zurich Noise Fund

(CHF million)	31.12.2021	31.12.2020
Current financial assets of Airport Zurich Noise Fund	45.3	48.4
Non-current financial assets of Airport Zurich Noise Fund	327.7	370.6
Total financial assets of Airport Zurich Noise Fund	373.0	419.1

The financial assets of the Airport Zurich Noise Fund consist mostly of CHF-denominated bonds and a mixed investment fund. The investment horizon is based on the expected obligation to make payments from the Airport Zurich Noise Fund and averages around four years. In 2021, interest on bonds was between 0.00% and 0.875% (2020: 0.00% and 2.625%). The funds are invested by professional financial institutions (see > [note 6, Finance result](#), and > [note 24.1 a\) Financial risk management, i\) Credit risk](#)).

14 Trade receivables

(CHF million)	31.12.2021	31.12.2020
Trade receivables, gross ¹⁾	79.1	73.1
Allowance for expected credit loss	-0.5	-1.3
Trade receivables, net	78.6	71.8

1) Trade receivables include an amount of CHF 9.1 million due from Swiss (2020: CHF 7.2 million). In the period between the reporting date and the preparation of the 2021 consolidated financial statements, Swiss paid the outstanding amount arising from flight operations charges as at 31 December 2021 in full.

Geographical distribution of trade receivables:

(CHF million)	31.12.2021	31.12.2020
Switzerland	33.2	31.5
Europe	2.8	1.9
Other	0.9	1.8
Total aviation	36.9	35.3
Switzerland	34.2	31.6
Europe	0.1	0.1
Latin America	7.7	6.0
Other	0.2	0.2
Total non-aviation	42.2	37.8
Total trade receivables, gross	79.1	73.1

Expected credit losses on trade receivables are as follows for the reporting period and the previous year:

(CHF million)						31.12.2021
	Not past due	Past due, 0 to 30 days	Past due, 31 to 60 days	Past due, more than 60 days	Total	
Expected credit loss rate (in %)	0.3	1.5	3.0	5.0		
Trade receivables, gross	68.2	6.6	2.8	1.5		79.1
Expected credit loss	-0.2	-0.1	-0.1	-0.1		-0.5

(CHF million)						31.12.2020
	Not past due	Past due, 0 to 30 days	Past due, 31 to 60 days	Past due, more than 60 days	Total	
Expected credit loss rate (in %)	0.3	1.5	3.0	5.0		
Trade receivables, gross	48.8	2.4	1.5	20.3		73.1
Expected credit loss	-0.2	-0.0	-0.1	-1.0		-1.3

In almost all cases, receivables not past due concern long-standing client relationships. Based on past experience, the Zurich Airport Group does not expect any additional credit losses.

15 Other receivables and prepaid expenses

(CHF million)	31.12.2021	31.12.2020
Prepaid expenses and accruals	115.2	72.8
Accrued interest on interest-bearing debt instruments Airport Zurich Noise Fund	0.3	0.4
Prepaid services	20.5	26.9
Tax receivables (VAT and withholding tax)	26.2	43.4
Other receivables	2.3	2.4
Total other receivables and prepaid expenses	164.5	146.0
of which financial instruments	115.5	73.2
of which other receivables and prepaid expenses	49.0	72.8

As at the reporting date, "Prepaid expenses and accruals" contained accruals for rent concessions in the amount of CHF 55.6 million (2020: CHF 26.3 million) (see also [note 2, Revenue](#)).

The interest from the liquid funds of the Airport Zurich Noise Fund that were invested separately (see also [note 13, Financial assets of the Airport Zurich Noise Fund](#), and [note 20, Airport Zurich Noise Fund](#)) was recognised on an accrual basis.

All services provided in the reporting period were invoiced between the reporting date and the preparation of the annual report. There are no past due receivables reported in the above items that would require the recognition of an allowance.

16 Cash and cash equivalents and fixed-term deposits

(CHF million)	31.12.2021		31.12.2020	
	Total	of which AZNF	Total	of which AZNF
Cash on hand	0.2	0.0	0.2	0.0
Cash at banks and in postal accounts	301.3	29.8	245.1	3.9
Fixed-term deposits ¹⁾	107.8	0.0	105.9	0.0
Total cash and cash equivalents	409.3	29.8	351.2	3.9
Current fixed-term deposits ²⁾	121.3	0.0	200.0	0.0
Non-current fixed-term deposits ²⁾	2.1	0.0	0.8	0.0
Total fixed-term deposits	123.4	0.0	200.8	0.0

1) Due within 90 days from date of acquisition.

2) Due after 90 days from date of acquisition.

17 Equity and reserves

(Number of shares)	Issued registered shares (nominal value, CHF 10)	Treasury shares	Total shares in circulation
Balance as at 1 January 2020	30,701,875	3,133	30,698,742
Purchase of treasury shares		9,568	-9,568
Distribution of treasury shares to employees and third parties		-8,650	8,650
Balance as at 31 December 2020	30,701,875	4,051	30,697,824
Purchase of treasury shares		1,439	-1,439
Distribution of treasury shares to employees and third parties		-4,622	4,622
Balance as at 31 December 2021	30,701,875	868	30,701,007

SHARE RIGHTS

The holders of registered shares are entitled to participate at the General Meeting of Shareholders and cast one vote per share.

TREASURY SHARES

Treasury shares are distributed to employees and third parties under the bonus programme; see [note 3, Personnel expenses](#), and [note 24.4, Related parties](#).

Treasury shares are used for this participation programme and are held as treasury stock.

TRANSLATION RESERVE

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations and investments in associates.

EARNINGS PER SHARE

Basic and diluted earnings per share are calculated from the results and share data as at 31 December, which are composed as follows:

	2021	2020
Result attributable to shareholders of Flughafen Zürich AG in CHF	-10,086,696	-69,133,285
Weighted average number of outstanding shares	30,700,116	30,697,891
Effect of dilutive shares	5,844	4,610
Adjusted weighted average number of outstanding shares	30,705,960	30,702,501
Basic earnings per share (CHF)	-0.33	-2.25
Diluted earnings per share (CHF)	-0.33	-2.25

DIVIDEND DISTRIBUTION LIMIT

The amount available for payment as a dividend is based on the available retained earnings of Flughafen Zürich AG and is determined in accordance with the provisions of the Swiss Code of Obligations (CO). As at the reporting date, reserves amounting to CHF 153.6 million (2020: CHF 154.0 million) were subject to a restriction on distribution under the provisions of commercial law.

Owing to the widespread impact of COVID-19 and to safeguard liquidity, it was decided not to pay a dividend for financial years 2019 and 2020. A proposal will be made to the General Meeting of Shareholders to waive payment of a dividend for the reporting period too.

MAJOR SHAREHOLDERS AND SHAREHOLDER STRUCTURE

The shareholder structure as at 31 December was as follows:

	2021	2020
Public sector	38.60%	38.60%
Private individuals	7.81%	7.68%
Companies	3.59%	3.85%
Pension funds	1.51%	1.51%
Financial institutions (including nominees)	19.02%	19.04%
Balance available and non-registered shareholders	29.47%	29.32%
Total	100.00%	100.00%
Number of shareholders	16,096	15,477

As at the reporting date, the following shareholders or groups of shareholders held at least 5% of the voting rights:

	2021	2020
Canton of Zurich	33.33%	33.33%
City of Zurich	5.00%	5.00%

18 Financial liabilities

(CHF million)	31.12.2021	31.12.2020
Non-current debentures	1,648.9	1,648.5
Non-current liabilities to banks	111.8	109.9
Non-current lease liabilities	68.8	75.8
Non-current liabilities from concession agreements	24.0	21.7
Other non-current financial liabilities	20.4	20.4
Non-current financial liabilities	1,873.9	1,876.3
Current liabilities to banks	7.7	64.0
Current lease liabilities	7.5	7.5
Current liabilities from concession agreements	0.7	1.5
Other current financial liabilities	0.9	2.1
Current financial liabilities	16.8	75.1
Total financial liabilities	1,890.7	1,951.4

As at 31 December 2020, current liabilities to banks included a fixed advance of CHF 60.0 million under the operating credit facilities. This was repaid on schedule in March 2021.

Composition of non-current financial liabilities as at the reporting date:

Financial liabilities	as at 31.12.2021	as at 31.12.2021	Duration	Interest rate	Early amortisation	Interest payment date
	Nominal value	Carrying amount				
	(CHF million)	(CHF million)				
Debenture (2023)	400.0	399.9	2013–2023	1.500%	no	17.4.
Debenture (2024)	300.0	299.4	2020–2024	0.700%	no	22.5.
Debenture (2027)	200.0	199.6	2020–2027	0.100%	no	30.12.
Debenture (2029)	350.0	350.6	2017–2029	0.625%	no	24.5.
Debenture (2035)	400.0	399.4	2020–2035	0.200%	no	26.2.
Non-current liabilities to banks	123.4	111.8	n/a	n/a	yes	n/a
Non-current lease liabilities	68.9	68.8	until 2039	0.000%	no	n/a
Non-current liabilities from concession agreements	24.4	24.0	until 2047	n/a	no	n/a
Other non-current financial liabilities	20.4	20.4	until 2035	0.000%	no	n/a
Total non-current financial liabilities		1,873.9				

External financing is subject to standard guarantees and covenants, which were complied with as at the reporting date.

In addition, unused credit facilities at the reporting date amounted to a total of CHF 287.7 million (see > note 24.1 a) Financial risk management, ii) Liquidity risk).

The maturities of financial liabilities are shown in the table below:

(CHF million)	31.12.2021	31.12.2020
Due date up to 1 year	16.8	75.1
Due date from 1 to 5 years	699.3	764.6
Due date in more than 5 years	1,174.6	1,111.7
Total financial liabilities	1,890.7	1,951.4

Financial liabilities changed as follows as a result of cash and non-cash changes:

(CHF million)	31.12.2020	Cash flows (+)	Cash flows (-)	Non-cash changes			31.12.2021
				Increase(+)/ decrease(-)	Foreign exchange movements	Value changes	
Debentures	1,648.5	0.0	0.0	0.0	0.2	0.2	1,648.9
Non-current liabilities to banks	109.9	5.0	0.0	5.5	-9.4	0.8	111.8
Non-current lease liabilities	75.8	0.0	0.0	-7.0	0.0	0.0	68.8
Non-current liabilities from concession agreements	21.7	0.0	-0.3	4.3	-1.7	0.0	24.0
Other non-current financial liabilities	20.4	0.0	0.0	0.0	0.0	0.0	20.4
Non-current financial liabilities	1,876.3	5.0	-0.3	2.8	-10.9	1.0	1,873.9
Current liabilities to banks	64.0	0.0	-68.0	12.1	-0.6	0.2	7.7
Current lease liabilities	7.5	0.0	-7.5	7.5	0.0	0.0	7.5
Current liabilities from concession agreements	1.5	0.0	-0.5	-0.2	-0.1	0.0	0.7
Other current financial liabilities	2.1	0.8	0.0	-2.1	0.1	0.0	0.9
Current financial liabilities	75.1	0.8	-76.0	17.3	-0.6	0.2	16.8
Total financial liabilities	1,951.4	5.8	-76.3	20.1	-11.5	1.2	1,890.7

(CHF million)	31.12.2019	Cash flows (+)	Cash flows (-)	Non-cash changes			31.12.2020
				Increase(+)/ decrease(-)	Foreign exchange movements	Value changes	
Debentures	750.4	900.0	-1.9	0.0	0.0	0.0	1,648.5
Non-current liabilities to banks	105.3	28.7	0.0	1.6	-25.9	0.2	109.9
Non-current lease liabilities	78.4	0.0	0.0	-2.6	0.0	0.0	75.8
Non-current liabilities from concession agreements	25.3	0.0	0.0	2.4	-5.7	-0.3	21.7
Other non-current financial liabilities	0.0	20.4	0.0	0.0	0.0	0.0	20.4
Non-current financial liabilities	959.4	949.1	-1.9	1.4	-31.6	-0.1	1,876.3
Debentures	299.9	0.0	-300.0	0.0	0.0	0.1	0.0
Current liabilities to banks	2.4	141.5	-82.5	2.8	-0.2	0.0	64.0
Current lease liabilities	6.2	0.0	-6.8	8.1	0.0	0.0	7.5
Current liabilities from concession agreements	1.1	0.0	0.0	0.9	-0.1	-0.4	1.5
Other current financial liabilities	41.9	0.0	-40.0	0.8	-0.6	0.0	2.1
Current financial liabilities	351.5	141.5	-429.3	12.6	-0.9	-0.3	75.1
Total financial liabilities	1,310.9	1,090.6	-431.2	14.0	-32.5	-0.4	1,951.4

OVERVIEW OF LEASE LIABILITIES

The lease liabilities shown below include the leases listed in [note 9, Right-of-use assets](#). The interest rate on the future lease liabilities is largely 0.0%.

(CHF million)	31.12.2021	31.12.2020
Future minimum lease payments		
Due within 1 year	7.5	7.5
Due between 1 and 5 years	28.9	28.3
Due in more than 5 years	40.0	47.5
Total future minimum lease payments	76.4	83.3
Future interest payments	0.1	0.0
Present value of lease liabilities	76.3	83.3
Due within 1 year	7.5	7.5
Due between 1 and 5 years	28.8	28.3
Due in more than 5 years	40.0	47.5

19 Provision for formal expropriations plus sound insulation and resident protection

(CHF million)	2021	2020
Provision for formal expropriations as at 1 January	245.4	248.1
Provision used ¹⁾	-1.0	-2.7
Present value adjustment	0.0	0.0
Provision for formal expropriations as at 31 December	244.4	245.4
Provision for sound insulation and resident protection as at 1 January	125.2	139.4
Provision used ¹⁾	-14.5	-14.2
Present value adjustment	0.0	0.0
Provision for sound insulation and resident protection as at 31 December	110.7	125.2
Total provision for formal expropriations plus sound insulation and resident protection as at 31 December	355.1	370.6
of which current (planned payment within 1 year)	36.8	32.1
of which non-current (planned payment from 1 year on)	318.3	338.5

1) The amount paid for formal expropriations only includes effective payments of compensation, and excludes other associated external costs in accordance with the regulations of the Airport Zurich Noise Fund (see note 20, Airport Zurich Noise Fund).

PROVISION FOR FORMAL EXPROPRIATIONS

As at the reporting date, the estimated costs for formal expropriations remained unchanged at CHF 330.0 million (see [Reporting of noise-related costs in the consolidated financial statements](#)), of which CHF 85.6 million had already been paid out at that date. In the consolidated financial statements for the period ended 31 December 2021, a provision was recognised at present value for the outstanding costs of CHF 244.4 million (nominal amount). As the interest rate used to adjust the present value of the nominal payment flows remained unchanged at 0.00% at the reporting date due to the low level of interest rates, the present value is the nominal amount. It is expected that the payments can be completed by the end of 2030.

PROVISION FOR SOUND INSULATION AND RESIDENT PROTECTION

As at the reporting date, the estimated costs for sound insulation and resident protection measures remained unchanged at CHF 400.0 million (see [Reporting of noise-related costs in the consolidated financial statements](#)), of which CHF 289.3 million had already been paid out at that date. In the consolidated financial statements for the period ended 31 December 2021, a provision was recognised at present value for the outstanding costs of CHF 110.7 million (nominal amount). As the interest rate used to adjust the present value of the nominal payment flows remained unchanged at 0.00% at the reporting date due to the low level of interest rates, the present value is the nominal amount. It is expected that the payments can be completed by the end of 2030.

20 Airport Zurich Noise Fund

The Airport Zurich Noise Fund (AZNF) represents a liquidity-based fund statement. The fund statement presents the accumulated surplus or shortfall as at the reporting date arising from noise charges, less expenses for formal expropriations, sound insulation and resident protection measures, and noise-related operating costs. As of 1 January 2021, income from aircraft noise charges is no longer allocated to the Fund as, according to current knowledge, the Airport Zurich Noise Fund has sufficient resources to cover the known costs for sound insulation, resident protection and formal expropriations.

If the fund statement shows an accumulated income surplus, this surplus is moved to a special investment account and invested by professional financial institutions, partly on the basis of a conservative, money market-oriented investment strategy and partly in a mixed investment fund. The income from these investments is credited to the fund statement.

The detailed fund statement is disclosed to a committee comprising representatives of Zurich Airport customers and the relevant authorities. The regulations of the Airport Zurich Noise Fund and other information (including an overview of its financial performance) can be downloaded from the website www.flughafen-zuerich.ch/aznf.

The balance on the Airport Zurich Noise Fund changed as follows in the reporting period:

(CHF million)	2021	2020
Airport Zurich Noise Fund as at 1 January	409.8	422.9
Revenue from noise charges	0.8	5.7
Costs for sound insulation and resident protection	-14.5	-14.3
Costs for formal expropriations ¹⁾	-1.4	-3.3
Balance before operating costs and finance result	394.8	411.0
Operating costs	-3.1	-3.4
Interest income from and adjustments to fair value on financial assets of Airport Zurich Noise Fund	2.5	2.3
Airport Zurich Noise Fund as at 31 December	394.1	409.8

1) In addition to compensation payments for formal expropriations, this amount includes other associated external costs (in accordance with regulations of the Airport Zurich Noise Fund; see note 19, "Provision for formal expropriations plus sound insulation and resident protection").

Summary of assets invested for the Airport Zurich Noise Fund:

(CHF million)	31.12.2021	31.12.2020
Cash equivalents (see note 16, "Cash and cash equivalents")	29.8	3.9
Current financial assets of Airport Zurich Noise Fund	45.3	48.4
Non-current financial assets of Airport Zurich Noise Fund	327.7	370.6
Accrual/deferral towards Flughafen Zürich AG ¹⁾	-8.7	-13.2
Total assets invested for Airport Zurich Noise Fund	394.1	409.8

1) For accounting reasons, an asset or liability towards Flughafen Zürich AG arises as of the balance sheet date. This is compensated in the subsequent month, so the balance of liquid funds is restored.

The following table presents an overview of the maturities and credit ratings of the assets invested for the Airport Zurich Noise Fund:

(CHF million)	2022	2023	2024	2025	2026ff.	Total
Cash and cash equivalents	29.8	0.0	0.0	0.0	0.0	29.8
AAA	15.0	29.0	8.0	21.6	38.6	112.2
AA+/AA/AA-	5.0	13.0	21.0	17.1	4.4	60.5
A+/A/A-	25.0	18.0	33.3	4.0	11.5	91.8
Without rating	0.0	0.0	0.0	0.0	108.5	108.5
Other ¹⁾	-8.7	0.0	0.0	0.0	0.0	-8.7
Total assets invested for Airport Zurich Noise Fund	66.2	60.0	62.3	42.7	162.9	394.1
in %	16.8	15.2	15.8	10.8	41.3	100.00

1) For accounting reasons, an accrual (deferral) towards Flughafen Zürich AG arises as of the balance sheet date. This is compensated in the subsequent month, so the balance of liquid funds is restored.

21 Deferred tax assets and liabilities

In accordance with IAS 12.47, deferred tax assets and liabilities are calculated at the rate that is expected to apply when the asset is realised or the liability settled. The Zurich Airport Group anticipates a tax rate of 19.0% for the reporting period (2020: 20.4%). The applied tax rate was calculated on the basis of the applicable rate (rounded up or down) at the domicile of Flughafen Zürich AG and its subsidiaries.

The balance of deferred tax assets and liabilities changed as follows:

(CHF million)	2021	2020
Deferred tax assets and liabilities, net as at 1 January	-18.7	-34.0
Change in tax rate, recognised in OCI	-0.7	0.0
Change in tax rate, recognised in income statement	4.2	0.0
Deferred taxes on remeasurement of defined benefit obligations, recognised in OCI	-21.8	-0.5
Change according to income statement	2.2	16.0
Foreign exchange differences	-0.5	-0.2
Deferred tax assets and liabilities, net as at 31 December	-35.3	-18.7
of which deferred tax assets	8.1	5.4
of which deferred tax liabilities	-43.4	-24.1

Deferred tax assets and liabilities are allocated to the following items:

(CHF million)	31.12.2021		31.12.2020	
	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment & other intangible assets		-8.2		-10.4
Intercompany loans and other financial assets		-14.3		-15.3
Renovation fund		-36.1		-37.7
Aircraft noise		-25.4		-26.6
Financial liabilities issuing costs		-0.2		-0.3
Employee benefit obligations	16.7		40.3	
Tax loss carryforwards for which deferred tax assets were recognised	24.4		26.0	
Miscellaneous items	8.1	-0.3	5.4	-0.2
Deferred tax assets and liabilities, gross	49.2	-84.5	71.7	-90.4
Offsetting of assets and liabilities	-41.1	41.1	-66.3	66.3
Deferred tax assets and liabilities, net	8.1	-43.4	5.4	-24.1

As at 31 December 2021, the Zurich Airport Group had tax loss carryforwards of CHF 84.6 million (2020: CHF 79.2 million) where the criteria for recognising a deferred tax asset were not met, as it is not certain that it will be realised at a future date. The tax loss carryforwards expire as follows:

(CHF million)	31.12.2021	31.12.2020
Expiration in 2025	2.0	2.0
Expiration in 2026	4.8	4.8
Expiration in 2027	69.8	72.4
Expiration in 2028	8.0	0.0
Total tax loss carryforwards	84.6	79.2

22 Employee benefits

(CHF million)	31.12.2021	31.12.2020
Net defined benefit obligations	-76.0	-184.3
Other long-term employee benefits	-11.8	-13.3
Employee benefit obligations	-87.8	-197.6

22.1 POST-EMPLOYMENT BENEFITS

The Zurich Airport Group maintains the following employee benefit plans:

A) DEFINED BENEFIT PLANS

Affiliation contract with the BVK Employee Pension Fund of the Canton of Zurich (BVK)

The employees of Flughafen Zürich AG are affiliated to the BVK (Employee Pension Fund of the Canton of Zurich). The BVK is a multi-employer plan for employees of the Canton of Zurich and other employers. The BVK is registered with the Pensions and Trusts Supervisory Authority of the Canton of Zurich and is monitored by the latter.

The BVK Foundation Board, comprising nine employer and nine employee representatives, is the senior executive body of the Foundation and thus responsible for the strategic objectives and principles and for monitoring its management. The

management is responsible for implementing legal requirements and the instructions given by the Foundation Board and its committees.

The BVK is subject to the provisions of the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG) and its implementing provisions. The BVG defines the minimum insured salary, the minimum retirement credits and the return on them, and the conversion rate. As a result of these statutory provisions and the features of the plan, Flughafen Zürich AG, as an employer affiliated to the BVK, is exposed to actuarial risks such as investment risk, interest rate risk, disability risk and the risk of longevity.

Moreover, in accordance with the statutory provisions, the management body of the pension fund is also responsible for ensuring that restructuring measures are decided and implemented in the event of a shortfall, so that complete cover for future pension benefits is restored within a reasonable period. Among other things this includes restructuring payments in the form of additional contributions.

According to the applicable Swiss accounting regulations (Art. 44 BVV2), the liabilities of the BVK were funded at an (unaudited) level of 111.6% as at 31 December 2021 (2020: 105.2%).

Employees of Flughafen Zürich AG are insured with the BVK against the risks of old age, death and disability. The retirement benefits are determined on the basis of the individual retirement savings accounts at the time of retirement and are calculated by multiplying the balance of the savings account by the conversion rate stipulated in the regulations. The statutory retirement age is 65. Early retirement with a reduced conversion rate is possible as of the time the employee turns 60. Flughafen Zürich AG pays age-related contributions for all insured persons of between 6.0% and 17.4% of the insured salary and risk contributions of 1.2%. Up to the age of 20, only the risk contribution is incurred.

The assets originate from the BVK benefit plans. The investment strategy is defined by the BVK Foundation Board, based on the proposals and recommendations of the Board's own investment committee, which in particular is responsible for managing the BVK's assets. It prepares all the investment-related decisions taken by the Foundation Board and manages and supervises their implementation by the management. In addition, it is supported in the monitoring of the investment strategy and the investment process by an external investment controller.

The investment strategy (asset allocation) ranges within tactical bandwidths so as to enable a flexible response to current market situations. The aim is to manage the capital investments effectively and efficiently. The assets are well diversified. Compliance with the investment guidelines and the investment results are reviewed periodically.

Because the BVK, as a multi-employer plan, does not prepare separate financial statements for Flughafen Zürich AG, the company is also liable for liabilities of other affiliated employers, in accordance with the statutory provisions.

In financial year 2020, the BVK announced a change to the discount rate from 2% to 1.75% and thus a reduction in the conversion rates of almost 0.2 percentage points as of 1 January 2022. In this context, the pension fund decided to protect the vested rights of members aged at least 60 in 2021. In addition, to cushion the impact on members born between 1962 and 2000, the retirement savings will be increased over a period of five years from 1 January 2022 (members born between 1962 and 1973: +3.2% / members

born between 1974 and 2000: +2.0%). This plan amendment in the amount of CHF 2.9 million was recognised as past service cost in the prior-year period.

Explanation of the amounts in the consolidated financial statements

The actuarial calculation of the defined benefit obligations as at 31 December 2021 and the service cost was performed by independent actuaries using the projected unit credit method. The fair value of the plan assets was determined as at 31 December 2021 based on the information available at the date of preparation of the annual financial statements.

As no separate information was available for the affiliation contract with Flughafen Zürich AG for the plan assets or for the breakdown of assets into asset classes at the reporting date, assumptions had to be made on the basis of the available information for these purposes.

The net defined benefit obligations recognised in the balance sheet at the reporting date are as follows:

(CHF million)	31.12.2021	31.12.2020
Present value of funded defined benefit obligations	-719.7	-775.3
Fair value of plan assets	643.7	590.9
Net defined benefit obligations recognised in the balance sheet	-76.0	-184.3

The defined benefit obligations changed as follows:

(CHF million)	2021	2020
Present value of defined benefit obligations as at 1 January	-775.3	-746.6
Current service costs	-23.6	-24.5
Past service costs	0.0	-2.9
Interest expenses on defined benefit obligations	-1.1	-1.5
Employee contributions	-11.8	-12.1
Benefits paid	43.1	32.2
Gain/(loss) due to experience	-6.4	-13.5
Gain/(loss) due to changes in demographic assumptions	37.5	0.0
Gain/(loss) due to changes in financial assumptions	17.9	-6.5
Present value of defined benefit obligations as at 31 December	-719.7	-775.3

The weighted average duration of the defined benefit obligation at 31 December 2021 was 16.4 years (2020: 18.2 years).

The plan assets changed as follows:

(CHF million)	2021	2020
Fair value of plan assets as at 1 January	590.9	569.6
Employer contributions	17.3	18.1
Employee contributions	11.8	12.1
Benefits paid	-43.1	-32.2
Administration expenses	-0.0	-0.0
Interest income on plan assets	0.9	1.1
Return on plan assets excluding amounts included in interest income	65.9	22.3
Fair value of plan assets as at 31 December	643.7	590.9

The net defined benefit obligations changed as follows:

(CHF million)	2021	2020
Net defined benefit obligations as at 1 January	-184.3	-177.0
Total charge recognised in the income statement	-23.9	-27.7
Total remeasurements recognised in other comprehensive income	114.9	2.3
Employer contributions	17.3	18.1
Net defined benefit obligations as at 31 December	-76.0	-184.3

The company expects employer contributions of CHF 19.2 million for financial year 2022.

Analysis of the amounts recognised in the income statement:

(CHF million)	2021	2020
Current service cost	-23.6	-24.5
Past service cost	0.0	-2.9
Net interest expenses on defined benefit obligations	-0.3	-0.3
Administration expenses	-0.0	-0.0
Total charge recognised in the income statement	-23.9	-27.7

Analysis of the amounts recognised in other comprehensive income:

(CHF million)	2021	2020
Gain/(loss) due to experience	-6.4	-13.5
Gain/(loss) due to changes in demographic assumptions	37.5	0.0
Gain/(loss) due to changes in financial assumptions	17.9	-6.5
Return on plan assets excluding amounts included in net interest	65.9	22.3
Total remeasurements recognised in other comprehensive income (before tax)	114.9	2.3

As at 31 December 2021, the technical basis used for calculations was changed from BVG 2015 to BVG 2020. Compared with BVG 2015, the new basis provided by BVG 2020 shows, among other things, lower probabilities for disability and entitlement to survivors' pensions. Conversely, turnover probabilities under BVG 2020 are higher than under BVG 2015. The combination of these effects resulted in an actuarial gain of CHF 37.5 million.

Actual investment returns were much higher than anticipated in the reporting period due to strong capital market performance. The difference of CHF 65.9 million between the actual return and the interest income on plan assets was recognised in other comprehensive income.

Assumptions used in actuarial calculations:

(in % or years)	2021	2020
Discount rate as at 31 December	0.30	0.15
Consumer price inflation	0.75	0.75
Expected rate of salary increases (including inflation)	1.50	1.50
Expected rate of pension increases	0.00	0.00
Interest rate on retirement savings accounts	1.00	1.00
Life expectation at age 65 (in years):		
Female (aged 45)	25.5	25.8
Female (aged 65)	23.6	23.9
Male (aged 45)	23.8	23.8
Male (aged 65)	21.9	21.9

The discount rate is based on CHF-denominated corporate bonds with an AA rating issued by domestic and foreign issuers and listed on SIX Swiss Exchange. The future rate of salary increase is the long-term historical average adjusted for management's current estimates for the future. Based on the current financial status of the pension fund, no future increases in pensions are anticipated.

As at 31 December 2021, the life expectancy assumption was calculated on the basis of BVG 2020 (previous year: BVG 2015) by projecting future longevity improvements in accordance with the Continuous Mortality Investigation model (CMI model), based on historically observed longevity improvements in Switzerland and a future long-term longevity improvement rate of 1.50%.

Breakdown of plan assets by asset class:

(in %)	31.12.2021	31.12.2020
Asset category:		
Cash and cash equivalents	3.9	4.0
Shares	38.0	35.0
Bonds	36.2	32.3
Property	17.9	18.5
Other	4.0	10.2
Total	100.0	100.0

Sensitivities

The discount rate, the assumption regarding future salary increases and the return on retirement savings accounts are the significant actuarial assumptions in calculating the present value of the defined benefit obligations. A change in the assumptions of +0.25% or – 0.25% has the following impact on the present value of the defined benefit obligations (DBO):

(CHF million)	2019 Effect on DBO		2018 Effect on DBO	
	+0.25%	–0.25%	+0.25%	–0.25%
Discount rate	–25.9	28	–31.8	34.1
Expected salary increases	2.2	–2	2.3	–2.3
Interest rate on retirement savings accounts	3.6	–3	3.9	–3.1

The above sensitivity calculations are based on one assumption changing while the others remain unchanged. In practice, however, there are certain correlations between the individual assumptions. The same method was used to calculate the sensitivities and the defined benefit obligations recognised at the reporting date.

B) DEFINED CONTRIBUTION PLAN

An agreement exists with Zurich Insurance Company offering benefits to the pensioners of the former Flughafen-Immobilien-Gesellschaft (FIG). This group of beneficiaries did not transfer to the BVK. This is a defined contribution plan which is fully funded. Zurich Insurance Company is responsible for providing all future benefits.

22.2 Other long-term employee benefits

Flughafen Zürich AG pays its employees loyalty bonuses on the basis of years of service, in accordance with the employment regulations of 1 January 2016. The corresponding provision of CHF 11.8 million (2020: CHF 13.3 million) was calculated based on the number of accumulated years of service which, at the reporting date, was 10.8 years (2020: 10.0 years).

23 Other current liabilities, accruals and deferrals

(CHF million)	31.12.2021	31.12.2020
Deferred income and accruals	90.4	89.8
Accrued interest on financial liabilities	7.5	9.3
Deposits and advance payments by customers	11.0	22.6
Provision for holidays and overtime	3.4	3.1
Other liabilities	2.7	3.8
Total other current liabilities, accruals and deferrals	115.1	128.7
of which financial liabilities carried at amortised cost	97.9	99.2
of which other current liabilities, accruals and deferrals excluding financial instruments	17.2	29.5

24 Further details

24.1 INFORMATION CONCERNING THE PERFORMANCE OF A RISK ASSESSMENT

Risk management ensures that risks are approached systematically and given due consideration. It guarantees transparency over the main risks associated with the company's business activities as well as continuous improvement and monitoring of the risk situation.

The Zurich Airport Group's risk management system is the tool used to manage corporate risk and consists of the following components:

- Risk policy objectives and principles
- Risk management organisation
- Risk management process
- Risk reporting
- Auditing and review of the risk management system

In this context, the Board of Directors and the Management Board have overall responsibility under Swiss company law for ensuring the Group's continued existence and profitability. The Board of Directors is responsible for overall oversight of risk management. The Chief Financial Officer (CFO) also acts as the Management Board's Chief Risk Officer.

The central Risk Manager reports to the CFO as Chief Risk Officer and stipulates minimum requirements for decentralised risk management at line management level. The central Risk Manager is responsible for risk reporting as well as for the operation and ongoing development of the risk management system.

The Management Board members are each responsible for the risks that could arise primarily in their respective divisions. They bear responsibility for identifying, assessing and managing the relevant risks (risk owner concept). The central Risk Manager is responsible for any risks that cannot be assigned to one single area of business.

In consultation with the central Risk Manager, other departments perform their specific risk management procedures themselves, such as safety management, liquidity management, occupational safety, information security, fire prevention and contingency planning. The same goes for Flughafen Zürich AG's international subsidiaries. The key risks to the Zurich Airport Group are then incorporated from these into central risk reporting. This describes the business risks in detail and assesses their probability of occurrence and operational and financial impact as well as measures and responsibilities. Implementation of the measures is continually monitored. The risk report is presented to the Management Board and the Board of Directors once a year.

A) FINANCIAL RISK MANAGEMENT

Due to the nature of its activities, the Zurich Airport Group is exposed to the following relevant financial risks, including:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk (currency and interest rate risk)

i) Credit risk

Credit risk refers to the risk that the Zurich Airport Group could incur financial losses if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Cash and cash equivalents, accruals, trade receivables and other financial assets are exposed to credit risk.

The Zurich Airport Group invests its cash and cash equivalents and fixed-term deposits with major banks with a rating indicating their solvency. In addition, the Group minimises potential risks relating to cash and cash equivalents and fixed-term deposits in that it does not invest with a single bank, but with a variety of financial service providers.

As a rule, accruals as at the reporting date are invoiced within one month and subsequently monitored as part of trade receivables management.

With the exception of the home carrier Swiss at Zurich Airport, credit risk is distributed over a broad clientele. Trade receivables include an amount of CHF 9.1 million due from Swiss (2020: CHF 7.2 million) (see [note 14, Trade receivables](#)). In the period between the reporting date and the preparation of the 2021 consolidated financial statements,

Swiss paid the outstanding amount arising from flight operations charges as at 31 December 2021 in full.

The exposure to credit risk primarily depends on the individual characteristics of each client. Risk assessments include a creditworthiness check, taking account of the client's financial circumstances, past experience and other factors. The maturity structure of trade receivables is normally examined on a weekly basis. Where necessary, terms of payment aimed at minimising risk (mainly proforma invoicing) are applied, or security is requested (mainly in the form of bank guarantees).

The financial assets of the Airport Zurich Noise Fund are invested by professional financial institutions, partly on the basis of a conservative, money market-oriented investment strategy (mainly in fixed-rate debt instruments) and partly in a mixed investment fund. Here, priority is given to preservation of value and flexibility with respect to early redemption of investments. The direct use of derivative financial instruments is not permitted. The investment horizon is based on the expected obligation to make payments from the Airport Zurich Noise Fund and averages around four years. For bonds held directly, the minimum acceptable rating is BBB+ (Standard & Poor's) or an equivalent rating from another recognised rating agency (see [note 20, Airport Zurich Noise Fund](#)).

The maximum exposure to credit risk corresponds to the carrying amounts of the individual financial assets. No guarantees or similar commitments exist that could give rise to an increase in the credit exposure above the respective carrying amounts. The maximum exposure to credit risk as at the reporting date was as follows:

(CHF million)	31.12.2021	31.12.2020
Cash equivalents (excluding cash on hand)	409.1	351.0
Current and non-current fixed-term deposits	123.4	200.8
Non-current financial assets of Airport Zurich Noise Fund	327.7	370.6
Trade receivables, net	78.6	71.8
Current financial assets of Airport Zurich Noise Fund	45.3	48.4
Other receivables and prepaid expenses	115.5	73.2
Other financial assets	17.6	4.1
Total maximum exposure to credit risk	1,117.1	1,120.0

ii) Liquidity risk

Liquidity risk refers to the risk that the Zurich Airport Group may not be able to meet its financial obligations on the due date.

The Zurich Airport Group monitors liquidity risk via a prudent liquidity management process, observing the principle that it must have sufficient flexibility and room for manoeuvre with respect to the availability of liquid funds at short notice. This means maintaining an adequate reserve of liquid funds, ensuring the availability of sufficient funds for financing purposes by securing adequate credit facilities, and being able to issue financial securities on the capital market. For this purpose, the company uses rolling liquidity planning that is based on expected cash flows and is periodically updated. In addition, the Zurich Airport Group had the following principal credit facilities at its disposal at the reporting date:

(CHF million)	Duration	31.12.2021	31.12.2020
Operating credit lines (committed credit lines)	31.12.2025	300.0	160.0
Total credit lines		300.0	160.0
Utilisation: fixed advance		0.0	-60.0
Utilisation: bank guarantees		-12.3	-12.1
Total unused credit lines		287.7	87.9

The following tables show the contractual maturities of the financial liabilities (including interest payments) held by the Zurich Airport Group:

(CHF million)	Carrying amount	Contractual cash flows	Due within 1 year	Due within 1 to 5 years	Due in more than 5 years
31 December 2021					
Debentures	1,648.9	1,698.2	11.3	723.0	964.0
Liabilities to banks	119.5	132.4	9.0	35.5	87.9
Lease liabilities	76.3	76.4	7.5	28.9	40.0
Liabilities from concession agreements	24.7	25.1	0.7	8.6	15.8
Other financial liabilities	21.3	21.3	0.9	20.4	0.0
Trade payables	57.0	57.0	57.0	0.0	0.0
Other current liabilities and accruals	97.9	97.9	97.9	0.0	0.0
Total non-derivative financial liabilities	2,045.6	2,108.4	184.3	816.4	1,107.6
Total	2,045.6	2,108.4	184.3	816.4	1,107.6

(CHF million)	Carrying amount	Contractual cash flows	Due within 1 year	Due within 1 to 5 years	Due in more than 5 years
31 December 2020					
Debentures	1,648.5	1,709.5	11.3	731.1	967.2
Liabilities to banks	173.9	173.9	64.0	32.5	77.4
Lease liabilities	83.3	83.3	7.5	28.3	47.5
Liabilities from concession agreements	23.2	24.1	1.5	7.3	15.3
Other financial liabilities	22.5	22.5	2.1	20.4	0.0
Trade payables	61.0	61.0	61.0	0.0	0.0
Other current liabilities and accruals	99.2	99.2	99.2	0.0	0.0
Total non-derivative financial liabilities	2,111.6	2,173.5	246.6	819.5	1,107.3
Total	2,111.6	2,173.5	246.6	819.5	1,107.3

iii) Market risk (currency and interest rate risk)

Market risk refers to the risk that changes in market prices such as exchange rates and interest rates could have an impact on the finance result or the value of the financial instruments.

The objective of market risk management is to monitor and control such risks in order to ensure that they do not exceed a specified limit.

iiia) Currency risk

The functional currency of the consolidated financial statements of the Zurich Airport Group is the Swiss franc (CHF). The Group is exposed to foreign currency movements primarily in the Brazilian real (BRL), the Chilean peso (CLP) and the Indian rupee (INR).

A 5% appreciation or depreciation in the value of the Swiss franc against the relevant currencies as at 31 December 2021 would have increased or reduced consolidated equity ("Other comprehensive income") or the consolidated result by the amounts below.

This analysis assumes that all other variables – in particular interest rates – remain unchanged.

(CHF million)	Appreciation of CHF (plus 5%)		Depreciation of CHF (minus 5%)	
	Equity	Profit	Equity	Profit
BRL	-6.9	0.0	6.9	0.0
CLP	-0.7	0.0	0.7	0.0
INR	-2.7	0.0	2.7	0.0
31 December 2021	-10.3	0.0	10.3	0.0
BRL	-7.3	0.0	7.3	0.0
CLP	-0.8	0.0	0.8	0.0
INR	-0.2	0.0	0.2	0.0
31 December 2020	-8.3	0.0	8.3	0.0

iiib) Interest rate risk

Interest rate risk can be divided into an interest-related cash flow risk (the risk that future interest payments could change due to fluctuations in the market interest rate) and an interest-related risk of a change in fair value (the risk that the fair value of a financial instrument could change due to fluctuations in the market interest rate).

The financial assets of the Airport Zurich Noise Fund are primarily invested in fixed-rate debt instruments and a mixed investment fund. The direct use of derivative financial instruments is not permitted in this context.

Most financing transactions have been concluded at a fixed rate of interest. Interest rate risk on variable liabilities is hedged on a case-by-case basis using interest rate swaps.

As at the reporting date, the Zurich Airport Group's interest rate profile was as follows (interest-bearing financial instruments):

(CHF million)	31.12.2021	31.12.2020
Current and non-current fixed-term deposits	123.4	200.8
Fixed-interest financial assets of Airport Zurich Noise Fund	264.5	312.4
Fixed-interest financial instruments (assets)	387.9	513.2
Cash and cash equivalents	379.5	347.3
Cash and cash equivalents of Airport Zurich Noise Fund	29.8	3.9
Variable-interest financial instruments (assets)	409.3	351.2
Total interest-bearing assets	797.2	864.4
Current and non-current debentures	-1,648.9	-1,648.5
Current and non-current lease liabilities	-76.3	-83.3
Current and non-current other financial instruments	-21.3	-22.5
Fixed interest financial instruments (liabilities)	-1,746.5	-1,754.3
Current and non-current liabilities to banks	-119.5	-173.9
Variable-interest financial instruments (liabilities)	-119.5	-173.9
Total interest-bearing liabilities	-1,865.9	-1,928.2

The table below shows the sensitivity analysis for variable and fixed-rate financial instruments with a deviation of 0.5%:

(CHF million)	Increase by 0.5%		Decrease by 0.5%	
	Equity	Profit	Equity	Profit
Fixed-interest financial instruments	-3.2	0.0	3.2	0.0
Variable-interest financial instruments	0.0	1.7	0.0	-1.7
31 December 2021	-3.2	1.7	3.2	-1.7
Fixed-interest financial instruments	-4.8	0.0	4.8	0.0
Variable-interest financial instruments	0.0	1.4	0.0	-1.4
31 December 2020	-4.8	1.4	4.8	-1.4

B) CATEGORIES OF FINANCIAL INSTRUMENTS

The following tables show the carrying amounts of all financial instruments by category both for the reporting period and for the previous year:

(CHF million)	31.12.2021	31.12.2020
Current and non-current financial assets of Airport Zurich Noise Fund (bonds)	264.5	312.4
Total financial assets carried at amortised cost	264.5	312.4
Current and non-current financial assets of Airport Zurich Noise Fund (mixed investment fund)	108.5	106.7
Total financial assets measured at fair value	108.5	106.7
Cash (excl. cash on hand) and cash equivalents plus short-term monetary investments	409.1	351.0
Current and non-current fixed-term deposits	123.4	200.8
Trade receivables, net	78.6	71.8
Other receivables and prepaid expenses	115.5	73.2
Other financial assets	17.6	4.1
Total cash and cash equivalents, fixed-term deposits, receivables and other financial assets	744.1	700.9
Debentures	-1,648.9	-1,648.5
Total financial liabilities carried at amortised cost	-1,648.9	-1,648.5
Liabilities from concession agreements	-24.7	-23.2
Liabilities to banks	-119.5	-173.9
Lease liabilities	-76.3	-83.3
Other financial liabilities	-21.3	-22.5
Trade payables, net	-57.0	-61.0
Other current liabilities, accruals and deferrals (excluding derivatives and non-financial instruments)	-97.9	-99.2
Total other financial liabilities	-396.7	-463.1

C) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments recognised or disclosed at fair value are categorised according to the following hierarchy, reflecting the significance of the inputs used to measure fair value:

Level 1 – Quoted market prices

The inputs used to measure the assets or liabilities are quoted, unadjusted market prices determined in active markets for identical assets or liabilities at the measurement date.

Level 2 – Measurement based on observable inputs

The assets or liabilities are measured on the basis of inputs (other than the quoted prices included within level 1) that are directly or indirectly observable for the asset or liability.

Level 3 – Measurement based on unobservable inputs

The inputs for these assets or liabilities are not observable.

The carrying amounts of cash and cash equivalents, fixed-term deposits, receivables, other financial assets and other financial liabilities are a reasonable approximation of their fair values.

Financial assets in the Airport Zurich Noise Fund: The fair value of the bonds corresponds to the market price of the securities at the reporting date (level 1). The fair value of the mixed investment fund is the unadjusted net asset value, as the units may be redeemed at that value as at the reporting date (level 2).

Financial liabilities: The fair value of the debentures corresponds to the market price (level 1).

(CHF million)	31.12.2021		31.12.2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Bonds of Airport Zurich Noise Fund (Level 1)	264.5	268.0	312.4	318.7
Mixed investment fund of the Airport Zurich Noise Fund (Level 2)	108.5	108.5	106.7	106.7
Total financial assets	373.0	376.5	419.1	425.4
Debentures (Level 1)	-1,648.9	-1,643.9	-1,648.5	-1,672.9
Total financial liabilities	-1,648.9	-1,643.9	-1,648.5	-1,672.9

D) CAPITAL MANAGEMENT

With respect to capital management, the Zurich Airport Group pays particular attention to ensuring the continuation of the Group's operating activities, achieving an acceptable dividend for shareholders and optimising the balance sheet structure, particularly in periods of major investment activity or after crises. In order to achieve these objectives, Flughafen Zürich AG can adjust the amount of the dividend payment or repay capital to shareholders.

The Zurich Airport Group primarily monitors the following key financial indicator: net debt to EBITDA. Here it is especially important to ensure that the ratio of debt to equity is in line with the budgetable cash flows and investments, and tends towards the conservative side. The aim in the coming years is therefore to reduce the increased level of debt resulting from financial year 2020. In this way a high degree of entrepreneurial flexibility can be assured at all times, including when future unforeseeable events occur.

The necessary quantity of treasury shares may be held for the purpose of staff participation and bonus programmes. It is not permitted to accumulate several years' worth of treasury shares for the purpose of participation programmes, however. Neither is it permitted to hold treasury shares to use as payment for acquisitions (exchange of shares in the event of a takeover) or for the purpose of speculating on higher selling prices. Accumulated treasury shares may in no case exceed 10% of all shares issued.

24.2 CAPITAL COMMITMENTS

As at the reporting date, capital commitments for various buildings and engineering structures amounted to around CHF 230 million in total. The most significant capital commitments relate to the refurbishment and expansion of the baggage sorting system (CHF 99 million), the renovation of runway 28/10 (CHF 25 million) and the expansion of the landside passenger areas (CHF 23 million).

24.3 CONTINGENT LIABILITIES

Zurich site

A number of legal proceedings and claims against the Zurich Airport Group in the context of its normal business activities are still pending. The company does not expect the amounts required to settle these lawsuits and claims to have a significantly negative impact on the consolidated financial statements and cash flow of the Zurich Airport Group.

Depending on future legal judgements, including with respect to the southern approaches at Zurich Airport, the noise-related liabilities may in future be subject to substantial adjustments, which would also require adjustments to the noise-related costs recognised as assets and liabilities in the balance sheet. At the present time, it is not possible to reliably estimate the total costs to capitalise as an intangible asset from the right of formal expropriation, the resulting amortisation or the corresponding provision.

Flughafen Zürich AG and Swiss Life AG are jointly and severally liable to third parties for the liabilities of the co-ownership structure the Circle and the ordinary partnership the Circle.

International

As part of its involvement in the expansion and operation of foreign airports, the Zurich Airport Group provides the following guarantees as security for local debt financing:

Operator (CHF million)	Location	2021	2020
Concessionária do Aeroporto Internacional de Florianópolis S.A.	Florianópolis, Brazil	77.7	71.4
Aeropertos do Sudeste do Brasil S.A.	Vitória/Macaé, Brazil	2.5	0.0
Sociedade de Participação no Aeroporto de Confins S.A.	Belo Horizonte, Brazil	19.5	20.3
Yamuna International Airport Private Limited	New Delhi, India	0.0	0.0
Total		99.7	91.7

The Zurich Airport Group has entered into the following counterbonds for other guarantees (e.g. performance or bid bonds) provided to local authorities by the operators:

Operator (CHF million)	Location	Type of guarantee	2021	2020
Concessionária do Aeroporto Internacional de Florianópolis S.A.	Florianópolis, Brazil	Performance bond	11.7	10.9
Aeropertos do Sudeste do Brasil S.A.	Vitória/Macaé, Brazil	Performance bond	8.2	7.6
Sociedade de Participação no Aeroporto de Confins S.A.	Belo Horizonte, Brazil	Performance bond	8.1	7.4
Operating companies of Iquique and Antofagasta	Iquique/Antofagasta, Chile	Performance bond	4.8	4.6
Yamuna International Airport Private Limited	New Delhi, India	Performance bond	12.3	12.1
Total			45.1	42.6

24.4 RELATED PARTIES

Related parties are:

- Canton of Zurich
- Members of the Board of Directors
- Members of the Management Board
- Associates
- BVK Employee Pension Fund of the Canton of Zurich

A) TRANSACTIONS WITH RELATED PARTIES

In the reporting period, the costs for the Canton of Zurich police force amounted to CHF 63.5 million (2020: CHF 73.0 million) in accordance with the applicable service level agreement. In this context, accrued expenses amounting to CHF 19.6 million (2020: CHF 11.3 million) at the reporting date were included in “Other current liabilities, accruals and deferrals”.

In financial year 2021, consulting revenue from operations and management agreements amounted to CHF 2.6 million (2020: CHF 1.9 million) for the airport in Belo Horizonte and to CHF 2.8 million (2020: CHF 2.9 million) for the airports in Bogotá and Curaçao.

In the reporting period, Flughafen Zürich AG paid employer contributions amounting to CHF 17.3 million (2020: CHF 18.1 million) to the BVK Employee Pension Fund of the Canton of Zurich for employee benefits (see [note 22, Employee benefits](#)). As at the reporting date, CHF 2.4 million (2020: CHF 2.5 million) of this was still included in “Other current liabilities, accruals and deferrals”.

B) SHARES HELD BY RELATED PARTIES

As at the reporting date, members of the Board of Directors and related parties held the following number of shares:

Name	Function	Number of	Number of
		shares as at	shares as at
		31.12.2021	31.12.2020
Andreas Schmid	Chairman	11,115	11,115
Eveline Saupper	Vice Chairwoman; Chairwoman Nomination & Compensation Committee	675	675
Vincent Albers	Member	2,517	2,517
Guglielmo L. Brentel	Member	309	309
Josef Felder	Member; Chairman Audit & Finance Committee	25,200	25,200
Stephan Gemkow	Member; Chairman International Business Committee	100	100
Corine Mauch	Member	0	0
Carmen Walker Späh	Member; Chairwoman Public Affairs Committee	5	5
Total		39,921	39,921

As at the reporting date, members of the Management Board and related parties held the following number of shares:

Name	Number of shares as at	Number of shares as at
	31.12.2021	31.12.2020
Stephan Widrig	7,292	6,693
Daniel Bircher	745	n/a
Lukas Brosi	1,719	1,484
Stefan Gross	1,536	1,301
Daniel Scheifele	1,553	1,318
Stefan Tschudin	1,094	859
Total	13,939	11,655

Neither members of the Board of Directors nor the Management Board held options on the company's shares at the reporting date.

C) REMUNERATION FOR KEY MANAGEMENT PERSONNEL

Remuneration for the members of the Board of Directors and Management Board comprises the following:

(CHF million)	2021	2020
Short-term employee benefits	4.1	3.8
Post-employment benefits	0.6	0.5
Share-based payments	0.4	0.2
Total	5.1	4.5

24.5 COMPOSITION OF THE GROUP

As at the reporting date, the Group comprised the following companies:

Company	Domicile	Share capital	Stake held in %
Flughafen Zürich AG	Kloten	CHF 307,018,750	Parent company
Airport Ground Services AG	Kloten	CHF 100,000	100.0
Zurich Airport International AG	Kloten	CHF 100,000	100.0
Zurich Airport International Asia Sdn. Bhd.	Kuala Lumpur	MYR 1.0 million	100.0
Yamuna International Airport Private Ltd.	New Delhi	INR 5,679 million	100.0
Concessionária do Aeroporto Internacional de Florianópolis S.A.	Florianópolis	BRL 304 million	100.0
Zurich Airport Latin America Ltda.	Rio de Janeiro	BRL 578 million	100.0
Aeroportos do Sudeste do Brasil S.A.	Vitória	BRL 571 million	100.0
A-port S.A.	Santiago de Chile	CLP 16,139 million	100.0
Sociedad Concesionaria Aeropuerto de Antofagasta S.A.	Santiago de Chile	CLP 3,600 million	100.0
Sociedad Concesionaria Aeropuerto de Iquique S.A.	Santiago de Chile	CLP 600 million	100.0
Sociedad Concesionaria Aeropuerto Diego Aracena S.A.	Santiago de Chile	CLP 10,700 million	100.0
A-port Operaciones S.A.	Santiago de Chile	CLP 1,352 million	99.0
A-port Operaciones Colombia S.A.	Bogotá	COP 100 million	99.0
Unique IDC S.A. de C.V.	Tegucigalpa	HNL 0.2 million	99.0

In addition, the following associates are included by applying the equity method:

Company	Domicile	Share capital	Stake held in %
Sociedade de Participação do Aeroporto de Confins S.A.	Belo Horizonte	BRL 474 million	25.0
Concessionária do Aeroporto Internacional de Confins S.A.	Belo Horizonte	BRL 907 million	12.8
Administradora Unique IDC C.A.	Porlamar	VEB 25 million	49.5
Aeropuertos Asociados de Venezuela C.A.	Porlamar	VEB 10 million	49.5

24.6 NOTES ON THE LICENCE TO OPERATE ZÜRICH AIRPORT

The Swiss Federal Department of the Environment, Transport, Energy and Communications (DETEC) awarded Flughafen Zürich AG the licence to operate Zurich Airport for 50 years from 1 June 2001 to 31 May 2051.

The licence encompasses the operation of an airport in accordance with the provisions of the ICAO (International Civil Aviation Organization) governing domestic, international and intercontinental civil aviation services. Flughafen Zürich AG is authorised and obliged to operate Zurich Airport for the entire period cited in the operating licence, and to provide the necessary infrastructure for this purpose. To accomplish this, it is entitled to collect charges from all users of the airport. Furthermore, Flughafen Zürich AG is authorised to assign specific rights and obligations arising from the operating licence to third parties. Insofar as they concern activities relating to airport operations such as aircraft handling, passenger handling, baggage sorting and handling, mail and freight handling, these rights and obligations shall be subject to the provisions of public law. Flughafen Zürich AG regulates rights and obligations it has assigned to third parties in the form of binding entitlements (concessions).

The concessionaire is obliged to grant access to the airport to all aircraft that are licensed to provide domestic and international flights. The volume of flight traffic and handling of licensed aircraft are governed by the regulations laid down in the Sectoral Aviation Infrastructure Plan (SAIP) and the provisions of the operating regulations. The concessionaire is obliged to implement all measures relating to regulations governing the use of German airspace for landings at, and take-offs from, Zurich Airport without delay, and to submit the necessary applications for approval by the authorities in good time. The concessionaire is empowered and obliged to enforce sound insulation measures and to implement them where they are not contested. The provision whereby the concessionaire shall meet all obligations to which it is bound through clauses of the civil aviation treaty between Germany and Switzerland without entitlement to compensation was declared null and void in response to an objection lodged by Flughafen Zürich AG.

As part of the bilateral agreements that came into effect on 1 June 2002, the EU ground handling directive (Council Directive 96/67/EC of 15 October 1996 on access to the ground-handling market at Community airports) also became applicable to Switzerland. The principles governing the granting of rights to carry out ground handling activities are defined in the operating regulations for Flughafen Zürich AG dated 30 June 2011. The licences for ground handling operations in areas in which the number of admissible service providers may be limited were re-awarded on the basis of tender procedures on 1 December 2018 for the period to the end of November 2025.

24.7 CONCESSIONS FOR THE OPERATION OF FOREIGN AIRPORTS

As at the reporting date, the Zurich Airport Group was responsible, via its majority interests, for the operation and expansion of the following foreign airports:

BRAZIL

Florianópolis

International Airport

Operator	Concessionária do Aeroporto Internacional de Florianópolis S.A.
Term of the concession	1 September 2017 – 31 August 2047
Terms and conditions	Concession fees totalling BRL 241.5 million are payable as consideration for the right to operate the airport. Of this amount, BRL 83.3 million (CHF 24.7 million) fell due when the concession was acquired. The remainder is payable over the term of the concession. The opening of the passenger terminal in October 2019 marked the completion of the infrastructure measures mandated in the concession agreement.
Location	The airport has a catchment area of 1.1 million people and is situated in the state of Santa Catarina in the south of Brazil. Florianópolis is a popular holiday destination for both local and international guests.

Eurico de Aguiar Salles and Benedito Lacerda Airport

Operator	Aeroportos do Sudeste do Brasil S.A
Term of the concession	4 October 2019 – 3 October 2049
Terms and conditions	The concession encompasses the operation and expansion of both airports (cluster). A concession fee totalling BRL 437.0 million (CHF 105 million) fell due at the acquisition date. Variable, revenue-based concession payments will be incurred as of the sixth year of operations. Whilst a newly expanded airport was acquired in Vitória, the concession in Macaé requires modifications to be made to the infrastructure so as to comply with International Civil Aviation Organization (ICAO) provisions. To do so, the operator must construct a new passenger terminal.
Location	Both cities lie north (Macaé 150 km, Vitória 400 km) of Rio de Janeiro in the state of Espírito Santo. Vitória is an important seaport for iron ore and pig iron exports. Macaé is a central helicopter base for serving offshore oil platforms.

CHILE

Diego Aracena

International Airport

Operator	Sociedad Concesionaria Aeropuerto Diego Aracena S.A.
Term of the concession	The concession in place since April 2018 and has a term dependent on traffic volumes. Based on current traffic trends, the concession is expected to end in 2040.
Terms and conditions	The operator has undertaken to invest in measures to upgrade and extend the airport infrastructure, in particular to extend the existing terminal. The work to extend the terminal was completed at the end of 2021.
Location	Iquique is situated on the Pacific coast in the Tarapacá region in the north of Chile. While the region's economy is dominated by the mining industry, the city of Iquique is also popular with tourists.

Andrés Sabella Gálvez

International Airport

Operator	Sociedad Concesionaria Aeropuerto de Antofagasta S.A.
Term of the concession	The concession in place since 2012 and has a term dependent on traffic volumes. Based on current traffic trends, the concession is expected to run until 2025.
Terms and conditions	The infrastructure measures mandated in the concession agreement were completed back in 2014 when the terminal was extended. No further, significant measures are required before the concession ends.
Location	Antofagasta is situated on the Pacific coast in the Antofagasta region in the north of Chile. The mining industry is the most important sector of the economy.

INDIA

Noida International Airport

Operator	Yamuna International Airport Private Limited
Term of the concession	1 October 2021 – 30 September 2061
Terms and conditions	The operator has undertaken to construct and operate the new Noida International Airport. Once the first phase of construction has been completed at the end of 2024, the new airport will have the capacity to handle 12 million passengers a year. Additional phases of capital expenditure will depend on predefined performance indicators. A fixed concession fee per departing passenger will be payable as of the sixth year of operations.
Location	The new airport is the second international airport in the Delhi Metropolitan Area and is situated in Jewar in the Greater Noida Area around 70 kilometres south of the Indian capital.

24.8 EVENTS AFTER THE REPORTING DATE

The Board of Directors authorised the 2021 consolidated financial statements for issue on 3 March 2022. These also have to be approved by the General Meeting of Shareholders.

To the General Meeting of
Flughafen Zürich AG, Kloten

Zurich, 3 March 2022

Statutory auditor's report on the audit of the consolidated financial statements



Opinion

We have audited the consolidated financial statements of Flughafen Zürich AG and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2021, the consolidated balance sheet as at 31 December 2021, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (page 120 to 184) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.



Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the *International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code)* and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Estimates relating to impairment testing of Investments in airport operator projects

Risk	<p>As of 31 December 2021, Flughafen Zürich AG reported CHF 268.6 million of Investments in airport operator projects related to concession agreements for the operation of foreign airports.</p> <p>The ongoing COVID-19 pandemic and related drop in air traffic activities have impacted the revenues and earnings of foreign airport operator projects triggering a management valuation assessment (impairment test). Management's assessment resulted in no impairment losses. Management's assessment of the valuation of Investments in airport operator projects was significant to our audit because due to the pandemic this process requires significant management judgement (especially around the future development of the number of passengers).</p> <p>Further information regarding Investments in airport operator projects is included in the consolidated financial statements under note 11.</p>
Our audit response	<p>We mainly performed the following audit procedures:</p> <ul style="list-style-type: none"> • Evaluation of management's assessment of impairment indicators. • Assessment of management's assumptions used in the business plans for the value in use calculations. • Involvement of valuation experts to assist us in the evaluation of the impairment model, key assumptions (e.g. discount-rate and tax-rate) used and assessment of the consistency of valuation methodologies applied. <p>On the basis of our audit procedures, we have no objections regarding estimates relating to impairment testing of Investments in airport operator projects.</p>

Valuation and existence of Property, plant and equipment

Risk Property, plant and equipment used for operations (assets in use) and assets under construction for operating activities together comprise 55% of total assets. In 2021, investments in property, plant and equipment amounted to CHF 153.8 million.

The large number of different, partly very long-lived, assets, the high volume of capital expenditure and maintenance expenditure contain inherent risks regarding the existence and valuation of property, plant and equipment.

Furthermore, the ongoing COVID-19 pandemic and related drop in air traffic activities have significantly impacted the revenues and earnings of Zurich Airport triggering a management valuation assessment (impairment test) of property, plant and equipment. Management's assessment resulted in no impairment losses.

Further information regarding property, plant and equipment is included in the consolidated financial statements under note 8.

**Our audit
response**

We mainly performed the following audit procedures:

- Evaluation of design, implementation and effectiveness of controls embedded in the capital expenditure process and of controls securing existence of property, plant and equipment.
- Assessment of the capitalisation of expenditure in assets under construction and reconciliation of capitalised expenditure to the invoices received based on samples.
- Examination of transfers from assets under construction to assets in use based on the evaluation of effectiveness of internal controls and selected project completion protocols based on samples.
- Evaluation of management's assessment of impairment indicators.
- Assessment of management's assumptions (e.g. passenger volumes, capital expenditure) used in the impairment model (value in use calculation).
- Involvement of valuation experts to assist us in the evaluation of the impairment model, assumptions used (e.g. discount-rate, terminal growth-rate) and assessment of the consistency of valuation methodologies applied.

On the basis of our audit procedures, we have no objections regarding existence and valuation of Property, plant and equipment.



Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://www.expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.



Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

Juri Frischknecht
Licensed audit expert

Financial Statements

Financial statements according to the Swiss Code of Obligations (CO)

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Income statement

(CHF million)	Notes	2021	2020
Aviation revenue		240.6	221.7
Non-aviation revenue		376.3	338.9
Total revenue		616.9	560.6
Personnel expenses		-156.0	-157.9
Police and security		-81.9	-91.1
Energy and waste		-19.5	-15.0
Maintenance and material		-23.6	-23.9
Other operating expenses		-43.1	-38.5
Sales, marketing, administration		-24.5	-28.8
Expenses for formal expropriations plus sound insulation and resident protection		-4.5	-3.3
Deposits into renovation fund		-5.5	-5.5
Other income and expenses		9.4	11.7
Operating result before depreciation and amortisation, interest and tax		267.7	208.3
Depreciation and amortisation		-244.2	-234.4
Operating result before interest and tax		23.5	-26.1
Finance income		3.9	5.8
Finance expenses		-13.9	-16.2
Extraordinary result	(1)	0.2	-87.8
Result before tax		13.7	-124.3
Direct tax		-4.1	-3.5
Result for the year		9.6	-127.8

Balance sheet

(CHF million)	Notes	31.12.2021	31.12.2020
Assets			
Cash and cash equivalents		336.9	297.0
Current fixed-term deposits		121.3	200.0
Current financial assets of Airport Zurich Noise Fund		45.3	48.4
Trade receivables	(2)	70.2	65.0
Other current receivables		17.0	29.7
Inventories		10.1	11.7
Prepaid expenses	(3)	127.0	98.2
Current assets		727.8	750.0
Non-current fixed-term deposits		1.4	0.0
Non-current financial assets of Airport Zurich Noise Fund		328.4	371.7
Investments		6.1	6.1
Loans	(4)	316.5	259.5
Non-current loans to associates		0.5	0.5
Equity interest in co-ownership structure for the Circle	(5)	567.6	545.8
Property, plant and equipment	(6)	2,697.2	2,810.4
Right-of-use assets	(7)	114.2	123.8
Intangible asset from right of formal expropriation		26.0	27.2
Other intangible assets		17.8	17.4
Non-current assets		4,075.7	4,162.4
Total assets		4,803.5	4,912.4
Liabilities and equity			
Trade payables		29.0	50.9
Current financial liabilities		0.0	60.0
Other current liabilities	(8)	25.2	36.9
Current provision for aircraft noise	(10)	36.8	32.1
Other current provisions		3.0	2.6
Accruals and deferrals		72.7	82.8
Current liabilities		166.7	265.3
Non-current financial liabilities	(9)	1,650.0	1,650.0
Other non-current liabilities		109.3	119.2
Non-current provision for aircraft noise	(10)	412.4	428.4
Renovation fund		190.1	184.6
Non-current liabilities		2,361.8	2,382.2
Total liabilities		2,528.5	2,647.5
Share capital	(11)	307.0	307.0
Legal capital reserves: capital contribution reserves	(11)	117.0	117.0
Legal retained earnings: general legal retained earnings		42.4	42.4
Voluntary retained earnings		109.7	109.6
Available earnings			
Profit brought forward		1,689.4	1,817.2
Result for the year		9.6	-127.8
Treasury shares	(12)	-0.1	-0.5
Equity		2,275.0	2,264.9
Total liabilities and equity		4,803.5	4,912.4

Notes to the financial statements

I Accounting principles

General remarks

The 2021 financial statements of Flughafen Zürich AG, based in Kloten, have been prepared in accordance with the accounting provisions of the Swiss Code of Obligations.

The significant valuation principles that have been applied but are not prescribed by law are described below. These single-entity financial statements also serve for tax purposes and form the basis for the statutory business of the General Meeting of Shareholders.

As Flughafen Zürich AG prepares consolidated financial statements in accordance with accepted financial reporting standards (IFRSs), it has omitted to present disclosures on interest-bearing liabilities, disclosures on auditors' fees, a cash flow statement and a management report in these financial statements in accordance with the statutory provisions.

As in the previous year, the average number of full-time equivalents was over 250 in the reporting period.

The financial statements were prepared in Swiss francs (CHF). Unless indicated otherwise, amounts are stated in millions of Swiss francs (CHF million).

Reporting of noise-related costs in the financial statements

Costs for formal expropriations qualify as an intangible asset under the accounting provisions of the Swiss Code of Obligations. They are recognised as assets at the latest on the date on which the counterparty has attained an assertable claim. Amortisation of capitalised costs for formal expropriations is based at a minimum on the consolidated financial statements. Adequate provisions are recognised for current liabilities arising from sound insulation and resident protection measures. Any balance of revenue from noise charges after deduction of noise-related costs (compensation for formal expropriations, sound insulation and resident protection measures, operating costs, financing costs and amortisation) is transferred to the provision for aircraft noise (see [note 10, Provision for aircraft noise](#)).

With respect to formal expropriations, the reporting of noise-related costs in the financial statements is a complex matter due to a multitude of relevant legal bases, unclear or pending case law and political debate. Especially in the case of formal expropriations, this financial reporting requires significant assumptions and estimates concerning the capitalisation of such costs and the obligation to recognise appropriate provisions.

Flughafen Zürich AG has received a total of around 20,000 noise-related claims for compensation, of which around 5600 were still pending at the end of 2021. Slightly more than 600 of these cases are currently being examined by the Swiss Federal Assessments Commission.

The rulings by the Swiss Federal Supreme Court in the first half of 2008 on fundamental issues related to formal expropriations enabled Flughafen Zürich AG to estimate the total cost of compensation for formal expropriations for the first time, in spite of the remaining uncertainties regarding the accuracy of this estimate. In further rulings in 2010, the Swiss Federal Supreme Court definitively set the cut-off date for the foreseeability of an eastern approach as 1 January 1961 and, in 2011, it ruled definitively on the method used to calculate a decline in the market value of investment property. In 2016, the Swiss Federal Supreme Court handed down two rulings in test cases regarding claims for compensation relating to eastern and southern approach routes and, in 2018, it handed down two rulings in test cases regarding cooperative ownership. Based on these Swiss Federal Supreme Court rulings and other fundamental issues that have been decided, the company undertook a reappraisal of costs for formal expropriations at these dates, which in each case led to an adjustment to both the provision for formal expropriations and the intangible asset from the right of formal expropriation. On 22 November 2019, the Swiss Federal Supreme Court handed down a ruling in test cases regarding the period of limitation on claims for compensation in Oberglatt. This Swiss Federal Supreme Court ruling and other fundamental issues that have been decided enabled Flughafen Zürich AG to undertake a reappraisal of the outstanding cost of compensation for formal expropriations as at 31 December 2019.

With respect to sound insulation and resident protection measures, Flughafen Zürich AG is required to implement sound insulation measures in the area where it claims exemptions from noise limits (emission limit). In this context, the Federal Office of Civil Aviation (FOCA) has initiated a night-time noise abatement procedure. The area with exemptions under the Sectoral Aviation Infrastructure Plan adopted by the Federal Council on 23 August 2017 is to be extended. In 2018, the Board of Directors approved further sound insulation measures in this context.

As at 31 December 2021, Flughafen Zürich AG has recognised an intangible asset from the right of formal expropriation of CHF 26.0 million (2020: CHF 27.2 million) and a provision for aircraft noise of CHF 449.2 million in total (2020: CHF 460.5 million) in the financial statements in accordance with the provisions of the Swiss Code of Obligations.

Depending on future legal judgements, including with respect to the southern approaches at Zurich Airport, the noise-related liabilities may in future be subject to substantial adjustments, which would also require adjustments to the noise-related costs recognised as assets and liabilities in the balance sheet. At the present time, it is not possible to reliably estimate the total costs to capitalise as an intangible asset from the right of formal expropriation, the resulting amortisation or the corresponding provision.

Additional significant accounting policies

Revenue recognition

Revenue is recognised by Flughafen Zürich AG when the service has been rendered, it is probable that economic benefits will flow to the company and those benefits can be measured reliably. In addition, the significant risks and rewards of ownership have to be transferred to the recipient of the service. Revenue from fixed-rent tenancy agreements is recognised on a straight-line basis over the term of the agreement. Conditional rental payments (including turnover-based tenancy agreements) are recognised on an accrual basis based on the turnover generated by the lessee, in which case a minimum rent may be applied. If lessees are granted significant lease incentives (e.g. rent concessions), the equivalent value of the incentive is recognised on a straight-line basis over the original or remaining lease term.

Inventories

Inventories mainly comprise operating supplies and consumables necessary for the maintenance and repair of property, plant and equipment and are stated at cost or, if lower, at net realisable value. The first-in, first-out method is applied when calculating the cost.

Financial assets of the Airport Zurich Noise Fund

The financial assets of the Airport Zurich Noise Fund comprise quoted securities held for the short or long term. They are initially recognised at cost (fair value plus directly attributable transaction costs). The securities are subsequently measured at amortised cost (bonds) or at fair value (other financial assets), with gains and losses recognised in profit or loss. A fluctuation reserve is not recognised.

Property, plant and equipment

Property, plant and equipment is stated at acquisition or production cost less accumulated depreciation and impairment. With the exception of land, which is not depreciated, items are depreciated over their estimated useful life using the straight-line method. If there are indications that they are impaired, the carrying amounts are reviewed and, if necessary, adjusted.

Leases

Leases are accounted for by applying the concept of control. In doing so, a lease contract is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased item to Flughafen Zürich AG as lessee. All other leases are operating leases. At the commencement date of a finance lease, the value of the leased item is recognised as a right-of-use asset and as a lease liability in the same amount. The right-of-use asset is depreciated and the lease liability amortised over the lease term. In the case of an operating lease, the lease payments are recognised directly in profit or loss at maturity.

Intangible assets

Intangible assets are stated at cost less amortisation. They are amortised over their estimated useful life using the straight-line method. If there are indications that they are impaired, the carrying amounts are reviewed and, if necessary, adjusted.

Treasury shares

At the date of acquisition, treasury shares are recognised at cost as a deduction from equity. In the event of their sale at a later date, the gain or loss is credited or charged directly to voluntary retained earnings.

II Notes to the financial statements

1 Extraordinary result

(CHF million)	2021	2020
Extraordinary income	6.7	1.3
Extraordinary expenses	-6.5	-89.1
Extraordinary result	0.2	-87.8

In the reporting period, extraordinary income comprised compensation payments of CHF 5.0 million for projects written down in the previous year and income of CHF 1.1 million from the reversal of provisions no longer required.

Both in the reporting period and in the previous year, the items recognised as extraordinary expenses included project costs derecognised, losses on asset disposals, losses on receivables and the share of profit or loss attributable to the equity interest in the co-ownership structure the Circle. In the previous year, extraordinary expenses also included a valuation allowance of CHF 75.0 million on loans to subsidiaries that related primarily to unfavourable exchange rate movements in Brazil (see [note 4, Investments and loans](#)).

2 Trade receivables

(CHF million)	31.12.2021	31.12.2020
Trade receivables from third parties	70.4	66.2
Valuation allowance	-1.1	-2.0
Trade receivables from investments	0.9	0.8
Total trade receivables	70.2	65.0

3 Prepayments and accrued income

(CHF million)	31.12.2021	31.12.2020
Prepaid expenses in respect of third parties	126.2	97.4
Prepaid expenses in respect of investments	0.8	0.8
Total prepaid expenses	127.0	98.2

4 Investments and loans

Investments comprised the following as at the reporting date:

Company	Domicile	Share capital	Stake held in %
Airport Ground Services AG ¹⁾	Kloten	CHF 100,000	100.0
Zurich Airport International AG ¹⁾	Kloten	CHF 100,000	100.0
Zurich Airport International Asia Sdn. Bhd. ²⁾	Kuala Lumpur	MYR 1.0 million	100.0
Yamuna International Airport Private Ltd. ²⁾	New Delhi	INR 5,679 million	100.0
Concessionária do Aeroporto Internacional de Florianópolis S.A. ²⁾	Florianópolis	BRL 304 million	100.0
Zurich Airport Latin America Ltda. ²⁾	Rio de Janeiro	BRL 578 million	100.0
Aeroportos do Sudeste do Brasil S.A. ²⁾	Vitória	BRL 571 million	100.0
A-port S.A. ²⁾	Santiago de Chile	CLP 16,139 million	100.0
Sociedad Concesionaria Aeropuerto de Antofagasta S.A. ²⁾	Santiago de Chile	CLP 3,600 million	100.0
Sociedad Concesionaria Aeropuerto de Iquique S.A. ²⁾	Santiago de Chile	CLP 600 million	100.0
Sociedad Concesionaria Aeropuerto Diego Aracena S.A. ²⁾	Santiago de Chile	CLP 10,700 million	100.0
A-port Operaciones S.A. ²⁾	Santiago de Chile	CLP 1,352 million	99.0
A-port Operaciones Colombia S.A. ²⁾	Bogotá	COP 100 million	99.0
Unique IDC S.A. de C.V. ²⁾	Tegucigalpa	HNL 0.2 million	99.0
Sociedade de Participação no Aeroporto de Confins S.A. ²⁾	Belo Horizonte	BRL 474 million	25.0
Concessionária do Aeroporto Internacional de Confins S.A. ²⁾	Belo Horizonte	BRL 907 million	12.8
Administradora Unique IDC C.A. ¹⁾	Porlamar	VEB 25 million	49.5
Aeropuertos Asociados de Venezuela C.A. ²⁾	Porlamar	VEB 10 million	49.5

1) Direct investment.

2) Indirect investment.

The equity interests stated are also the share of the voting power in the investees listed.

As a precautionary measure in connection with the coronavirus crisis, Flughafen Zürich AG established Airport Ground Services AG based in Kloten in financial year 2020. In an emergency, this wholly-owned subsidiary could take over services related to airport operations. The company was inactive at the reporting date.

Zurich Airport International AG, the wholly-owned subsidiary responsible for advising, operating and/or owning airports and airport-related companies throughout the world, holds all the investees existing in this context (with the exception of those in Venezuela).

In 2010, Flughafen Zürich AG and its consortium partner Unique IDC turned to the International Centre for Settlement of Investment Disputes (ICSID) in Washington D.C. in the matter of the airport expropriated in Venezuela (Isla de Margarita). This step is in compliance with the investment protection treaty between Venezuela, Switzerland and Chile. The ICSID reached its decision in November 2014, requiring the Bolivarian Republic of Venezuela to reimburse the consortium the costs incurred for the proceedings and project plus a compensation payment of around USD 19.5 million as well as interest incurred up until receipt of payment. Flughafen Zürich AG is entitled to 50% of this. After an application for annulment was rejected, the tribunal's decision is definitive and final. The value of this holding has been fully impaired.

Loans comprised the following as at the reporting date:

(CHF million)	31.12.2021	31.12.2020
Loans to Zurich Airport International AG	391.5	334.5
Valuation allowance for loans to Zurich Airport International AG	-75.0	-75.0
Total loans	316.5	259.5

In the previous year, a valuation allowance of CHF 75.0 million was recognised on loans to the subsidiary Zurich Airport International AG. This allowance related primarily to unfavourable exchange rate movements in Brazil (see [note 1, Extraordinary result](#)).

As at the reporting date, loans to Zurich Airport International AG in the amount of CHF 150.0 million were subject to terms of subordination (2020: CHF 150.0 million).

5 Equity interest in the co-ownership structure the Circle

(CHF million)	31.12.2021	31.12.2020
Share of assets of co-ownership structure for the Circle	613.3	565.6
Share of liabilities of co-ownership structure for the Circle	-45.7	-19.8
Total equity interest in co-ownership structure for the Circle	567.6	545.8

In 2015, Flughafen Zürich AG and Swiss Life AG notarised the purchase agreement for the share of land for the Circle and registered it for entry in the Land Register, thereby establishing the Circle co-ownership structure between the two parties provided for in the financing agreements, in which Flughafen Zürich AG has a 51% interest and Swiss Life AG a 49% interest.

The co-ownership structure the Circle is responsible for the implementation and operation of the real estate project.

6 Property, plant and equipment

(CHF million)	31.12.2021	31.12.2020
Land	139.0	139.0
Buildings, engineering structures	2,230.8	2,193.9
Projects in progress	248.2	395.5
Movables	79.2	82.0
Total property, plant and equipment	2,697.2	2,810.4

7 Right-of-use assets

The cost of the right-of-use assets recognised and the accumulated depreciation are shown below:

(CHF million)	31.12.2021	31.12.2020
Cost of recognised right-of-use assets	139.3	139.3
Accumulated depreciation on right-of-use assets	-25.1	-15.5
Total right-of-use assets	114.2	123.8

The corresponding lease liabilities have the following maturity structure:

(CHF million)	31.12.2021	31.12.2020
Due within 1 year	9.9	9.9
Due between 1 and 5 years	36.7	38.1
Due in more than 5 years	72.6	81.1
Total recognised lease liabilities	119.2	129.1

8 Other current liabilities

(CHF million)	31.12.2021	31.12.2020
Other current liabilities to third parties	22.8	34.4
Other current liabilities to employee pension funds	2.4	2.5
Total other current liabilities	25.2	36.9

At the reporting date, other current liabilities to employee pension funds comprised outstanding liabilities to the BVK Employee Pension Fund of the Canton of Zurich.

9 Non-current financial liabilities

	31.12.2021				
	Nominal value	Duration	Interest rate	Early amortisation	Interest payment date
	(CHF million)				
Debenture (2023)	400.0	2013–2023	1.500%	no	17.4.
Debenture (2024)	300.0	2020–2024	0.700%	no	22.5.
Debenture (2027)	200.0	2020–2027	0.100%	no	30.12.
Debenture (2029)	350.0	2017–2029	0.625%	no	24.5.
Debenture (2035)	400.0	2020–2035	0.200%	no	26.2.
Total non-current financial liabilities	1,650.0				

External financing is subject to standard guarantees and covenants, which were complied with as at the reporting date. In addition, unused credit facilities at the reporting date amounted to a total of CHF 287.7 million (2020: CHF 87.9 million).

10 Provision for aircraft noise

(CHF million)	2021	2020
Balance as at 1 January	460.5	473.4
Change in provision for aircraft noise	-11.3	-12.9
Balance as at 31 December	449.2	460.5
of which current (planned payment within 1 year)	36.8	32.1
of which non-current (planned payment from 1 year on)	412.4	428.4

For information on the reporting of noise-related data in the financial statements in accordance with the Swiss Code of Obligations, see also [Reporting of noise-related costs in the financial statements](#) in the notes to the financial statements.

11 Share capital and capital contribution reserves

The share capital of Flughafen Zürich AG amounting to CHF 307,018,750 is composed of 30,701,875 fully paid-up registered shares with a par value of CHF 10.

At the reporting date, the capital contribution reserves remained unchanged year on year at CHF 117.0 million.

12 Treasury shares

(Number of shares)	2021	2020
Balance as at 1 January	4,051	3,133
Acquisitions (at applicable market price)	1,439	9,568
Allocation to management, employees and third parties ¹⁾	-4,622	-8,650
Balance as at 31 December	868	4,051

1) See also note 17, Equity interests of members of the Management Board, other members of management and employees.

In the reporting period, 1439 registered shares were purchased at the market price (2020: 9568 registered shares). Treasury shares are distributed to members of the Management Board and other members of management under the bonus programme. They are used primarily for this participation programme. In addition, Flughafen Zürich AG gives those employees who have completed their first year of service a one-off gift in the form of one share free of charge.

13 Contingent liabilities

A number of legal proceedings and claims against Flughafen Zürich AG in the context of its normal business activities are still pending. The company does not expect the amounts required to settle these lawsuits and claims to have a significantly negative impact on the financial statements and cash flow of Flughafen Zürich AG.

Depending on future legal judgements, including with respect to the southern approaches at Zurich Airport, the noise-related liabilities may in future be subject to substantial adjustments, which would also require adjustments to the noise-related costs recognised as assets and liabilities in the balance sheet. At the present time, it is not possible to reliably estimate the total costs to capitalise as an intangible asset from the right of formal expropriation, the resulting amortisation or the corresponding provision.

Flughafen Zürich AG and Swiss Life AG are jointly and severally liable to third parties for the liabilities of the co-ownership structure the Circle and the ordinary partnership the Circle.

14 Net reversal of hidden reserves

In the reporting period, hidden reserves amounting to CHF 3.2 million were reversed (previous year: CHF 0.0 million).

15 Major shareholders

As at the reporting date, the following shareholders or groups of shareholders held at least 5% of the voting rights:

	2021	2020
Canton of Zurich	33.33%	33.33%
City of Zurich	5.00%	5.00%

16 Shareholdings of the Board of Directors

As at the reporting date, members of the Board of Directors and related parties held the following number of shares:

Name	Function	Number of shares as at	Number of shares as at
		31.12.2021	31.12.2020
Andreas Schmid	Chairman	11,115	11,115
Eveline Saupper	Vice Chairwoman; Chairwoman Nomination & Compensation Committee	675	675
Vincent Albers	Member	2,517	2,517
Guglielmo L. Brentel	Member	309	309
Josef Felder	Member; Chairman Audit & Finance Committee	25,200	25,200
Stephan Gemkow	Member; Chairman International Business Committee	100	100
Corine Mauch	Member	0	0
Carmen Walker Späh	Member; Chairwoman Public Affairs Committee	5	5
Total		39,921	39,921

17 Equity interests of members of the Management Board, other members of management and employees

As part of the performance-related remuneration awarded to members of the Management Board and other members of management, 1539 shares (2020: 2885 shares) worth CHF 239,776 (2020: CHF 332,641) were distributed to members of the Management Board and 3001 shares (2020: 5618 shares) worth CHF 467,556 (2020: CHF 647,755) to other members of management in the reporting period.

As at the reporting date, members of the Management Board and related parties held the following number of shares:

Name	Number of shares as at	Number of shares as at
	31.12.2021	31.12.2020
Stephan Widrig	7,292	6,693
Daniel Bircher	745	n/a
Lukas Brosi	1,719	1,484
Stefan Gross	1,536	1,301
Daniel Scheifele	1,553	1,318
Stefan Tschudin	1,094	859
Total	13,939	11,655

In addition, Flughafen Zürich AG gives those employees who have completed their first year of service a one-off gift in the form of one share free of charge. In the reporting period, 82 shares (2020: 147 shares) worth CHF 13,024 (2020: CHF 19,232) were handed out in this context.

18 Carrying out of an equal pay analysis

Flughafen Zürich AG carried out the equal pay analysis required by the Swiss Gender Equality Act (GEA) using the federal government's standard analysis tool (Logib) for February 2021 as the reference month. The Logib analysis showed that Flughafen Zürich AG meets the tolerance threshold for gender-specific pay discrimination. In accordance with Art. 13d GEA, the equal pay analysis was audited by a licensed audit firm. In its report dated 16 September 2021, this audit firm states that nothing came to its attention during the formal audit of the equal pay analysis that causes it to believe that the equal pay analysis does not comply with every aspect of the statutory requirements.

19 Significant events after the reporting date

The Board of Directors authorised the 2021 financial statements in accordance with the provisions of the Swiss Code of Obligations (CO) for issue on 3 March 2022. These also have to be approved by the General Meeting of Shareholders.

Proposal for the distribution of available earnings

The Board of Directors will propose to the General Meeting of Shareholders that the available earnings be used as follows:

(CHF million)	31.12.2021	31.12.2020
Profit brought forward	1,689.4	1,817.2
Result for the year	9.6	-127.8
Available earnings	1,699.0	1,689.4
To be carried forward¹⁾	1,699.0	1,689.4

1) Owing to the widespread impact of COVID-19 and to safeguard liquidity, it was decided not to pay a dividend for the 2019 and 2020 financial years. A proposal will be made to the General Meeting of Shareholders to waive payment of a dividend for the current year too.

To the General Meeting of
Flughafen Zürich AG, Kloten

Zurich, 3 March 2022

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Flughafen Zürich AG, which comprise the balance sheet, income statement and notes (pages 191 to 202), for the year ended 31 December 2021.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.



Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibility* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation and existence of Property, plant and equipment

Area of focus Property, plant and equipment used for operations (assets in use) and assets under construction for operating activities together comprise 56% of total assets. In 2021, investments in property, plant and equipment amounted to CHF 119.9 million.

The large number of different, partly very long-lived, assets, the high volume of capital expenditure and maintenance expenditure contain inherent risks regarding the existence and valuation of property, plant and equipment.

Furthermore, the ongoing COVID-19 pandemic and related drop in air traffic activities have significantly impacted the revenues and earnings of Zurich Airport triggering a management valuation assessment (impairment test) of property, plant and equipment. Management's assessment resulted in no impairment losses.

Further information regarding property, plant and equipment is included in the consolidated financial statements under note 6.

Our audit response We mainly performed the following audit procedures:

- Evaluation of design, implementation and effectiveness of controls embedded in the capital expenditure process and of controls securing existence of property, plant and equipment.
- Assessment of the capitalisation of expenditure in assets under construction and reconciliation of capitalised expenditure to the invoices received based on samples.
- Examination of transfers from assets under construction to assets in use based on the evaluation of effectiveness of internal controls and selected project completion protocols based on samples.
- Evaluation of management's assessment of impairment indicators.
- Assessment of management's assumptions (e.g. passenger volumes, capital expenditure) used in the impairment model (value in use calculation).
- Involvement of valuation experts to assist us in the evaluation of the impairment model, assumptions used (e.g. discount-rate, terminal growth-rate) and assessment of the consistency of valuation methodologies applied.

On the basis of our audit procedures, we have no objections regarding existence and valuation of Property, plant and equipment.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

Juri Frischknecht
Licensed audit expert

Further information

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Integrated Report 2021

The Integrated Report 2021 of Flughafen Zürich AG is published in German and English and is available online under the following link:

> <https://report.flughafen-zuerich.ch/2021/ar/en/>

The expectations and forward-looking statements in this report are based on assumptions and are subject to risks and uncertainties. The actual results may vary from the expectations and forward-looking statements in this report.

The German version is binding.

Key dates

General Meeting of Shareholders 2022

21 April 2022

Half-yearly financial statements 2022

23 August 2022