

Flughafen Zürich AG
Integrated Report

2022



Zurich Airport

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Letter to shareholders

Dear Shareholders, Dear Sir or Madam

2022 was an intensive and eventful year. Following a first quarter still overshadowed by the pandemic, international air travel bounced back over the course of the year under review. Footfall in our commercial centers recovered to the extent that turnover is approaching pre-pandemic levels. Thanks in no small measure to the successful completion of the Circle project, the real estate side of our business has proved to be a stable revenue stream at Zurich Airport. We continue to extend our international presence with the construction of Noida International Airport in one of India's most important economic regions that offers huge growth potential. Major infrastructure and development projects at Zurich Airport and abroad are progressing well and are setting new standards in terms of sustainability. We are also fortunate in having highly skilled and committed employees. Moreover, we are still in a very strong financial position even after the pandemic.

GRI 2-22

Despite inflation and rising energy prices, costs were kept well under control during the reporting year. The return to profit after the pandemic makes payment of a dividend possible again. The ordinary dividend is based on the previous payout ratio of around 40% of net profit; an additional dividend will also be paid, with the remaining capital contribution reserves being distributed in full over the next few years.

Resumption of

dividend

after a multi-year pause

Rebounding travel market drives aviation industry recovery

Within a mere few months, passenger volumes during the first half of 2022 rose from 15,000 travellers per day to 90,000 travellers per day on peak days. Thanks to the great efforts of everyone involved, we succeeded in ramping up operations to the point where, aside from occasional long queuing times, we were able to provide a high-quality service again. Across the whole year, Zurich Airport handled 22.6 million passengers, just over 70% of the 2019 volume. Although this was still well below pre-pandemic levels as a result of the low volume of passengers during the first quarter, it is higher than forecast at the start of 2022. Asian destinations also slowly began to open up towards the end of the year. Forward booking forecasts and the flight schedules from Zurich likewise inspire confidence for 2023. Travel is back in demand and providing a welcome boost to the aviation industry that has been particularly hard hit by the pandemic.

Over

70%

of the 2019 traffic volume reached

Our proven business model – stronger and more profitable going forward

Thanks to sound finances and a balanced business model, our company succeeded in weathering the serious crisis in the aviation industry triggered by the pandemic independently and without state aid, apart from short-time working. International expansion of our airport operations over the last two decades, gradual optimisation of local commercial business (primarily airside and landside retailing and hospitality), successful lease uptake for the major Circle project (mixed use including hotel, healthcare, office space, retail and food), along with the acquisition of several buildings around the airport perimeter all contributed significantly to broadening revenue streams. International business saw marked growth in 2022. Over the coming years we expect

further revenue growth from our subsidiaries in Latin America and India, where Noida International Airport to the south of the capital Delhi is due to commence operation in 2024. The operating rights for the latter are wholly owned by Flughafen Zürich AG. In Zurich, our large commercial centers are benefiting from growing passenger numbers, the resurgence in commuter traffic and a steady rise in the number of well-paid jobs at the airport. Continually refreshed offerings from retailers and hospitality venues are further aiding this recovery.

We expect passenger volumes to return to 2019 levels by 2025, from when – thanks to growth in non-aviation revenues in particular – the company will achieve even higher profitability than before the crisis.

International hub connecting Switzerland to the world

As a country so dependent on its trade links with other countries, international connectivity is crucial for Switzerland. Good connections to the world's major metropoles depend on the successful hub operation provided by SWISS in Zurich. Besides the high quality of the airport infrastructure, further key factors are competitive operating hours and stable peak capacity in all weather conditions to enable the hub carrier to compete internationally.

For this, the extension of runways 28 and 32 is vital. Zurich's Cantonal Parliament opened its consultation process for the runway extensions during the year under review. Extending these two runways will increase safety margins during take-off and landing as well as further improve punctuality thanks to fewer delays in the evenings. The Cantonal Parliament is due to make a decision on this in 2023, which will then presumably be put to a referendum.

The enormous economic importance of the airport was confirmed by the latest study conducted by the independent research institute Infras in 2022. Factoring out the effects of the pandemic, it calculated that Zurich Airport contributes CHF 7 billion to the economy each year. Around 27,000 people work directly at Zurich Airport. The Circle likewise makes a significant contribution to the region's economy.

Added value of CHF

7 billion
at Zurich Airport

Variety of projects to develop Zurich Airport

Several large infrastructure projects reached key milestones during 2022. These included the upgrading and expansion of the baggage sorting system, the development of landside passenger areas, the renovation of runway 10/28, and holding an architecture competition for the future Dock A, including tower and dock base. Abroad, the focus of development is on the Noida Airport project in India. Phase 1 of construction is to be completed by the end of 2024, when the airport is scheduled to commence operation. As with all our infrastructure projects, we are committed to sustainable construction.

Sustainability a keystone of corporate strategy

The route to sustainable aviation lies in reducing CO₂ emissions. As a company we strive to minimise fossil fuel consumption at all our sites in order to lower the associated greenhouse gas emissions. During the year under review, we amended our previous target of reaching net zero by 2050. We are now aiming to reduce our own greenhouse gas emissions at all our sites to net zero by 2040, without offsetting. To achieve this we are addressing our energy requirements, on the one hand, which we can gradually reduce by renovating buildings and constructing energy-efficient new buildings. On the other hand, we are replacing fossil fuels with renewable fuels.

Net zero by

2040

is our aim

Another key element of making aviation fit for the future is the use of sustainable fuels that emit far less CO₂ than conventional kerosene. Flughafen Zürich AG is championing the introduction of sustainable aviation fuels (SAF) in Switzerland and their availability in Zurich. Mandating a gradually increasing percentage of SAF in conventional fuels would effectively promote these fuels and help reduce CO₂ emissions from aviation over the long term. We support regulations to this effect such as proposed by the Swiss Federal Council in the new CO₂ Act based on similar EU rules.

In a further step to help save the climate, during the year under review Zurich Airport attained the highest level of Airport Carbon Accreditation (ACA). ACA is a globally recognised programme of Airports Council International (ACI) which supports the climate protection aspirations of airports and monitors their progress. Our airport is consequently among the leading ten percent of airports accredited at the highest level for their climate protection efforts. The airports in Florianópolis, Vitória and Macaé received ACA level one accreditation. These three Brazilian airports have all set themselves the goal of meeting the requirements of the next higher level in 2023.

Changes at the top

Ahead of the upcoming Annual General Meeting, important changes are underway among the company's top management. At the AGM the Board of Directors will propose Josef Felder as Chairman of the Board of Directors, to take over from Andreas Schmid who has been Chairman for the last 23 years. Josef Felder was CEO of Flughafen Zürich AG from 2000 to 2008, has served on the Board of Directors since 2017, and has also exercised supervisory roles on other prestigious boards for over 15 years. His skillset consequently makes him truly predestined to lead the Board of our company and ensure a seamless transition. In addition, the Board of Directors will propose Claudia Pletscher as a new member of the Board of Directors to the Annual General Meeting. Claudia Pletscher (48) is an entrepreneur and CEO of fineminds GmbH and a member of various boards of directors and advisory boards. With her expertise in digitalisation, innovation and transformation, Claudia Pletscher will be an ideal addition to the Board of Directors of Flughafen Zürich AG. Likewise, a change is pending in the representative of the Canton of Zurich on the company's Board of Directors. At the end of April 2023, Beatrix Frey-Eigenmann will replace Eveline Saupper as a member of the Board of Directors of Flughafen Zürich AG.

At the same time there is also a change in our executive management: after 23 years in the company, 15 of which were served on the Management Board and eight years as CEO, Stephan Widrig is handing over the reins to Lukas Brosi. Lukas Brosi joined the company in 2009 and has been a member of the Management Board and Chief Financial

Officer since 2017. In this role he is already involved in all the company's strategic projects and so will be able to carry them forward seamlessly.

We are confident that these new appointments at the top will ensure the successful further growth of the company, and we would like to take this opportunity to wish our successors a good take-off, much enjoyment and every success in their new roles.

Thanks and outlook

We are confident that aviation will recover even more from the pandemic over the coming years. Society and business are closely entwined and must come together to surmount global challenges, making the need for global mobility and connectivity all the greater. As a result of new technology, among other things, we have coalesced into one world. Air travel is needed to efficiently bring people and goods together across the globe. As an airport operator we are making a significant contribution to this by developing our airports in a forward-looking, sustainable way, especially for the sake of generations to come. This year we will be celebrating the 75th anniversary of Zurich Airport. So we will want to look back at the beginnings of Zurich Airport, make a stopover in the present, then look forward to the future full of enthusiasm and confidence.

We sincerely thank you, esteemed shareholders, for the loyalty and trust you have placed in us over many years. We also extend our thanks to all our partner companies and the many other firms and people who support us, and especially to our employees for their untiring efforts and loyalty. From next year, it will be a new Chairman of the Board and CEO addressing you at this point. For both of us it has been both an honour and a pleasure to have served the unique company that is Flughafen Zürich AG over so many years and helped shape its positive development.

Zurich Airport, 9 March 2023

The image shows two handwritten signatures. The signature on the left is "Andreas Schmid" and the signature on the right is "Stephan Widrig". Both signatures are written in black ink on a white background.

Andreas Schmid
Chairman of the Board of Directors

Stephan Widrig
Chief Executive Officer

Three changes in company management

**In April 2023, three people in key positions will leave our company:
Chairman of the Board of Directors Andreas Schmid, member of the
Board of Directors Eveline Saupper and CEO Stephan Widrig. We, the
Board of Directors, Management Board and employees, would like to
thank these extraordinary people most sincerely for their many years of
substantial commitment.**

Chairman of the Board of Directors Andreas Schmid

Andreas Schmid took over as Chairman of the Board of Directors when Flughafen Zürich AG was established in spring 2000. Striking a good balance between the economy and the environment and maintaining an affiliation with the region were always important to him, as was an open dialogue with the population, politicians and the authorities. The major achievements of his term in office include the large-scale projects in the fifth construction phase with the commissioning of the Airside Center and Dock E in 2004, the opening of the newly built Dock B in 2011 and the Circle in 2020. Andreas Schmid chaired the Board of Directors with prudence and commitment and is handing over some architectural highlights for the future in the form of the plans for the new Dock A.

Member of the Board of Directors Eveline Saupper

Eveline Saupper was appointed the delegate of the Canton of Zurich to the Board of Directors in May 2015 and served as Vice-Chairwoman of the Board of Directors until spring 2022. Thanks to her legal acuity and experience as a board member, she made a significant contribution to the Board of Directors. With her prudent, straightforward and committed approach, Eveline Saupper worked on behalf of Flughafen Zürich AG for eight years and also successfully presided over the Nomination and Compensation Committee (NCC).

CEO Stephan Widrig

In addition to the change on the Board of Directors, there will be a change in the company's operational senior management. From 2005 to 2008, Stephan Widrig was Chief Financial and Commercial Officer at Bangalore International Airport Ltd. (BIAL) in India and previously Head of Real Estate Management at Zurich Airport. He has been a member of the Management Board since 2008 and, since early 2015, has assumed the overall responsibility for Flughafen Zürich AG as CEO. Stephan Widrig, who will leave the company at the end of April, demonstrated his impressive sense of responsibility and foresight and steered the company skilfully for eight years – including through the challenging pandemic years. Under his leadership, the business model of Flughafen Zürich AG was diversified and modernised, and the strengthened company was guided into a new era.

We would like to thank all three of them most sincerely for their above-average, long-standing commitment to our company.

Multi-year comparison

Flughafen Zürich AG

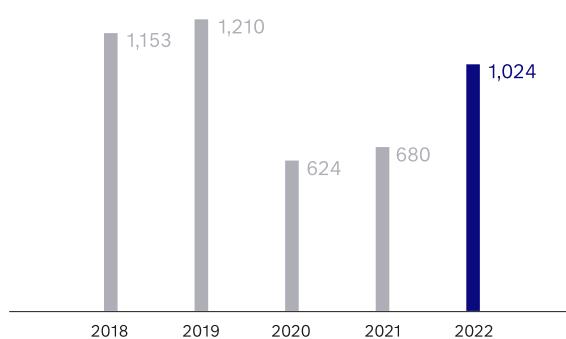
Key financial data (consolidated)

(CHF million)	2018	2019	2020	2021	2022
Total revenue	1,152.9	1,210.1	624.0	680.0	1,023.5
of which aviation revenue	656.7	661.5	221.7	240.6	491.1
of which non-aviation revenue	496.2	548.6	402.3	439.4	532.4
Operating expenses	-581.9	-568.2	-428.0	-380.8	-467.9
Earnings before interest, tax, depreciation and amortisation (EBITDA)	571.0	641.8	196.0	299.2	555.6
EBITDA margin (in %)	49.5	53.0	31.4	44.0	54.3
Earnings before interest and tax (EBIT)	326.5	403.1	-56.6	19.1	260.2
EBIT margin (in %)	28.3	33.3	-9.1	2.8	25.4
Consolidated result	237.8	309.1	-69.1	-10.1	207.0
 Cash flow from operating activities	538.4	511.7	147.3	231.7	488.6
Cash flow from investing activities	-273.4	-628.3	-565.1	-86.6	-567.0
 Invested capital as at reporting date ¹⁾	3,516.8	3,779.7	4,288.2	4,302.0	4,622.2
Average invested capital ¹⁾	3,493.8	3,635.3	4,034.0	4,295.1	4,462.1
Return on average invested capital (ROIC in %)	7.4	8.8	-1.1	0.4	4.7
Equity as at reporting date	2,414.9	2,469.1	2,336.8	2,411.3	2,679.1
Return on equity (in %)	9.9	12.7	-2.9	-0.4	8.1
Equity ratio (in %)	55.3	53.8	46.1	48.6	51.4
 Interest-bearing liabilities (net), excl. noise ²⁾	579.8	1,158.4	1,403.4	1,387.8	1,290.2
Interest-bearing liabilities (net)/EBITDA, excl. noise ²⁾	0.93x	1.83x	7.22x	4.64x	2.32x

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.

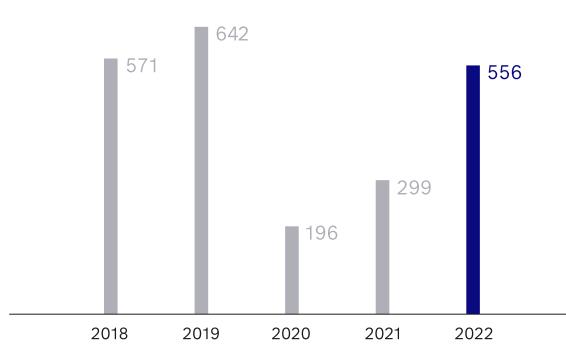
Total revenue CHF million



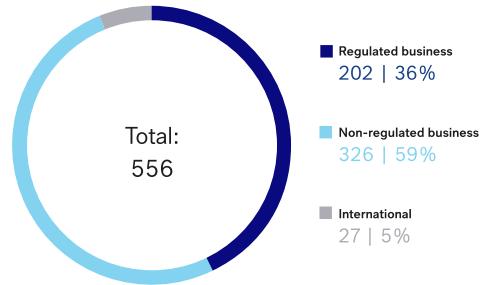
Revenue by segment* CHF million



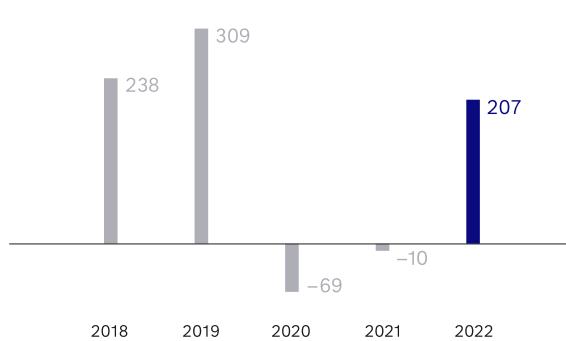
EBITDA CHF million



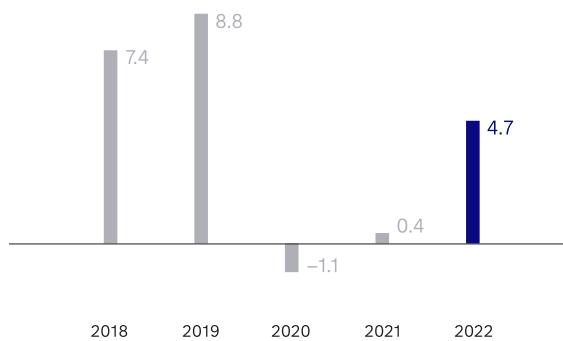
EBITDA by segment* CHF million



Consolidated result CHF million



Return on average invested capital in %



* For reasons of materiality, the "Noise" segment is not presented.

Key sustainability data¹

	2018	2019	2020	2021	2022
Zurich Airport, Switzerland					
CO ₂ e emissions Scope 1+2 (tonnes) ²	26,799	27,850	27,496	32,390 ⁷⁾	29,067
Total energy consumption (MWh)	153,267	155,921	136,088	173,014	169,506
Total waste acc. to ADV (tonnes)	20,960	18,439	8,623	8,506	12,943
No. of employees (excl. apprentices/interns/trainees)	1,664	1,706	1,652	1,534	1,553
Florianópolis Airport, Brazil³⁾					
CO ₂ e emissions Scope 1+2 (tonnes) ²	n/a	n/a	n/a	1,232 ⁶⁾	1,045
Total energy consumption (MWh)	n/a	n/a	9,420	7,716	8,733
Total waste amount (tonnes)	n/a	433	383	412	469
No. of employees (excl. apprentices/interns/trainees)	157	167	116	131	136
Vitória/Macaé Airports, Brazil⁴⁾					
CO ₂ e emissions Scope 1+2 (tonnes) ²	n/a	n/a	n/a	1,454 ⁶⁾	354
Total energy consumption (MWh)	n/a	n/a	10,820	9,746	9,492
Total waste amount (tonnes)	n/a	n/a	349	172	581
No. of employees (excl. apprentices/interns/trainees)	n/a	107	90	69	70
Antofagasta Airport, Chile					
CO ₂ e emissions Scope 1+2 (tonnes) ²	n/a	n/a	480 ⁷⁾	462 ⁷⁾	458
Total energy consumption (MWh)	n/a	n/a	1,210 ⁷⁾	1,147 ⁷⁾	1,141
Total waste amount (tonnes)	n/a	n/a	328	180	151
No. of employees (excl. apprentices/interns/trainees)	45	45	35	43	50
Iquique Airport, Chile					
CO ₂ e emissions Scope 1+2 (tonnes) ²	n/a	n/a	425 ⁷⁾	449 ⁷⁾	598
Total energy consumption (MWh)	n/a	n/a	1,195 ⁷⁾	1,256 ⁷⁾	1,554
Total waste amount (tonnes)	n/a	n/a	55	79	92
No. of employees (excl. apprentices/interns/trainees)	58	61	49	53	196
Noida Airport, India⁵⁾					
CO ₂ e emissions Scope 1+2 (tonnes) ²	n/a	n/a	n/a	n/a	73
Total energy consumption (MWh)	n/a	n/a	n/a	n/a	168
Total waste amount (tonnes)	n/a	n/a	n/a	n/a	2
No. of employees (excl. apprentices/interns/trainees)	n/a	n/a	14	51	71

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) Takeover from state-run operator took place in early 2018; completion of new terminal in October 2019

4) Takeover from state-run operator took place in early 2020; Vitória and Macaé are treated as a portfolio

5) Concession agreement for greenfield airport signed in October 2020

6) Retroactive adjustment to the calculation method

7) Retroactive correction

n/a = data not available or airport not yet taken over from state-run operator

Key stock data

Key stock data of Flughafen Zürich AG	2018	2019	2020	2021	2022
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⁾²⁾	3.70	-	-	-	2.40
Payout ratio (in %) ³⁾	47.8	-	-	-	35.6
Additional dividend per share (in CHF) ¹⁾²⁾	3.20	-	-	-	1.10
Equity per share (in CHF)	78.65	80.42	76.11	78.54	87.26
Basic earnings per share (in CHF)	7.75	10.07	-2.25	-0.33	6.74
Diluted earnings per share (in CHF)	7.75	10.07	-2.25	-0.33	6.74
Share price at year-end (in CHF)	162.50	176.70	156.10	164.10	143.10
Market capitalisation at year-end (in CHF million)	4,989.1	5,424.7	4,792.6	5,038.2	4,393.4
S&P rating	AA-	AA-	A+	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 financial years from 2019 to 2021.

2) In accordance with the proposal to the Annual General Meeting

3) 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, Chile, Curaçao and Colombia and is constructing a new airport in India. 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 2-6

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 27,000 employees at over 300 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, at Antofagasta and Iquique in Chile, and in the new airport under construction at Noida in India.

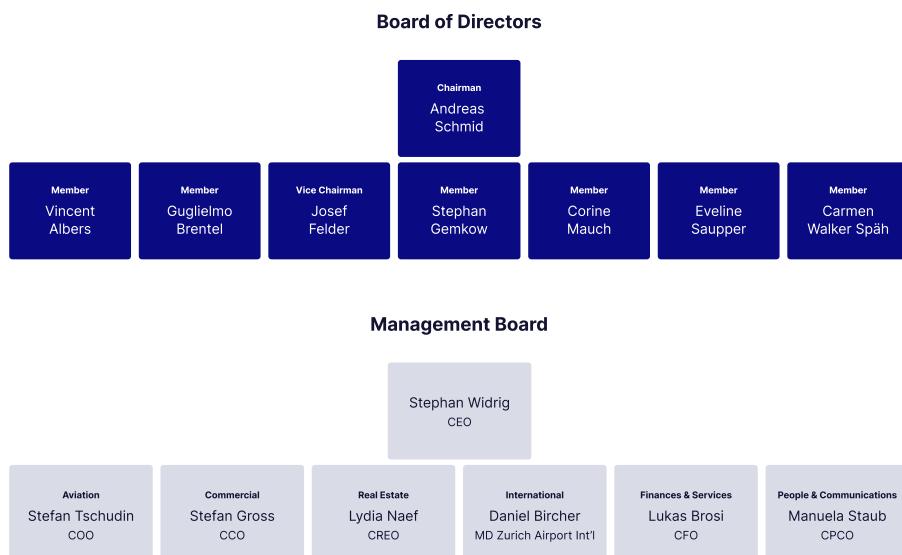
Organisational structure

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 comprises seven members.

GRI 2-9

Organisation chart

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



As at 31 December 2022

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 one of Switzerland's most successful shopping centers, 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 manages the ongoing development of our international business and also oversees the airports and subsidiaries Flughafen Zürich AG operates abroad. This involves analysing airport concessions, the privatisation of airports and direct acquisition opportunities, along with the development and management of airport privatisation projects. This also includes providing support and knowledge transfer to our own airports and subsidiaries abroad – as well as advising and supporting strategic investors involved in developing and operating airports.

Finance & Services

The Finance & Services division oversees the financial control of the company and manages 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 are also integrated in this division.

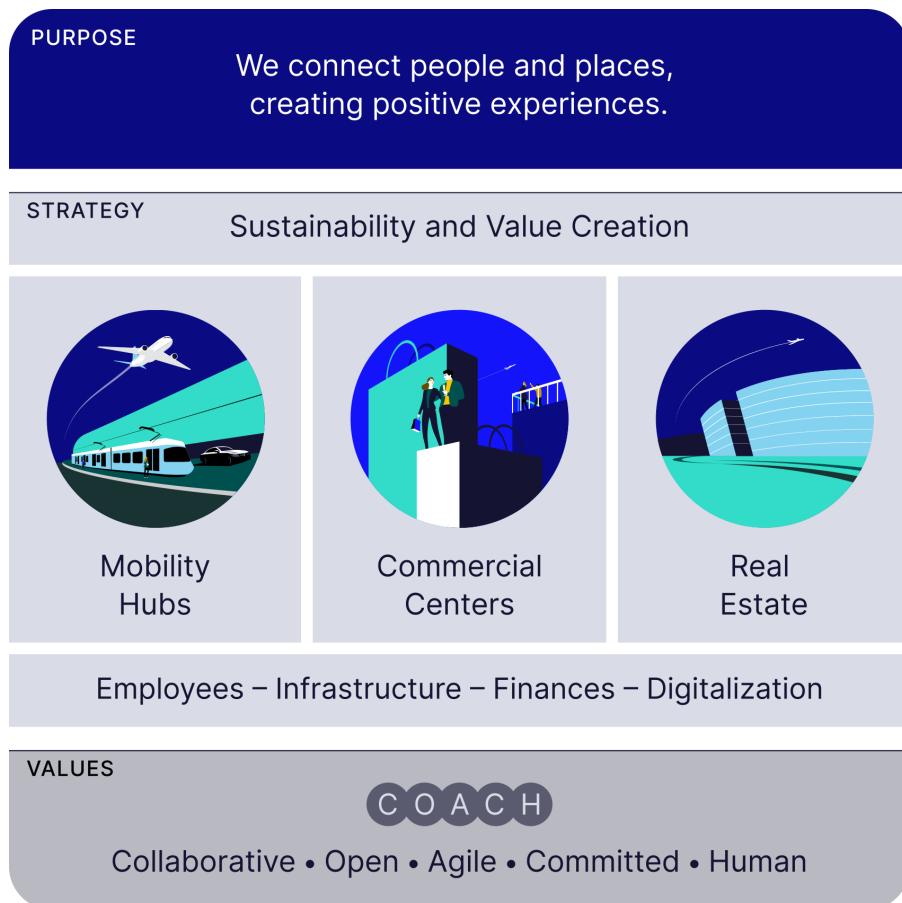
People & Communications

The People & Communications division handles all the strategic staff functions of the company. Human Resources and People & Organisational Development are responsible for modern personnel management and for further developing corporate and management culture. Corporate Communications is responsible for internal and external communications, while Public Affairs fosters relationships with the political community. The airport as a destination also falls within this division's remit.

The office of the General Secretary acts as the support staff unit for the Board of Directors.

Purpose, strategy and values

Our purpose, strategy and values create the foundations 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 the 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 2-1



Overview of locations

The percentage stakes held are as follows:

Airport	IATA Code	Location	Country	Passengers 2022	Concession period	Ownership
Zurich	ZRH	Zurich	Switzerland	22.6m	2001–2051	100%
Florianópolis International Airport	FLN	Florianópolis	Brazil	3.4m	2017–2047	100%
Eurico de Aguiar Salles	VIX	Vitória	Brazil	2.7m	2019–2049	100%
Benedito Lacerda Airport	MEA	Macaé	Brazil	0.2m	2019–2049	100%
Belo Horizonte International Airport	CNF	Belo Horizonte	Brazil	9.5m	2014–2044	12.75%
Diego Aracena International Airport	IQQ	Iquique	Chile	1.7m	2018–2040 ¹⁾	100%
Andrés Sabella Gálvez International Airport	ANF	Antofagasta	Chile	2.0m	2011–2026	100%
Curaçao International Airport	CUR	Willemstad	Curaçao	1.5m	2003–2033	9.69% ²⁾
Noida International Airport	n/a	New-Delhi	India	n/a	2021–2061	100%
Aeropuerto International El Dorado	BOG	Bogotá	Colombia	36.5m	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, Concessions for the operation of foreign airports](#).

Traffic volumes Zurich

Significant increase in passenger volumes to 72% of pre-crisis level

In comparison with the previous year, passenger numbers more than doubled in 2022, notching up to 90,000 passengers per day at peak periods. Although still impacted by the pandemic at the beginning of the year, the number of passengers gradually rose over the reporting period. Passenger volumes in January of the year under review amounted to 42% and in December 2022 to 82% of the pre-pandemic level.

While the local market already experienced a clear upswing during the summer of 2021, the transfer market was only able to recover more strongly during 2022 as the number of flights increased and more transfer connections became available. The transfer rate in 2022 reached 28.7%, only 0.6 percentage points down from 2019. Especially during the last two months of the year, transfer rates of 34% and 32% respectively were higher than for quite some time.

Passenger volumes of home carrier SWISS accounted for 50.7% of the total volume for 2022. Edelweiss Air followed with a share of 9.8%, then Lufthansa with 2.5%, Chair with 2.2% and Turkish Airlines with 2.1%. In total, airlines belonging to the Lufthansa Group carried 67% of passengers in Zurich. SWISS and Edelweiss together accounted for almost 90% of transfer passengers in 2022.

In geographic terms, Europe was the main market, and the share came to 76.5%, just above the pre-pandemic level. Owing to strong demand for leisure travel to southern destinations, passenger volumes to Turkey, Greece and Portugal in particular were actually higher than before the crisis. By contrast, the numbers flying to Germany reached only around half that of 2019. In addition, from March all flights to and from Ukraine and Russia ceased altogether.

The share of intercontinental passengers recovered to 23.5%, in comparison with 17.8% the previous year and 26.0% before the crisis. Traffic to North America in particular saw a strong upturn, while passenger numbers for the Far East still languished 60% below pre-pandemic levels due to coronavirus travel restrictions continuing to be imposed in numerous countries.

High seat load

The number of flight movements for scheduled and charter flights increased more or less in line with the recovery in passenger numbers. The seat load factor in 2022 reached 77.1%, only marginally below that of 2019, and the average number of passengers per flight was 126.1. This is 16.4% up from the previous year and only slightly less than before the crisis.

At 16%, general aviation traffic was significantly higher than before the pandemic. Standing at almost 40% above 2019 levels, commercial business aviation in particular benefited in 2022. One reason was the lack of scheduled flights during the pandemic,

made up for by business aviation wherever possible. This may prove to be the beginning of a long-term shift to some degree.

Stable freight volumes

Freight volumes remained much more stable during the crisis than passenger numbers and flight movements. In 2022, Zurich Airport handled 422,153 tonnes of freight, 64% of which was air freight and 36% road freight (road feeder service). Owing to the shortage of belly freight capacity, road freight increased more than air freight during the reporting year. The volume of road freight was 31% higher than prior to the crisis, while air freight was down 20%. Whereas 24% of air freight had been transported in freight-only flights during the previous year because of the crisis, in 2022 this had fallen to just 11%.

Key data

Flughafen Zürich AG, Zurich site	Unit	2018	2019	2020	2021	2022
Local passengers	Number of persons	22,208,406	22,231,195	6,288,226	7,739,188	16,041,109
Transfer passengers	Number of persons	8,834,668	9,209,982	2,005,062	2,439,168	6,453,514
Transit passengers	Number of persons	17,470	18,638	5,889	5,673	8,683
General aviation and Other	Number of persons	52,944	47,877	41,870	50,399	57,826
Total passengers	Number of persons	31,113,488	31,507,692	8,341,047	10,234,428	22,561,132
Passenger flights	No. of flight movements	244,144	242,717	80,555	94,012	178,438
Freight-only flights	No. of flight movements	352	396	2,526	2,242	1,115
General aviation and other	No. of flight movements	33,962	32,217	28,247	36,346	37,032
Total flight movements	No. of flight movements	278,458	275,330	111,328	132,600	216,585
Air freight	Tonnes	362,747	334,650	188,177	247,434	268,561
Road freight	Tonnes	130,475	117,177	102,986	145,628	153,592
Total freight	Tonnes	493,222	451,827	291,163	393,062	422,153

Traffic volumes: majority-owned international subsidiaries

Passenger volumes

Brazil

Declining Covid case rates and the resulting relaxation of travel restrictions led to strong growth in Brazilian air travel in the 2022 financial year. In aggregate, passenger volumes for the whole year at all three majority-owned subsidiaries (Florianópolis, Vitória and Macaé) reached approximately 87% of pre-crisis levels. Taking the month of December alone, the numbers recovered to 94% of 2019 levels.

Florianópolis

In comparison with the previous year, traffic volumes at Florianópolis Airport rose 44% to 3.4 million passengers. As well as the fall in Covid-19 case rates in Brazil, this massive increase is due to the relaxation of travel restrictions in neighbouring countries. This also led to the addition of regular international flights to Santiago de Chile and Montevideo. The domestic route network was further extended in the 2022 financial year as well.

Vitória/Macaé

Traffic volumes at the two airports in Vitória and Macaé increased 33% year on year to 2.9 million passengers. Routes to northeast Brazil from Vitória were added to the domestic network. With around 27,000 flight movements in 2022, Macaé is credited with being the airport that handles the most helicopter flights in the world. Besides its existing regular business flights to Rio de Janeiro, there are now also flights from Macaé to Viracopos Airport in the São Paulo metropolitan region.

Chile

Airports in Chile recovered quickly following the pandemic with a strong resurgence in domestic flights. The increase in demand for copper and lithium and the related rise in passenger numbers in connection with the mining activities close to the airports in Iquique and Antofagasta had a positive impact on the economic development of these two airports, which are operated by Flughafen Zürich AG. With a total of 3.8 million passengers, traffic volumes at the two airports in Chile grew 32% year on year, once again reaching the same levels as in 2019.

Antofagasta

Traffic rose significantly in the second half in particular, even surpassing 2019 levels in the last months of the year. Total passenger numbers did not quite hit the record levels achieved in 2019, however (around 8% less). One reason for the extraordinary result was the temporary closure of Calama Airport close to Antofagasta.

Iquique

Thanks to the booming mining industry, passenger volumes reached pre-crisis levels again already at the beginning of the year under review. Iquique also benefited from domestic tourism as travelling abroad was still subject to many restrictions. Although

numbers in the last three months were down year on year, total passenger numbers over the reporting year were 10% up on pre-pandemic levels.

Key data

Site(s)	Unit	2020	2021	2022
Airport Florianópolis				
Total passengers	Number of persons	1,874,852	2,367,176	3,405,644
Total flight movements	No. of flight movements	25,961	32,420	42,115
Total freight	Tonnes	3,091	4,093	4,972
Airports Vitória/Macaé				
Total passengers	Number of persons	1,684,909	2,185,025	2,900,042
Total flight movements	No. of flight movements	45,148	54,189	69,433
Total freight	Tonnes	9,323	18,649	19,379
Airport Antofagasta				
Total passengers	Number of persons	1,121,666	1,524,064	2,016,302
Total flight movements	No. of flight movements	10,538	13,274	13,446
Total freight	Tonnes	4,008	5,394 ¹⁾	5,837
Airport Iquique				
Total passengers	Number of persons	880,284	1,337,018	1,747,694
Total flight movements	No. of flight movements	7,912	11,110	12,296
Total freight	Tonnes	2,769	4,252	3,344

1) In 2021 included only domestic freight, subsequently adjusted to include both international and domestic freight.

Business update

Aviation

Traffic trends and flight timetable

While still rather low at the beginning of the year, passenger volumes at Zurich Airport bounced back noticeably within a very short space of time from the spring, peaking at over 90,000 travellers per day on occasion during the summer and autumn holiday periods. By way of comparison, the all-time passenger record was 114,872 on a July day in the summer of 2019. In the year under review, 22.6 million passengers overall travelled via Zurich Airport, a year-on-year increase of 120%, and 72% of the level in 2019. The airport handled a total of 216,585 flight movements (+63% compared with 2021). Thanks to our dependable airport partner companies and committed employees, airport operations ran very smoothly for the most part. On 15 June, following an internal IT hardware failure, the Swiss air navigation service Skyguide issued a "clear the sky" order to immediately close all of Switzerland's airspace. Good cooperation between the crisis teams ensured that this incident was well managed.

Bookings picked up during the holiday periods in particular, and our hub carriers SWISS and Edelweiss Air were able to increase their frequencies. Airlines were serving almost as many destinations after the summer as before the crisis. We also welcomed the airlines Ethiopian and Saudia to Zurich Airport. The former flies weekly to Addis Ababa, while the Saudi-Arabian airline flies to Riyadh twice a week. Following a pandemic-related interruption, Cathay Pacific has also been back at Zurich Airport operating a weekly flight to Hong Kong since the beginning of December 2022.

The outbreak of war in Ukraine in February has had little direct impact on Zurich Airport to date, but flight routes to Asia have become longer as a result.

Real estate and commercial centers

Real estate

Our real estate and commercial centers at the Zurich site are key planks of our corporate strategy as their revenues contribute significantly to the financial stability of the company. Real estate in particular proved to be a stable revenue stream even during the coronavirus crisis. Following the successful purchase of property on Priora land at the end of 2019 and the new long-term positioning of lease agreements from 2022, the SR Technics buildings are now the focus of energy efficiency refurbishment and development. The new Rächtenwisen cargo building was given the green light. Demolition work on the existing building will start at the end of 2023 and the new one is scheduled to commence operational service in the summer of 2026.

Energy supply systems are a further prime focus. Against the backdrop of the Europe-wide energy crisis, the supply situation eased somewhat towards the end of the reporting year, but the ongoing tensions between cost discipline, security of supply and climate goals still demand careful planning. The sustainability aspects of the roadmap for expanding renewable energy at the Zurich site were further refined in 2022. In particular,

progress was made in energy generation from solar panels and geothermal systems. Work also began on upgrading the energy systems of various buildings.

The Circle

Since opening in November 2020, the Circle has had a significant impact on value creation in Zurich: according to a recent study it had generated around CHF 1.6 billion for the local economy after just one year in operation. 49 enterprises employing over 5000 people have now leased premises in the Circle. Two new recent tenants are Beyond Gravity and the dental implant firm Neoss. The two Hyatt hotels and the Conference Center in the Circle are reporting very positive progress. The Circle is also proving successful as an event venue. In particular, the Zauberpark festival of light and music and the Quartierfest attracted many visitors. Once tourism picked up again and passenger numbers rose, bars and restaurants likewise experienced high demand. Two further promising offerings are set to open in the spring of 2023. The retail business is growing in line with the steadily rising footfall, and certain optimisations of the concept are in the planning stages.

The Circle also boasts excellent sustainability credentials. As well as being the largest MINERGIE-certified building, it is the best LEED Platinum-certified building in Switzerland, utilising efficient alternative energy sources, for example solar power or heat pumps with systematic heat recovery and underground thermal energy storage.

Airport Shopping and Airside Center

Turnover in the passenger zone rose in line with passenger volumes. In the publicly accessible areas, sales reached pre-crisis levels already towards the end of the reporting year. Bars and restaurants in particular contributed to this positive growth. Following extensive refurbishment, the popular Bye-Bye Bar sparkles once more. The new SBB travel center and contemporary capsule hotel opposite Check-in-1 boost the range of services tailored to travellers. A number of other new tenants offering accessories, high-tech, games and delicatessen foods also started up landside and airside.

Further development at Zurich Airport

Owing to the many uncertainties arising as a result of the pandemic, several infrastructure projects were slowed or paused. During the year under review, it was possible to resume building activities and step up investment again. Our major projects hit important milestones and other projects made progress or were successfully completed, such as the renovation of runway 10/28 for example. Mild weather enabled the construction work on this project to be completed early and within budget.

New Dock A

The architecture competition for development of the main airport complex (EFHK) was concluded, and the winning project "Raumfachwerk" by the planning team of BIG, HOK and 10.8 Architekten was communicated. The new Dock A will be built largely from sustainable wood on the passenger levels – a design that is so far unique for a terminal building of this size. The new structure will make a major contribution to Flughafen Zürich AG's ambitious CO₂ reduction strategy as solar panels mounted on the roof of the new dock and dock base will supply around two thirds of the building's annual electricity requirement. The dock base connects the Airside Center and the underground passport control hall – which will be expanded as part of the project – with the passenger levels in the dock. The interior architecture will exude a sense of spaciousness. The new

Dock A will provide passengers with an enhanced experience, a better view of the apron through the large windows, and spacious waiting areas at the gates. The retail, bar and restaurant offerings in the new dock base will likewise be expanded. Construction work will be carried out in several phases, commencing with the apron and arrivals hall in 2024, while work on the tower will begin from 2027 and on the dock plus base from 2030.

Development of landside passenger zones

What is currently the most visible building project will create wider passenger routes, improved logistics, new retail spaces and a food hall with outdoor terraces directly at the main terminal by 2026. The groundworks continued during the reporting year, and construction of the buildings is set to commence already in spring 2024. The project will likewise be implemented in stages in order to minimise disruption to airport operations.

Baggage sorting system

Work on upgrading the baggage sorting system is proceeding apace. Milestones reached in the year under review were the inauguration of the new early bag store and the new X-ray scanners. Refurbishment of the sorting system has been delayed due to supply chain issues and also implementation of the EU's new baggage security checking standards, which will come into force from 1 March 2023. In the interim, our partners – the Zurich cantonal police – are having to lay on extra staff to carry out security checks. The overall costs of the building project remain within the expected range, however, and phased introduction is still on track for the winter of 2023/24.

Zone West & Glatt regeneration

After its temporary suspension, the Zone West airfield development project was reactivated. Construction work will begin in the spring of 2023. The additional aircraft stands are scheduled to be ready by the end of 2024 so work on the apron around Dock A can go ahead unimpeded. The initial preparatory work for the business aviation building was also carried out.

The Tolwäng–Fromatt section of the Glatt regeneration project was granted planning approval. The airport is consequently able to deliver the legally required environmental offsetting measures for a range of future expansion projects. An attractive recreational area stretching approximately 2.5km alongside a restored near-natural watercourse is being created on the western side of the airport. As the detailed planning, preparation and coordination of the construction phase requires around two years, work on this is expected to commence in 2025 at the earliest.

New services and digitalisation

The airport saw the development not only of building projects, but also of services and passenger handling operations. Fast and efficient passenger processes enhance the travel experience and help boost the attractiveness of an airport. At Zurich Airport, travellers with the Lufthansa Group and the airline Chair have been able to drop off their baggage at 20 self-bag drop machines at Check-in 2 or 3 since 2022, and these will also be available for passengers of other airlines in future. As part of a wide-ranging sustainable mobility drive, the e-mobility offerings for travellers and visitors to Zurich Airport were greatly expanded. Other services designed to enhance the travel experience were progressed during the reporting year, including biometric passport control and convenience security lanes. Owing to the need to comply with EU rules, the introduction

of Schengen zone entry/exit screenings, originally planned for 2022, is now expected to go ahead in the second half of 2023.

Awards

Zurich Airport regularly receives awards for the high quality of its services, cleanliness of the terminals, friendly staff and reliable operation. It consequently remains very popular with travellers, and in the spring once again repeated its successes of 2006, 2008, 2018 and 2019 by winning for a fifth time the Airport Service Quality Award for best European airport in the category “airports with 25-40 million passengers”. Zurich also received the prestigious World Travel Award for best airport in Europe for the 19th time in succession. Zurich Airport has remained unbeaten in this category every year since 2004. The World Travel Tech Awards also recognised the [› flughafen-zuerich.ch](#) Digital Experience Platform as the best airport website in Europe.

Corporate culture and values

Internally, we redefined the company's values and purpose and continued to work on our corporate and management culture. We aspire to continually evolve as a company and as an employer because the changing world of work and the shifting market environment demand a culture of openness and willingness to adapt. We were particularly pleased with the results of an internal survey which reflect the strong bond our employees have with the company: 97% of staff indicated that they recognised their contribution to the success of the company and 94% are proud to be working for Flughafen Zürich AG.

International airport business

Our international business with a focus on the Indian and Latin American markets has become firmly established in its separate division.

India

Noida International Airport is currently our biggest project abroad. In June of the reporting year, the contract for building a terminal, runway and associated landside and airside infrastructure was awarded to Tata Projects Ltd. as general contractor. Concession agreements for an airport hotel were signed in the autumn, and initial decisions were taken on a strategic partner for the cargo and logistics infrastructure. The future airport organisation is gradually being established, with marketing to airlines, logistics and commercial partners in full swing.

As at all the company's sites, Flughafen Zürich AG is focused on sustainability in Noida too, including the extensive use of solar-powered electricity, grey water recycling and the deployment of electric vehicles across the board. After opening, Noida International Airport is aiming to be the first airport in India to deliver net zero carbon emissions, and will consequently set new standards for sustainable airport operation. Once the initial construction phase has been completed and it has opened as planned at the end of 2024, Noida International Airport will have the capacity to handle around 12 million passengers a year.

Latin America

The Latin American market has proved to be robust, with air travel actually recovering faster there than in Zurich. The two airports at Florianópolis and Vitória received top awards for the quality of their infrastructure, the friendliness of staff and general passenger satisfaction from the Brazilian Ministry of Transport. Along with ongoing cost optimisation, the focus is now primarily on exploiting additional revenue streams, in particular from real estate. Owing to the bankruptcy of the general contractor, the terminal expansion project in Iquique (Chile) has been delayed slightly. Countermeasures were taken to minimise the delays, however. In Macaé (Brazil), plans for the new runway are progressing well and it is likely to come on stream in the summer of 2025.

Financial development

The welcome rebound in traffic volumes and increased footfall in our commercial centers had a positive impact on revenue, seeing it pass one billion Swiss francs for the reporting year. After two years of losses, Flughafen Zürich AG was able to return a profit for the 2022 financial year and will now issue a dividend again following a three-year break. Consolidated profit benefited from a number of one-off effects and amounted to CHF 207.0 million.

Results trend

Aviation revenue

Following the 10% reduction in flight operations charges (with the exception of emissions and noise charges) between April and December 2021, charges were restored to their original levels at the beginning of 2022. Along with significantly higher passenger volumes at Zurich Airport, income from flight operations charges was lifted by CHF 227.2 million to CHF 432.5 million.

Aviation fees and other aviation revenue amounted to CHF 58.6 million, an increase of CHF 23.3 million.

In total, aviation revenue more than doubled from CHF 240.6 million to CHF 491.1 million, equivalent to 74% of 2019 levels.

Non-aviation revenue

Non-aviation revenue increased by 21% to CHF 532.4 million, roughly 97% of the figure for 2019.

Total commercial and parking revenue rose by 20% year on year to CHF 239.9 million. While parking benefited from increased footfall, the increase in commercial revenue was less pronounced, owing to the rent concessions granted in accordance with IFRS 16 during the pandemic.

Real estate revenue continued to climb, rising by 10% to CHF 168.3 million. As well as inflation adjustments, this rise is principally attributable to additional rental income from the Circle and higher energy and utility cost allocations.

Primarily as a result of higher passenger volumes, revenue from services jumped by 37% to CHF 43.5 million.

The increase in revenue from international business to CHF 80.6 million is due to the more rapid recovery at foreign airport holdings along with slightly higher revenue from construction projects (concession accounting). Factoring out the income statement-

neutral revenue from construction projects, revenue from international business climbed by 43%.

Operating expenses

Ongoing rigorous cost discipline measures counteracted inflation-related cost increases and rising energy prices.

Total operating expenses increased 23% year on year to CHF 467.9 million. The cost basis (excluding expenses for construction projects) was still 7% lower overall than in 2019.

As in particular the option of short-time working compensation was discontinued at the end of February 2022, personnel expenses rose by CHF 25.6 million compared with the prior-year period to CHF 196.9 million (+15%).

Costs for police and security rose by CHF 20.7 million year on year to CHF 105.3 million (+24%) due to higher passenger volumes. In comparison with the previous year, it should be noted that various operational adjustments such as the temporary closure of infrastructure, for example, were reversed again.

Energy and waste costs showed a significant rise of CHF 11.9 million (+54%) to CHF 34.2 million, reflecting factors such as higher raw material prices for heat generation. It was, however, possible to pass on around half the price increases to tenants (as shown in higher revenue from energy and utility cost allocation).

Operating and consolidated result

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by CHF 256.3 million year on year to CHF 555.6 million (+86%). Compared with 2019, EBITDA stood at 87%.

Owing in particular to additional depreciation for the Circle, at CHF 295.3 million, depreciation and amortisation were up slightly on the prior-year figure of CHF 280.2 million. This increase also includes an impairment loss of CHF 4.3 million for Iquique Airport in Chile. This was principally due to delays in the commissioning of the new terminal as a result of the building contractor responsible going into liquidation in 2022.

The net finance result in the reporting year was also impacted by two one-off effects. Gains were made from the partial buy-back of debentures (CHF 8.4 million) and the advance payment of future fixed concession payments in Brazil (CHF 8.0 million). The adjustment to fair value of the financial assets of the Airport Zurich Noise Fund (AZNF) additionally had a negative effect (CHF 11.8 million).

In total, the net finance result fell from CHF –29.1 million in the previous year to CHF –20.0 million. Restructuring of the Zurich Airport International AG subsidiary further contributed a beneficial one-off effect of CHF 14.2 million.

The consolidated result for the past year increased markedly to a profit of CHF 207.0 million (2021: loss of CHF 10.1 million). Factoring out the above-mentioned one-off effects (Iquique impairment, gain from debenture buy-back and advance

payment of fixed concession payments, tax effect from restructuring), the adjusted consolidated result amounted to CHF 183.0 million.

Investments

In the reporting year, Flughafen Zürich AG's investment in property, plant and equipment, projects in progress and airport operator projects totalled CHF 235.3 million (2021: CHF 206.3 million), of which CHF 208.3 million (2021: CHF 169.5 million) was invested at its Zurich site.

The single biggest project at the Zurich site was the refurbishment and development of the baggage sorting system. Other major projects included the renovation of runway 28/10, prorated investments in the completion of the Circle and the development of landside passenger areas.

Assets and financial position

The company's liquidity also benefited from the continuing recovery. As at the 2022 year-end, cash and cash equivalents (excluding noise-related funds) amounted to CHF 653.0 million, with the Zurich site accounting for approximately CHF 600 million of this.

Among other things, this high level of liquidity will be used to repay the debenture for CHF 400 million due in April 2023 and to resume a dividend payout.

Starting from cash flow from operating activities of CHF 488.6 million and investments in property, plant and equipment, projects in progress and airport operator projects totalling CHF 235.3 million, free cash flow for the reporting year came to CHF 253.3 million (2021: CHF 25.4 million).

Dividend

Following the return to profit, the Board of Directors has agreed to retain the previous payout ratio of around 40% of net profit after adjustment for one-off effects, and to pay an additional dividend from capital contribution reserves along with the ordinary dividend. The capital contribution reserves are to be distributed in full over three years. This is predicated on the sustained recovery of international travel over the next few years and business developing in line with current expectations.

The Board of Directors is proposing to the Annual General Meeting the payment of an ordinary dividend of CHF 2.40 per share as well as an additional dividend of CHF 1.10 per share.

Financial outlook

The recovery in international travel is expected to continue this year. Passenger numbers at the Zurich site are expected to rise to around 26 million in 2023.

Aviation revenue will mirror traffic volumes. Positive growth in non-aviation revenue is also expected. Rising passenger numbers at Zurich Airport will lead to slightly higher commercial revenues. In addition, a further increase in revenue from rental agreements and from international business activities is anticipated.

An inflation-related increase in operating expenses is likely in the 2023 financial year, especially for personnel and security-related costs. Significantly higher energy costs are likewise to be expected again.

Overall, Flughafen Zürich AG expects to make a higher profit than in the financial year just ended.

Investment at the Zurich site will amount to approximately CHF 250 million in 2023. Investment at subsidiaries abroad is likely to be around the CHF 300 million mark, with construction of the new airport in Noida set to pick up pace in particular.

Risk management

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 risks associated with the company's business activities, it enables continuous monitoring and assessment of the risk profile.

GRI 2-23

Risk management system

Risk management and reporting tool

Flughafen Zürich AG's risk management system is the tool used to manage corporate risk across the group and consists of the following components:

- Risk policy objectives and principles of the company
- 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 Office reports to the CFO as Chief Risk Officer and stipulates minimum requirements for decentralised risk management across the group. The central Risk Office 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 Office, 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, 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 group-wide 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 that are each led by a specialist ("compliance supporter"). This specialist is responsible for training line managers within the particular field. The compliance supporter also performs the checks required in the context of compliance audits and reports to the central Compliance Office. 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 systematic 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 Office produces a comprehensive compliance report on behalf of the Chief Risk Officer which is based on information provided by the compliance supporters. This report is submitted to the Management Board and the Board of Directors.

Current risk situation

The current risk situation for the Zurich Airport Group may be 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.

In the context of the current climate debate, increased charges as a result of regulatory changes are also a possibility. Even if no such policy proposals currently exist, incentive

levies on CO₂-emitting transport services and a consequent 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. The planned extensions to runways 28 and 32 will also enable more stable operation in all weather conditions and for all aircraft types.

1.4 Noise exposure (during shoulder periods and at night)

Prior to the Covid-19 crisis, flight operations at Zurich Airport after 10 p.m. exceeded the night-time noise level permitted by the authorities. The permitted noise level was defined in law in 2015 but is based on an obsolete forecast from 2003 for the year 2010. In 2021, the permitted noise level was exceeded to a considerable extent in the two night-time hours. If, faced with a continued rise in traffic volumes, it is not possible to significantly improve compliance – for example through measures to prevent delays or as a result of changes to the permitted noise levels as already requested by the company – there is a risk of further operational restrictions, especially from 10 p.m. onwards, and a concomitant loss of revenue. 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/disruption 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 Geopolitical uncertainties

Geopolitical uncertainties could seriously impact airport operations, especially if they caused a slump in air travel as a result of security concerns, unpredictable political situations or a drop in spending power for example. Embargoes, such as cancelled flight routes for instance, could also have serious consequences for connections to and from Zurich.

2.2 Energy shortages

Energy shortages can severely impact operations at Zurich Airport. However, it can be assumed that, as key infrastructure, operation of the airport would be prioritised even in the event of power cuts or rationing. At its Zurich site, Flughafen Zürich AG has recourse to various forms of energy that will enable it to remain operational, albeit at a much-reduced level. An internal task force has been created to coordinate measures in the event of specific energy supply bottlenecks. In addition, a crisis team drawn from various airport partners can also take general measures.

2.3 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 will be carried out to the usual standard of quality.

2.4 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 plants 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.

2.5 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 IT systems failure

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 risk 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

Sustainability is central to Zurich Airport Group's corporate strategy.

Accordingly, the company focuses on the long-term horizons of its business activities and takes its governance, environmental and social responsibilities very seriously.

Flughafen Zürich AG has defined value creation and sustainability as the overarching goals of its corporate strategy. It believes that corporate value can only be increased over the long term by adopting sustainable business practices. In this report, which has been drawn up in accordance with widely used guidelines for sustainability reporting – the [› Global Reporting Initiative \(GRI\)](#) standards – the company has recorded its various impacts on the environment and society. It sets out both the positive and negative impacts of the group's business activities at its various sites and what action Flughafen Zürich AG is taking to mitigate adverse impacts and enhance positive effects along its value chain.

Guidelines and implementation in the company

The Zurich Airport Group has been committed to human rights and socially and environmentally responsible management from the very outset. The Board of Directors therefore resolved to sign up to the UN Global Compact (UNGC) in 2021. In the year under review, the ten principles of the UNGC relating to human rights, labour standards, the environment and preventing corruption were consequently integrated into the revised ([› Code of Conduct](#)). The Code of Conduct applies to all Flughafen Zürich AG consolidated companies. Available in English, German, Portuguese and Spanish, it constitutes the core document to ensure staff act responsibly in accordance with the law. It forms part of the contract of employment for all employees of the consolidated companies, and infringements may have disciplinary consequences. Where subsidiaries adopt their own codes of conduct, at a minimum these must also comply with the requirements of group's Code of Conduct.

GRI 2-23

The Code of Conduct is based on the precautionary principle and stipulates minimum requirements with respect to behaviour and reporting, including non-financial matters as described in the present report. It references human rights as set out in the United Nations [› Universal Declaration of Human Rights](#). A particular focus is the prevention of child labour. In order to perform due diligence in this regard, Flughafen Zürich AG is developing a suitable system of management, which is likewise described in the Code of Conduct and covers all the majority-owned companies.

In addition, the company also has numerous other guidelines on specific topics. In Zurich for instance, there are guidelines on [sustainability](#), [environmental protection](#) in general, on [climate protection](#), and on employees, as well as on safety and occupational safety. See the respective individual sections on each topic for further information.

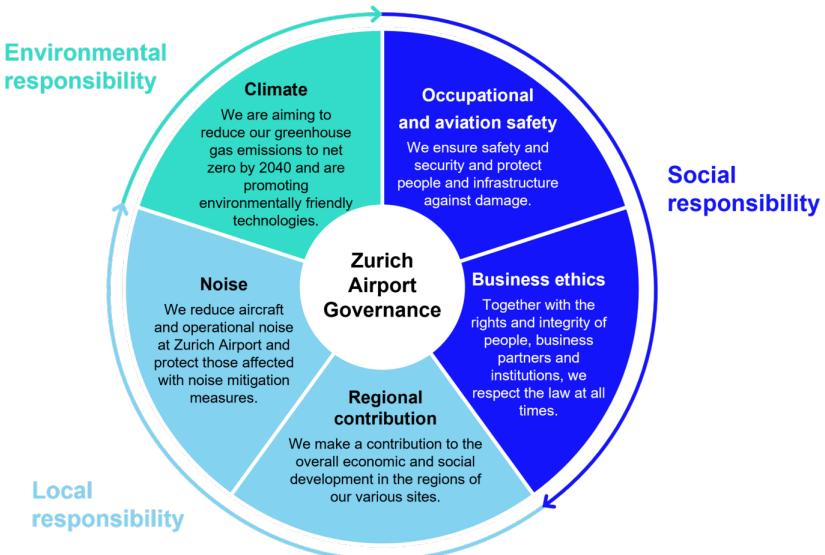
The Board of Directors of Flughafen Zürich AG exercises ultimate oversight of responsible business conduct as well as compliance with the UNGC's ten principles and the Code of Conduct. The Management Board and the various heads of divisions are then responsible for implementation. They all bear equal responsibility for ensuring that the principles and guidelines of the company are followed in their respective divisions. The head of the Finance & Services division, along with the directly subordinate departments "Sustainability & Environmental", "Legal, Risk & Compliance", and "Financial Services", are responsible for coordinating and developing sustainability-related matters. Together with the head of division, representatives from these departments steer the implementation of sustainability policies in close coordination with the relevant departments in the line organisation.

GRI 2-24

Sustainability strategy: newly formulated ambitions and goals

After initially identifying all its environmental and social impacts during the previous year, the focus for the reporting year was on firming up the company's strategy as regards material topics. A group-wide ambition was formulated for each of these topics (regional contribution, noise, climate, occupational and aviation safety, and business ethics). These ambitions set out the company's fundamental aspirations and objectives for each topic. The second step was to formulate one or more goals for the company's Zurich site. These are set out in the respective sections of this report. These ambitions and goals were approved by the Board of Directors in July 2022 and declared binding. The goal formulation process for the other majority-owned subsidiaries is still underway and is scheduled to be completed in 2023.

An overview of the topics and ambitions is shown in the graphic below. The circular diagram is intended to underscore the fact that responsible management can only be mapped by addressing all five topics as complementary. Corporate governance is likewise fundamental to the sustainability-oriented management of the company and represented accordingly in the diagram.



Sustainability ambitions of Zurich Airport Group

The corporate governance guidelines of the group were also reviewed and revised during the reporting year and approved by the Board of Directors. Further information on these may be found in the [Corporate governance](#) section.

Sustainability topics

The Zurich Airport Group addresses a broad range of sustainability issues, focusing on five key areas in particular.

The company first conducted a materiality analysis for its Integrated Report in 2021 to identify its economic, environmental and social impacts, not only at its Zurich site, but also at its majority-owned subsidiaries abroad. This analysis was conducted in accordance with the 2016 Global Reporting Initiative (GRI) standards in force at the time. Since then, the GRI has published revised standards which came into force in 2022. The company consequently reviewed its materiality analysis during the reporting year and made some adjustments where necessary.

GRI 3-1

15 sustainability topics were again identified where the Zurich Airport Group has an impact. These include both sector-specific issues such as safety and noise, along with broader concerns such as climate change, biodiversity or human rights. The name of one of the topics was changed in German in order to define it more precisely: "anti-corruption" is now referred to as "corruption prevention" (Korruptionsprävention) in the German version. In the English version, we have retained "anti-corruption" as the title.

15

sustainability topics

The 15 sustainability topics identified were assessed in relation to the significance of their impacts. Each of the topics was quantitatively evaluated, with the five having the highest scores being deemed material. Wherever possible this was done along the entire value chain to include both upstream and downstream processes. 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 circles representing local, environmental 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. A management approach is also explicitly stated as required by the GRI Standard.

GRI 3-2

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

Certified environmental management system

While all 15 sustainability topics identified are considered important, the five topics that have been classified as material and pertain to the group's strategic focus have been prioritised (see [Strategy](#)). For each of these topics, the company has defined actions to mitigate adverse impacts and enhance positive ones. Where not yet defined for the other topics, specific targets will be formulated in the coming years and progress continually monitored.

Topic	Description
Regional contribution	Contribute to value creation and economic development in the region and to quality of life and locational amenity 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

Through its sustainability strategy and in particular by achieving the goals it has set itself, the company is also contributing to the global development goals of the United Nations (UN). The 2030 Agenda for Sustainable Development was adopted by member states of the UN in 2015. At its heart are 17 Sustainable Development Goals (SDGs) and 169 accompanying targets, with the aim of all member states attaining these goals by 2030. Although these SDGs were decided by countries, companies can also help achieve these goals by aligning their business strategy with sustainability.

Switzerland and all the other countries in which Flughafen Zürich AG operates have pledged to support Agenda 2030 and the SDGs. The ways in which the company enhances positive impacts and mitigates adverse ones are set out below. Contributions to 15 of the 17 SDGs were identified, of which six directly associated with the five material topics defined in the sustainability strategy were additionally prioritised.



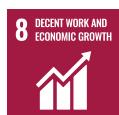
Overview of SDGs

More on the six prioritised SDGs:



Good health and well-being

Flughafen Zürich AG 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 wastewater, for example.



Decent work and economic growth

Flughafen Zürich AG's airports 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 help stimulate local business growth. As a reliable employer, the Zurich Airport Group also contributes to sustainable growth by taking its responsibilities to its workforce seriously.



Industry, innovation and infrastructure

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



Sustainable cities and communities

Airports help shape cities and stimulate regional dynamism. Flughafen Zürich AG contributes generally to raising the amenity value for people living in the vicinity of its airports. These airports perform an important everyday role – as a workplace, a transport hub, or simply as a center for meeting and shopping. Flughafen Zürich AG makes every effort to minimise the adverse impacts of air pollution and noise.



Climate action

The aviation industry 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 vehicle fleets and electricity, heating and cooling requirements, they have been successfully working on reducing their CO₂ emissions for many years. These efforts focus on measures to lower 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, for example by installing aircraft ground power systems.



Peace, justice and strong institutions

The Zurich Airport Group conducts business fairly and acts in accordance with the law. By working transparently and cooperating with the authorities in the countries in which it operates airports, it helps to strengthen institutions and prevent corruption.

UN Global Compact

Flughafen Zürich AG became a signatory to the United Nations Global Compact in 2021. This commits it to upholding the UNGC's ten principles in its business activities and to report on progress every year. From the reporting year onwards, it will do so by means of a questionnaire submitted directly to the Global Compact organisation. The present report is based on the same information. The CEO's statement in support of the Global Compact may also be found in the [> Letter to shareholders](#).

Stakeholder engagement

The Zurich Airport Group has a large number of stakeholders, both in Switzerland and at the airports it operates abroad.

Our stakeholders

The Zurich Airport Group engages in dialogue with numerous stakeholders on a very wide range of matters. Stakeholders were last analysed in detail in 2021 in connection with the materiality analysis, when they were grouped according to their interests and expectations. The same internal experts from the divisions who conducted the materiality analysis were involved in this process. The results were then validated and discussed with an external consultant. In the reporting year, the list of stakeholders was simply reviewed. The following ten stakeholder groups were defined:

GRI 2-29



Stakeholder groups of Zurich Airport Group

The company engages in dialogue and seeks to maintain collaborative relationships with all these various stakeholder groups. The following sections set out how these groups are defined, the forms of communication used and the respective focal issues.

Residents

Transparent communication with people in neighbouring communities is important. In Zurich for instance, a variety of channels are used to communicate developments at the airport. In relation to noise specifically, the company actively exchanges information with public bodies 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. Three matters that featured prominently in the year under review were the temporary closure of the noise protection hangar and the resulting need to test aircraft engines outdoors, the night-time renovation of runway 10/28, and the planned runway extensions. The company also liaises with citizens' organisations 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 majority-owned subsidiaries in Latin America 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

It is important to know the needs of individual customers, whether passengers or other visitors. A variety of contact options are available to customers. In Zurich, the company receives feedback via its contact desks at the airport, over the telephone or online.

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. During the year under review, communications with individual customers focused mainly on the challenges arising from demand returning after the Covid-19 pandemic. As well as Zurich Airport, the airports at Florianópolis and Vitória in Brazil again scored very highly in regular customer satisfaction surveys carried out by third parties (see also [Awards](#)).

Airport partners

Besides the operator companies, numerous other partner companies (around 300 in Zurich) are involved in providing the myriad of services required to run the airport complex. Almost all of these airport partners are in a direct contractual relationship, but for the most part they operate independently. Together with the operator companies they ensure the smooth operation of the airport and provide a wide range of amenities. Along with police, rescue services and border police, the airport partners include the airlines and the ground handling, maintenance, cleaning and security firms directly involved in flight operations. Further partners are retail businesses, hospitality establishments and a wide range of firms that provide services to companies and private individuals.

300

airport partners in Zurich

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.

Research and education

Flughafen Zürich AG maintains close contacts with universities and organisations engaged in research and education. Both senior executives and experts from the company 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, along with 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 [> Information policy](#) for further information). Management and the Investor Relations department maintain a dialogue with these stakeholders through direct discussions or participation in conferences and roadshows.

Suppliers

At the Zurich site, Flughafen Zürich AG purchases goods and services from almost 3000 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 and Flughafen Zürich AG 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.

Flughafen Zürich AG also maintains partnership relationships with suppliers in its international business too.

Media

Airports attract a great deal of interest from the public across a wide range of issues. Here the media play a dual role of both intermediaries and disseminators. Open, proactive and transparent information is important to the Zurich Airport Group. Its media work has been recognised: in October 2022, Flughafen Zürich AG's media office was the recipient of the award for best Swiss media team for the fourth year running, and for the eighth time altogether.

Employees

The staff representation council (PeV) represents the company's Zurich-based employees at a collective level. See the [> Responsible employer](#) section for further information on employees and their right to be consulted.

The company has an open and transparent culture of communication. This is cultivated via a wide range of channels at Zurich Airport, ranging from a staff magazine to the intranet and personal e-mails from the CEO. In addition, regular events are held to enable the Management Board to meet senior executives and employees in person. During the year under review, great efforts were made to reactivate internal networks after the pandemic, with various gatherings for example.

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 such events. The "GL im Gespräch" meet-the-management sessions facilitate regular dialogue with the workforce and enable all interested Zurich-based employees (including expats) 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. Significant topics for the workforce during the reporting year were the economic growth of the sector, the company's revised values, and the difficult labour situation across the board at Zurich Airport.

A similarly open and transparent culture of communication is encouraged at the company's locations abroad as well. The communication channels used vary from airport to airport.

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 that are involved in business and commerce generally, labour organisations, or bodies concerned with matters of environmental protection, disability-friendly construction and light aircraft.

The group also actively engages with NGOs in Latin America on a wide range of issues. In particular these include 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. 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.

At the Zurich site, a community event with representatives from the administrations of all five neighbouring municipalities is held every year. In addition, meetings on technical matters are organised 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.

At the cantonal level, regular or ad hoc meetings take place 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. Similarly, dialogue is conducted at the federal level with the Federal Council, with commissions of the Federal Assembly or individual members of parliament, or in particular with the Federal Office of Civil Aviation

(FOCA). Flughafen Zürich AG addresses political issues in a “Political Newsletter” aimed at politicians and officials which is issued at least four times a year. The company also takes an active interest in legislative matters, primarily in relation to infrastructure, transport, spatial planning and environmental policy issues.

The company's airports abroad also communicated regularly with governments and local authorities, among other things with regard to further development of the concession models and specific airport development projects.

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 company either contributes personnel or funding are: Aerosuisse, economiesuisse, Zurich Chamber of Commerce, Flughafenregion Zurich, the freiwillig@Kloten association, German Airports Association (ADV), and Airports Council International (ACI) Europe/LAC (Latin America and Caribbean)/APAC (Asia Pacific).

GRI 2-28

Flughafen Zürich AG is also a member of the Swiss Business Council for Sustainable Development (Öbu) and of the UN Global Compact.

Local impacts

Regional contribution

The Zurich Airport Group provides excellent infrastructure at its airports that benefits the entire region.

Relevance

Flughafen Zürich AG 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, Flughafen Zürich AG's regional sponsorship programmes help encourage a diversity of cultural life in the regions around its airports.

GRI 3-3

Approach and progress

Direct flights as a locational advantage

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 purpose. Fulfilling this mandate for the benefit of Switzerland is an integral part of the company's identity, both on a day-to-day operational basis and as part of its long-term infrastructure development.

The European and intercontinental flights offered at Zurich Airport provide key locational advantages 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.

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

Following the significant drop in the number of direct flights from Zurich Airport during the Covid-19 pandemic, the route network recovered during the reporting year, in particular from the second quarter onwards. New routes were also added. In the year under review, airlines flew to a total of 195 destinations (2019: 203) in 73 countries (2019: 69).

Flights to
195
destinations from Zurich

Regional value creation

The airports operated by Flughafen Zürich AG generate considerable economic value and influence the economic performance of the entire region in myriad ways.

Every year the company invests several hundred million Swiss francs in infrastructure development. Since its privatisation in 2000, it 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 commissioner. As traffic volumes have risen, the year under review saw investment rise again to a slightly higher level than the previous year. See the [Business update](#) section for information on current development projects.

GRI 203-1

Investments of approx. CHF
1 million
per working day in Zurich since 2000

Over the course of 2022, Flughafen Zürich AG also invested considerable sums of money in infrastructure at its foreign sites, specifically in construction of the new Noida Airport in India and in the expansion and upgrading of the terminal at Iquique Airport in Chile. 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. Where service levels are comparable and public procurement rules permit, Flughafen Zürich AG gives preference to local companies when awarding contracts. Times of crisis have proved how valuable regional supply chains can be.

GRI 204-1

The importance of local procurement relationships at the Zurich site 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, 78% (CHF 342 million) of the parent company's procurement total of approximately CHF 439 million went to local companies. The share thus declined by 4 percentage points.

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. Further information may be found in the [Anti-corruption](#), [Human rights](#) and [Fair supply chains](#) sections.

During the reporting year Flughafen Zürich AG once again commissioned a study on the economic importance of Zurich Airport. This study conducted by the independent research and consultancy firm Infras AG provides information about the jobs and economic value generated by Zurich Airport. Including both direct and indirect effects, the airport generated some CHF 4.2 billion for the local economy in the reference year of 2021. Compared with the previous study carried out in 2016, this figure has actually fallen by 16% as a result of the Covid-19 crisis. However, the negative effects of this crisis were clearly offset by the opening of the Circle, as this contributed CHF 1.6 billion to the total. The study also calculated one scenario factoring out the effects of the pandemic. In this case – without the crisis – Zurich Airport would have generated some CHF 7 billion for the economy. This is equivalent to around 4.4% of the gross domestic product of the canton of Zurich, or just under 1% of Switzerland's total GDP. Although this value is hypothetical, given the speedy recovery of the aviation industry it could well be reached soon. The study highlights the importance of Zurich Airport for creating jobs and as Switzerland's gateway to the world for the region, the canton of Zurich and Switzerland as a whole.

Zurich Airport generates CHF

7 billion

for the economy

The company's business activities also benefit the regions and countries where its airports are located thanks to the charges and taxes they generate. Since privatisation in 2000, Flughafen Zürich AG has paid direct taxes of around CHF 721 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 more than 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. Details can be found under [note 24.7, Concessions for the operation of foreign airports](#).

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 centers, 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.

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 700 bus services daily, Zurich Airport is one of the best-connected locations in Switzerland. A statutory requirement in relation to access journeys 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%, already exceeding the 2020 target. The survey is normally carried out every four years, but in 2021, owing to the extraordinary circumstances created by the Covid-19 pandemic, it was decided in consultation with the relevant authorities to postpone it until 2025.

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. 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 observation deck at Dock B allows visitors to experience flight operations up close. Around 300,000 people a

year on average have visited it since it opened. Following the opening of the Circle in 2020, a newly designed park provides around 80,000 m² of recreational green space to spend time exploring or meeting up with people. In both cases for the second time, a Quartierfest took place in the Circle in the spring and the Zauberpark festival of light and music was held at the end of the 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.

The table below shows participant numbers for visitor activities at Zurich Airport. The wide variation in the figures is due to the cancellation of activities during the Covid-19 pandemic.

Zurich Airport (Zurich site)	Unit	2018	2019	2020	2021	2022
Guided tours and bus tours conducted ¹⁾	Number of groups	4,040	3,456	856	1,482	3,177
Guided tours and bus tours conducted ¹⁾	Number of persons	86,613	71,614	14,741	26,956	63,659

1) Retroactive adjustment to the calculation method (new excl. events)

Flughafen Zürich AG 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 recreation area for dining, shopping and concert-going was developed. The observation deck has also proved to be a popular place for visitors to meet. A variety of cultural and sporting events are put on for the general public at both Florianópolis and Vitória airports.

The majority-owned Brazilian airports also organise community and educational activities for local people, especially children. During the reporting year, among other things a bike day for all airport staff was held to promote the use of slow transport for commuting. The “Água e Vida” – Water and Life – project is also running at the company's Brazilian airports. This campaign aims to educate and raise awareness about water protection and organises beach clean-up days each year.



Litter clean-up at Florianópolis beach

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 Zurich University, the Swiss Federal Institute of Technology (ETH) in Zurich, the Zurich University of Applied Sciences (ZHAW), the University of St. Gallen (HSG) or the Lucerne University of Applied Sciences and Arts. It makes staff available for practice-centered lectures, assisting with 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.

The “Laboratorio inovação” in Florianópolis pulls together research and development with practice-based partners at the airport to drive digital airport innovations. In collaboration with the authorities and selected airlines, the project to develop streamlined boarding processes using biometric data was continued.

Sponsorships and partnerships

Flughafen Zürich AG makes a valuable contribution to cultural and social diversity in the regions around its airports through its [> sponsorships](#), the aims and operation of which are set out in a sponsorship concept. At the Zurich site, the company supports events and clubs based near the airport in particular. It enters into strategic partnerships with individual actors, for example with Switzerland Tourism, Zurich Tourism or with the Swiss Museum of Transport. As well as financial support, it also offers services in-kind, for example providing spaces for advertising cultural or sporting events in Zurich.

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.

In Brazil, sponsored cultural events are often held directly at the various airports.

Noise

Aviation operations inevitably involve a degree of noise for neighbouring communities. The Zurich Airport Group is aware of this and is taking numerous measures to minimise adverse impacts.

Relevance

Among the airports it operates, aircraft noise is a particular concern at the group's Zurich site where it poses a nuisance for many nearby residents. Night-time flights are especially likely to attract criticism.

GRI 3-3

Where noise arises and how loud it is perceived to be depends on a variety of interrelated factors. One key factor is the orientation of runways and flight paths, which depend 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 in recent decades this has brought ever more residents into areas affected by noise in Zurich. Another key factor 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).

Noise is less of an issue for the company's majority-owned subsidiaries in Brazil and Chile where the volume of air traffic is much lower. Moreover, 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

Flughafen Zürich AG 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. At Zurich Airport it seeks to ensure that noise does not exceed the emission limits in any residential areas outside the zone defined in the Sectoral Aviation Infrastructure Plan (SAIP). This target was reached in 2020 and 2021 (see [> Noise statistics](#)). In addition, the Zurich Airport [> sound insulation programme](#) includes various passive noise mitigation measures which Flughafen Zürich AG, as the originator of the noise, is obliged to put in place. These include in particular the installation of sound-insulating windows in properties with rooms that are sensitive to noise. The company is aiming to install sound-insulating windows in at least 200 further properties a year between 2022 and 2026, or alternatively reimburse homeowners.

Goal: annual installation of sound-insulating windows in at least

200

properties yearly between 2022 and 2026

Communication with local residents

The company is aware that aviation noise can be perceived as a nuisance and that there is a growing need for information and action. Transparent information and dialogue with residents are vital. It has therefore 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. 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.

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 a regular dialogue with these groups too. Exchanges are more frequent ahead of changes affecting take-off and landing operations.

In the year under review, fewer enquiries and complaints were received compared with the previous year. The most frequent reason was the inbound flights from the south in the evening hours and regular aircraft delays after 11 p.m. (see [> Noise statistics](#)).

Noise exposure is less of an issue in Brazil and Chile. In Brazil, the environmental licence of an airport is subject to the obligation to set up an easily accessible digital hotline for noise complaints and to submit reports on these to the authorities. The airports in Florianópolis, Vitória and Macaé provide channels to report complaints on all matters, but especially for noise. See the [> Business ethics](#) section for more information.

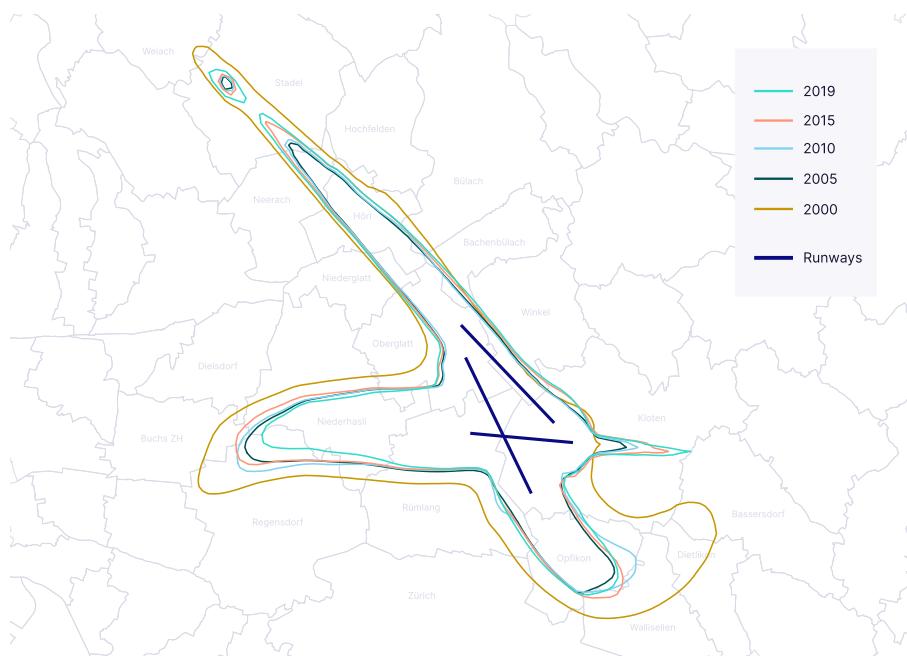
Noise monitoring

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](#) currently at 14 fixed locations near departure and arrival routes is operated. During the reporting year, the station at Oberhasli under the flight path extending from runway 28 was moved to a new location in the same village. The system automatically links the noise data recorded by the measuring stations to the corresponding flight movements. These data are published monthly in a [> noise report](#) that can be freely accessed on the company's website. As prescribed by the Sectoral Aviation Infrastructure Plan (SAIP), aircraft noise exposure and the progress of mitigation measures are analysed in a comprehensive report each year which is submitted to the Federal Office of Civil Aviation (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.

14

fixed noise monitoring stations

Two years after flight movements hit their lowest point in 2020 as a result of the Covid-19 pandemic, although take-offs and landings increased again during the reporting year, numbers were still lower than in 2019. Accordingly, for the second year in a row all monitoring stations registered more aircraft noise than the previous year, both during the day and at night.



Noise contours for various years ($\text{Leq}=60\text{dB(A)}$ 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 as the noise contours for 2022 are only available from the middle of the year. Comparing noise contours from the past, especially up until 2004 and then again from 2017, 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 FOCA. This constant monitoring encourages the airlines to optimise the take-off phase at all times.

As in the previous year, instructions from air traffic control were the most frequent legitimate reason cited for flight path deviations. 138 (2021: 89) investigations into

unjustified deviations were launched and 39 (2021: 13) interviews with chief pilots were conducted.

Night flights and special authorisations

Residents in the Zurich 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 is 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 long-haul flights scheduled to take off around 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.

Night flights (between 10 p.m. and 6 a.m.) accounted for only 4.7% (2021: 3.5%) of flight movements in 2022. Special authorisations were issued for a total of 241 flights (2021: 75 flights) during the night-time curfew period (11:30 p.m. to 6 a.m.). Such night flights are only authorised when there are justifiable grounds (see [> Noise statistics](#)).

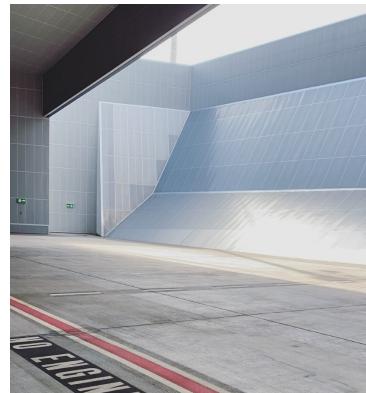
Use of the noise protection hangar

The soundproofed hangar built at Zurich Airport in 2014 greatly helps to reduce the noise from engine ground testing. After the hangar was damaged and had to be taken out of service in December 2021, it was not possible to run any engine ground tests in it until the beginning of October 2022. Instead, engines were tested on outdoor areas, which involved considerably more work for all the parties involved. Thanks to excellent cooperation all round, it was possible to carry out all engine ground tests during the day and in the evening. Neighbouring municipalities received detailed monthly updates on the outdoor engine ground tests. The affected neighbouring municipalities received detailed monthly updates on the outdoor engine ground tests, so that the number of reactions from the public remained at a low level.

The noise protection hangar was then fully operational again from October. Engines from aircraft up to the size of a Boeing 747-800 can be tested in the hangar. Although it significantly reduces noise exposure for nearby residents, the hangar does not completely eliminate the noise so there are set limits for the number of tests that may be run.

In the first nine months of the year, a total of 147 engine ground tests had to be conducted outside the noise protection hangar owing to the damage. From October to December, 81 engine tests were conducted in the recommissioned noise protection hangar. Throughout 2022, a total of 228 engine ground tests thus took place (2021: 377). Between 7 p.m. and 7 a.m. only 36 engine tests (16% of all engine tests) were conducted, most of these in the noise protection hangar from October onwards.

Because of the necessary monitoring equipment, the noise level can only be determined in the noise protection hangar. From October to December, when the noise protection hangar was being used again, the permitted noise level was never exceeded. According to figures provided by the aircraft maintenance companies, 893 idle tests were performed on the apron and on the stands. 285 of these were run at night (between 10 p.m. and 6 a.m.).



After repairs and reinforcement of its back wall, the noise protection hangar returned to service in October 2022

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, rates for night-time flights are charged and vary according to noise category and the specific take-off or landing time.

Until the end of 2020, 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 then, therefore, revenue from [aircraft noise charges](#) has been reallocated to the "Aviation" segment. Further details about AZNF can be found in [note 20, Airport Zurich Noise Fund](#).

A total of CHF 12.1 million in revenue was generated from aircraft noise charges in 2022. Of this, CHF 5.1 million were from standard charges applicable to all 24 hours, and CHF 7.0 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.

Sound insulation

As the airport's operator, Flughafen Zürich AG is obliged to pay the costs of sound insulation measures in properties in the communities around Zurich Airport that are exposed to excessive aircraft noise. As its main measure, the company plans to install sound-insulating windows in at least 200 properties a year between 2022 and 2026, or alternatively reimburse homeowners. In the year under review, this target was met with 206 properties (properties with their own number).

In addition, in areas where night-time noise exposure limits are exceeded, the company is offering owners the option of installing automatic window-closing systems or sound-absorbing ventilators. 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 these passive noise mitigation measures. Property owners who have already taken the initiative of fitting sound-insulating windows themselves are reimbursed by Flughafen Zürich AG.

From 1999 through 2022, approximately CHF 300 million was spent on sound insulation measures in around 5560 buildings. Of CHF 11.3 million expenditure in 2022, CHF 0.7 million was spent on project planning, CHF 8.5 million on refurbishments and CHF 2.1 million on reimbursements. This expenditure was funded entirely by the AZNF.

Flughafen Zürich AG's south-side sound insulation concept is designed to prevent local residents being awoken by early-morning inbound flights from the south. At the request of owners, the company will install automated window-closing systems or sound-absorbing ventilators in bedrooms in the areas affected. After phase 1 was completed, on 19 January 2021 FOCA published its decision on phase 2 of the south-side sound insulation concept with a larger perimeter. Following an objection raised by a neighbouring community which seeks to have the perimeter extended to include the whole municipality, the court case is still to be heard by the Swiss Federal Administrative Court.

As part of the completed phase 1 of the south-side sound insulation concept, around 1100 window-closing systems and 900 sound-absorbing ventilators were installed in bedrooms between the middle of 2016 and spring 2018. The total costs amounted to around CHF 3 million.

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 2022 over 14,871 (74%) had been concluded, with CHF 86.6 million being paid in noise compensation. All noise compensation claims are paid from the Airport Zurich Noise Fund (AZNF).

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)	2018	2019	2020	2021	2022
Number of residents ¹⁾ above alarm value	6,535	6,413	0	71	n/a ²⁾
Number of residents above immission limit	63,427	56,348	10,303	17,449	n/a ²⁾
Number of residents above planning limit	154,165	144,518	34,903	47,402	n/a ²⁾
Total residential area outside SAIP emission limit (ha) ³⁾	156.0	96.2	0.0	0.0	n/a ²⁾
Residential Area daytime (6 a.m. - 11 p.m.) outside SAIP emission limit (ha)	0.0	0.0	0.0	0.0	n/a ²⁾
Residential area 1st night-time hour (10 p.m. – 11 p.m.) outside SAIP emission limit (ha)	35.5	15.6	0.0	0.0	n/a ²⁾
Residential area 2nd night-time hour (11 p.m. – 5 a.m.) outside SAIP emission limit (ha)	120.5	80.6	0.0	0.0	n/a ²⁾
Daytime aircraft noise levels ⁴⁾ at NMT 1/3/6/10 (dB[A]) ⁵⁾	66/58/66/58	66/59/66/59	61/55/59/55	62/55/60/54	64/57/64/57
Number of engine ground tests in the noise protection hangar during the day/night	334/233	273/214	303/103	284/93	58/23
of which number of exceedances of the permissible noise exposure level	1	3	2	6	0
outside the noise protection hangar during the day/night	2/1	1/0	1/0	19/2	134/13
Number of registered flight path deviations/investigated	4558/178	4144/136	3628/83	4584/89	4837/138
Number of night flight movements (10 p.m. – 6 a.m.)	13,655	12,968	3,157	4,422	10,109
of which in the first hour (10 p.m. – 11 p.m.)	10,569	10,342	2,770	3,755	7,733
Number of special authorisations for night flights issued ⁶⁾	312	272	69	75	241
of which emergency, relief and rescue flights	61	65	31	23	38
of which police, military and government flights	28	20	12	1	7
of which various other types of flight	223	187	26	51	196
2010 Sound Insulation Programme: number of properties fitted ⁷⁾	6,200	6,400	6,700	5,350	5,560
Number of complaints and enquiries relating to noise ⁸⁾	2,281	2,588	891	817	3,330

1) Encompassing noise contours

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

3) Emission limit SIL = area where emission limits are exceeded in the Sectoral Aviation Infrastructure Plan and in the structure plan of the Canton of Zurich.

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

5) NMT = Noise Monitoring Terminal, 1 = Rümlang, 3 = Oberglatt, 6 = Glattbrugg, 10 = Nürensdorf.

6) Special authorisations can be granted during the night-time curfew period in the event of unforeseeable extraordinary events.

7) Number of buildings and properties renovated to date, incl. Reimbursements. As of 2021, the properties not entitled to any measures are no longer included.

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

Environmental impacts

Energy and climate

Net zero by 2040: Zurich Airport Group's climate protection ambition.

Relevance

If the global rise in temperatures is to be halted, cutting greenhouse gas emissions and reducing them to zero as rapidly as possible is a matter of urgency. As far back as 1991 Flughafen Zürich AG began taking steps to reduce CO₂ emissions at Zurich Airport. And despite expanding the infrastructure and doubling passenger numbers, it has succeeded in cutting these emissions by around one third since then. However, this is still not enough, which is why the Zurich Airport Group is aiming to reduce its greenhouse gas emissions to net zero by 2040.

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Of the known greenhouse gases, only carbon dioxide (CO₂) is emitted in any significant quantity at Zurich Airport. Each year, therefore, Flughafen Zürich AG 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 greenhouse gas 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 99%, by far the majority of emissions arising at Zurich Airport as a whole fall into Scope 3.

The priority for the company is to reduce its own greenhouse gas emissions (Scopes 1 and 2). Flughafen Zürich AG will also actively encourage its airport partners to make significant cuts to their emissions as well (Scope 3). At the same time it is taking on the challenge of addressing the impacts of climate change and adapting its business model and infrastructure accordingly.

Climate protection is a global challenge. The majority-owned airports in Brazil and Chile are also recording their greenhouse gas emissions for Scopes 1 and 2. After its commissioning phase, the airport currently under construction in Noida, India is aiming to operate with net zero greenhouse gas emissions.

Approach and progress

Net zero by 2040

The Zurich Airport Group is endeavouring to reduce its energy demand and fossil fuel consumption as much as possible in order to lower associated greenhouse gas emissions. As emissions must be reduced as rapidly as possible, during the year under review the company further tightened up its previous target of achieving net zero by 2050. It is now aiming to achieve net zero from Scopes 1 and 2 by 2040. Net zero means that any remaining 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. As an interim target, the company is aiming to reduce its annual greenhouse gas emissions at Zurich Airport to just 20,000 tonnes by 2030. To help it meet these targets, the company has drawn up a [reduction roadmap](#) describing how it plans to gradually reduce its greenhouse gas emissions.



The biggest contributor to greenhouse gas emissions in Scope 1 at Zurich Airport 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. Although the plant is operated efficiently with natural gas or fuel oil, it nevertheless emits a considerable amount of greenhouse gases. Flughafen Zürich AG is therefore working on reducing the energy demand in its buildings. Each renovated building leads to lower energy demand thanks to better insulation, more efficient systems and new heating and cooling concepts. For instance, the new Dock A scheduled for construction from 2030 will make a major contribution to reducing greenhouse gas emissions. Numerous other measures planned for various buildings will also help to lower energy demand even further.

Alongside energy demand, the second focal point is generating renewable energy. The use of geothermal technology offers the greatest potential here. As many as twenty years ago, Flughafen Zürich AG began utilising geothermal technology in Dock E to meet the majority of the dock's heating and cooling energy requirements. Since then, further systems for supplying the Circle and parts of the maintenance complex have been added. During the reporting year, exploratory work also began on investigating the feasibility of using central underground geothermal storage. This has the potential to replace most of the fossil fuels currently used. Until then, the company plans to cut greenhouse gas emissions by purchasing a quantity of biogas, and subsequently synthetic gas, which will enable existing systems to be operated with far lower greenhouse gas emissions.

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

Besides buildings, the second main source of emissions at the Zurich site are the company's vehicles. 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. This transition is already underway, and the replacement of further vehicles such as passenger buses is also planned. The increasing number of battery-powered vehicles will necessitate further expansion of the charging infrastructure. The first airside rapid charging point came into operation during the year under review.

Thanks to more flexible charging options, this will help to extend the range of uses for electric vehicles.

Airport Carbon Accreditation

Airport Carbon Accreditation (ACA) is a globally used and recognised programme of Airports Council International (ACI) which supports the climate protection aspirations of airports and certifies their progress. After being accredited at level three by this body since 2010, in the reporting year Zurich Airport succeeded in stepping up to the highest possible level – level four. As well as reducing greenhouse gases, this involves setting a target for achieving net zero greenhouse gas emissions from Scopes 1 and 2, specifying the respective reduction roadmap, and documenting active measures taken to motivate its partner companies at the airport to likewise reduce their emissions.

The three majority-owned subsidiaries in Brazil also signed up to ACA during the reporting year. The airports in Florianópolis, Vitória and Macaé were accredited at level one, which signifies they are recording all their greenhouse gas emissions. All three airports have also set themselves the goal of reaching the second level in 2023.



Accreditation at level 1 in Florianópolis, Vitória and Macaé

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 savings 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). In return it is exempted from implementing some specific cantonal regulations. 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 pioneering role in energy and climate protection. As part of this initiative it is implementing concrete measures to improve energy efficiency, to expand renewable energy sources and to reduce greenhouse gas emissions.

Sustainable fuels

In order to contribute to lowering aviation-related greenhouse gas emissions beyond the airport as well, Flughafen Zürich AG is committed to the use of sustainable aviation fuel (SAF). SAF is fuel made from biogenic waste or synthetically manufactured fuel, and over the course of its life cycle it produces at least 80% lower carbon emissions than fossil-based kerosene. Flughafen Zürich AG supports and encourages the use of SAF among its partners at Zurich Airport and in the rest of Switzerland, as well as at its other locations abroad.

Flughafen Zürich AG has itself signed an agreement with ETH spin-off Synhelion, a company that plans to use new technology to produce synthetic fuel at scale from water, CO₂ and solar energy. This agreement commits Flughafen Zürich AG to purchasing fuel at cost price from a test facility, probably from some time in 2023, for use in its vehicles and machines at Zurich Airport.

Situation in the reporting year

Along with widely fluctuating prices, the great uncertainty surrounding the availability of fuel and electricity made the provision of energy to users during the reporting year extremely challenging. Flughafen Zürich AG did everything possible to balance the needs of operational continuity, cost and climate protection. It carefully scrutinised its operations to find ways of saving energy, and consequently identified many measures for reducing energy demand. Some were actioned immediately, for instance reducing the frequency of Skymetro, switching off lights and screens at night, and reducing the building temperature. Numerous other measures were documented in a catalogue so they can be triggered by the crisis team in the event of shortages.

There was therefore a slight decrease in the total energy requirement at Flughafen Zürich AG compared with the previous year. Whereas demand for electricity rose, it was possible to reduce the heating requirement, which depends greatly on the weather conditions. This is due, among other things, to the increased use of waste heat at the Circle so that virtually no heat from external sources had to be sourced.

The central heating plant at Flughafen Zürich AG, which produces most of the airport's heat, can be operated with both gas and heating oil. In the year under review, much less gas and more oil was used, which had a negative impact on CO₂ emissions, as oil has a much larger emission factor than gas. Nevertheless, the CO₂ emissions of the central heating plant were reduced overall. This was because, on the one hand, heating requirements were lower than average owing to the mild autumn and lack of a cold spell and, on the other, because the purchase of biogas made it possible to save 1365 tonnes of CO₂. The greenhouse gas emissions of vehicles and machinery also declined slightly. Total greenhouse gas emissions in Scope 1 at Zurich Airport amounted to 29,043 tonnes in the reporting period, i.e. 10% lower than in the previous year. Emissions in Scope 2, of lesser importance compared with Scope 1, rose owing to the recovery in passenger volumes of 25% to 24 tonnes. Therefore, emissions in Scope 1 and 2 remained below the key threshold of 30,000 tonnes per year, the interim target for 2020. Owing to the substantial rise in traffic, the greenhouse gas emissions in Scope 3, determined primarily by emissions of aircraft en route to their destinations, reflected a sharp increase (+95%).

Key data

Greenhouse Gas Emissions (GRI 305-1, 305-2, 305-3)

Zurich Airport, Switzerland	Unit	2018	2019	2020	2021	2022
CO ₂ e Scope 1 Flughafen Zürich AG	Tonnes	25,143	26,218	26,284	32,372 ²⁾	29,043
CO ₂ e Scope 2 Flughafen Zürich AG	Tonnes	1,657	1,632	1,212	19	24
Total Scope 1 and 2	Tonnes	26,799	27,850	27,496	32,390	29,067
CO ₂ e Scope 3 at Zurich Airport ¹⁾	Tonnes	4,122,020 ²⁾	4,230,902 ²⁾	1,518,548 ²⁾	1,643,396 ²⁾	3,243,356
Florianópolis Airport, Brazil	Unit	2018	2019	2020	2021	2022
CO ₂ e Scope 1	Tonnes	n/a	n/a	n/a	285 ²⁾	907
CO ₂ e Scope 2	Tonnes	n/a	n/a	n/a	946 ²⁾	138
Total Scope 1 and 2	Tonnes	n/a	n/a	n/a	1,232²⁾	1,045
Vitória/Macaé Airports, Brazil	Unit	2018	2019	2020	2021	2022
CO ₂ e Scope 1	Tonnes	n/a	n/a	n/a	263 ²⁾	214
CO ₂ e Scope 2	Tonnes	n/a	n/a	n/a	1,191 ²⁾	140
Total Scope 1 and 2	Tonnes	n/a	n/a	n/a	1,454²⁾	354
Antofagasta Airport, Chile	Unit	2018	2019	2020	2021	2022
CO ₂ e Scope 1	Tonnes	n/a	n/a	22	10	12
CO ₂ e Scope 2	Tonnes	n/a	n/a	458 ²⁾	452 ²⁾	446
Total Scope 1 and 2	Tonnes	n/a	n/a	480²⁾	462²⁾	458
Iquique Airport, Chile	Unit	2018	2019	2020	2021	2022
CO ₂ e Scope 1	Tonnes	n/a	n/a	97	99	57
CO ₂ e Scope 2	Tonnes	n/a	n/a	328 ²⁾	350 ²⁾	541
Total Scope 1 and 2	Tonnes	n/a	n/a	425²⁾	449²⁾	598
Noida Airport, India	Unit	2018	2019	2020	2021	2022
CO ₂ e Scope 1	Tonnes	n/a	n/a	n/a	n/a	31
CO ₂ e Scope 2	Tonnes	n/a	n/a	n/a	n/a	41
Total Scope 1 and 2	Tonnes	n/a	n/a	n/a	n/a	73

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 full flight (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 correction

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

Zurich Airport, Switzerland	Unit	2018	2019	2020	2021	2022
Thermal energy	MWh	84,657	88,469	88,302	121,539	106,154
renewable	MWh	1,598	1,508	1,480	1,584	8,912
non-renewable	MWh	83,060	86,961	86,822	119,955	97,242
Fuels	MWh	5,935	6,110	3,662	4,922	4,799
renewable	MWh	0	0	0	0	0
non-renewable	MWh	5,935	6,110	3,662	4,922	4,799
Electricity	MWh	62,674	61,342	44,124	46,553	58,553
renewable	MWh	15,656	15,771	11,839	14,263	16,651
non-renewable	MWh	47,018	45,571	32,285	32,290	41,902
Total energy consumption (thermal energy, fuel, electricity)	MWh	153,267	155,921	136,088	173,014	169,506
Overall consumption primary energy ¹⁾	MWh	498,026	497,595	411,709	457,774	505,205
Energy intensity ratio according to GVV ²⁾	%	84.7	84.2	94.8	114.3 ³⁾	106.2
 Florianópolis Airport, Brazil	 Unit	 2018	 2019	 2020	 2021	 2022
Total fuel consumption	MWh	n/a	n/a	n/a	252	5,440
Electricity consumption	MWh	n/a	n/a	9,420	7,464	3,293
Total energy consumption	MWh	n/a	n/a	9,420	7,716	8,733
 Vitória/Macaé Airports, Brazil	 Unit	 2018	 2019	 2020	 2021	 2022
Total fuel consumption	MWh	n/a	n/a	n/a	254	6,110
Electricity consumption	MWh	n/a	n/a	10,820	9,492	3,382
Total energy consumption	MWh	n/a	n/a	10,820	9,746	9,492
 Antofagasta Airport, Chile	 Unit	 2018	 2019	 2020	 2021	 2022
Total fuel consumption	MWh	n/a	n/a	89	40	49
Electricity consumption	MWh	n/a	n/a	1,121 ⁴⁾	1,107 ⁴⁾	1,092
Total energy consumption	MWh	n/a	n/a	1,210⁴⁾	1,147⁴⁾	1,141
 Iquique Airport, Chile	 Unit	 2018	 2019	 2020	 2021	 2022
Total fuel consumption	MWh	n/a	n/a	393	400	231
Electricity consumption	MWh	n/a	n/a	802 ⁴⁾	856 ⁴⁾	1,323
Total energy consumption	MWh	n/a	n/a	1,195⁴⁾	1,256⁴⁾	1,554
 Noida Airport, India	 Unit	 2018	 2019	 2020	 2021	 2022
Total fuel consumption	MWh	n/a	n/a	n/a	n/a	117
Electricity consumption	MWh	n/a	n/a	n/a	n/a	51
Total energy consumption	MWh	n/a	n/a	n/a	n/a	168

1) Scope total airport excl. Fuel

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

3) The target was raised to 109.5 owing to newly added buildings. The figure for 2021 was also corrected retroactively.

4) Retroactive correction

Waste and circular economy

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

Relevance

A wide variety of waste is produced at airports, on the one hand during operations and on the other hand when maintaining and developing the infrastructure. The company contributes to the circular economy by using materials sparingly and designing systems for a long service life followed by decommissioning and recycling.

As the licence holder at Zurich Airport, 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 either recycled or disposed of by the contractors themselves, it is not recorded in the waste statistics for Zurich Airport.

The circular economy and waste recycling is also becoming increasingly important at the company's airports abroad. As environmentally friendly disposal is not yet possible everywhere in Chile, Brazil and India, the company is seeking to close material cycles 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 create a financial incentive for them to produce less.

Waste disposal principles 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. During the reporting year the concept was reviewed and revised to take account of some changed conditions, in particular as regards soil removal.

Waste is avoided 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. One major example from the reporting year was the rubble arising from the renovation of runway 10/28 where the central strip was replaced. All the 26,000 m³ of surfacing, stabilisation and foundation materials were channelled into the recycling process.

46%
materials recycled

The waste figures at Zurich Airport are determined in line with the specifications of the German airports association to ensure comparability with other airports. Mineral waste from construction, antifreeze and organic waste from agriculture are not included. The recycling ratio for the airport as a whole in the reporting period was thus 46%.

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 12,943 tonnes of waste was disposed of at Zurich Airport. This is around 50% more than in the previous year, which reflects the increase in traffic volumes.

Waste management is one of the highest priority matters to be tackled by the company's subsidiaries abroad. The majority-owned airports in Brazil have set themselves the goal of drastically reducing the volume of waste sent to landfill. By 2025 they are seeking to dispose of 90% of the waste produced each year using better disposal methods than sending to landfill. This proportion is currently around 50%. Once Noida Airport in India commences operation, it aims to not send any waste at all to landfill.

Key data

Waste amount at Zurich Airport (Zurich site), GRI 306-3						
	Unit	2018	2019	2020	2021	2022
Overall waste generated ¹⁾	Tonnes	20,960	18,439	8,623	8,506	12,943
of which recyclable material (e.g. paper, cardboard, glass, wood)	in %	48.9	45.9	55.2	51.3	46.4
Confiscated liquids from security checks	Tonnes	219	202	56	80	171
 Florianópolis Airport, Brazil						
	Unit	2018	2019	2020	2021	2022
Total waste generated	Tonnes	n/a	433	383	412	469
 Vitória/Macaé Airports, Brazil						
	Unit	2018	2019	2020	2021	2022
Total waste generated	Tonnes	n/a	n/a	349	172	581
 Antofagasta Airport, Chile						
	Unit	2018	2019	2020	2021	2022
Total waste generated	Tonnes	n/a	n/a	328	180	151
 Iquique Airport, Chile						
	Unit	2018	2019	2020	2021	2022
Total waste generated	Tonnes	n/a	n/a	55	79	92
 Noida Airport, India						
	Unit	2018	2019	2020	2021	2022
Total waste generated	Tonnes	n/a	n/a	n/a	n/a	2

1) As defined according to the German Airports Association (ADV) for better comparability

Air quality

The Zurich Airport Group works hard to reduce air pollution at its airports.

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 (NO_x), particulate matter (PM), volatile organic compounds (VOC) and carbon monoxide (CO).

Air pollution can be viewed from two different perspectives: firstly the quantity emitted at source ('emissions'), and secondly the concentration measured at a specific location ('pollution'). A complex interrelationship exists between emissions and pollution: 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 provides complete and transparent information about the air pollution situation and takes steps to minimise its impact on the environment as far as possible.

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 limits specified for individual emission sources such as vehicles or heating furnaces.

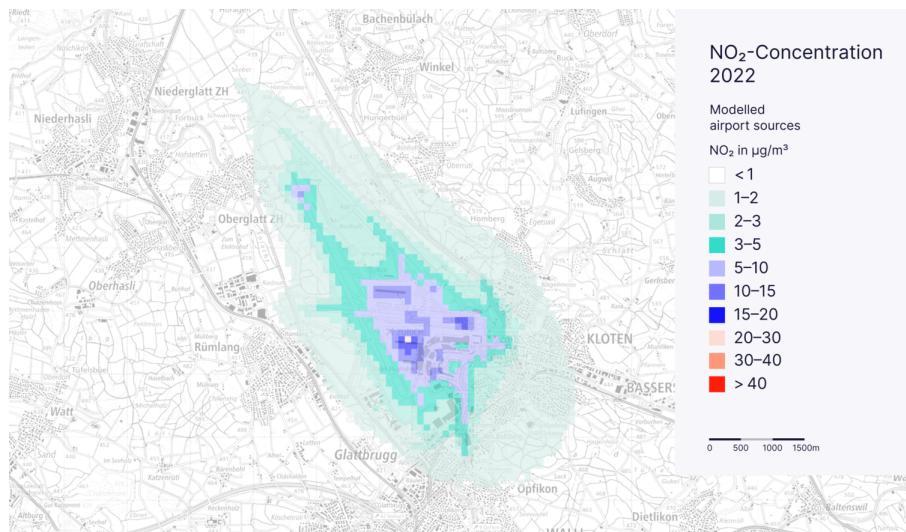
National ambient air quality standards are also applicable. They are measured at certain locations and are also modelled over the area as a whole. Several monitoring stations have been set up across the airport and the surrounding region. Both fully automatic monitoring stations at Zurich Airport itself as well as passive samplers that measure the amount of the indicator pollutant nitrogen dioxide in the environment are used. The company is taking steps to reduce air pollutant emissions in all four source categories, 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.

The recovery in the number of flight movements was also reflected in the air pollution situation. Compared with the previous year, emissions of air pollutants at Zurich Airport have increased and are around 30% below the figures from before the Covid-19 pandemic. Pollution was generally somewhat lower than the long-term average. However, the annual average for nitrogen dioxide exceeded the limit, as had been the case prior to the pandemic. Today it is known that the air pollution caused directly by airports is only significant within a very narrow radius. At Zurich Airport, residential areas are affected by pollution exposure only to a limited extent.



Zurich Airport has excellent connections to the public transport network



Zurich Airport's contribution to nitrogen dioxide pollution in the region.

Once construction work began, air pollution monitoring also commenced in Noida, India during the reporting year. Periodic measurements at two locations on the project site indicated values below the local limit values for all pollutants measured (including NO₂, PM, CO, SO₂).

As yet no information regarding the air pollution situation is available for the airports in Latin America. In Florianópolis, however, the company is planning to introduce an air pollution monitoring programme in the coming years.

Key data

Air quality at Zurich Airport (Zurich site), GRI 305-7		Unit	2018	2019	2020	2021	2022
NO _x emissions	Tonnes	1,381	1,396	535	611	1,005	
of which from aircraft ¹⁾	Tonnes	1,273 ²⁾	1,293 ²⁾	469	539	929	
of which from ground handling	Tonnes	46	42	19	22	32	
of which from infrastructure	Tonnes	40	41	38	39	32	
of which from landside traffic	Tonnes	22	20	9	11	12	
VOC emissions	Tonnes	284	274	134	129	176	
of which from aircraft	Tonnes	205 ²⁾	190 ²⁾	79	88	131	
of which from ground handling	Tonnes	20	19	8	9	14	
of which from infrastructure	Tonnes	50	55	42	27	25	
of which from landside traffic	Tonnes	10	9	5	5	7	
CO emissions	Tonnes	1,360	1,297	544	568	881	
of which from aircraft	Tonnes	1,267 ²⁾	1,209 ²⁾	491	512	816	
of which from ground handling	Tonnes	23	22	10	12	17	
of which from infrastructure	Tonnes	18	17	14	15	12	
of which from landside traffic	Tonnes	52	48	28	29	36	
PM emissions	Tonnes	21	19	8	10	14	
of which from aircraft	Tonnes	16 ²⁾	15 ²⁾	6	7	11	
of which from ground handling	Tonnes	2	2	1	1	2	
of which from infrastructure	Tonnes	2	2	1	2	1	
of which from landside traffic	Tonnes	0	0	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 conserve and promote this diversity at its various locations.

Relevance

The Zurich Airport Group protects the ecological value of the green spaces at its airports and helps to conserve and promote 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 the central plateau.

74 ha
nature conservation areas

The Zurich Airport Group also promotes biodiversity at its airports abroad. All three of its majority-owned Brazilian airports are near the coast and therefore adjacent to sensitive ecosystems. At its two airports in Chile, the airfields along with 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 Flughafen Zürich AG 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 extensive tracts of the airport grounds as high-grass meadows is in fact in the interests of both airfield operations and nature conservation.

Careful management and maintenance of large green spaces helps to maintain and even increase biodiversity 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, the company 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.

Preserving biodiversity is important in Brazil too. In Macaé, where a new runway that will also cover green areas is planned, the ecological value of the habitats will be determined as part of the approval process so an appropriate offset can then be put in place elsewhere.

Construction of the new airport in Noida in India impacts both agricultural land and settlement areas. The surrounding area includes nature conservation areas, although these are not within the actual project perimeter itself. A condition of the planning approval stipulated that many of the existing trees on the land had to be retained or, where ones were felled, they were to be offset by extensive reforesting. A total of over 1800 trees made up of 68 different species were replanted during the reporting year. Only 178 trees were mandatory, the rest were planted voluntarily. The company is obliged to ensure that planting and reforestation are successful and to rectify any problems that arise.

For the construction phase that had started in India during the previous year, a comprehensive monitoring programme which covered the aspects of soil, drinking water, wastewater, air quality and noise was put in place. Monitoring commenced in September 2022, with monthly reports documenting the associated impacts so countermeasures can be taken quickly if necessary. The company contracted to carry out the building work is in turn obliged to take the steps necessary to prevent harm to the natural environment.

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.



One of the carefully packed and replanted trees in Noida

Water

Clean drinking water is not a matter of course. The Zurich Airport Group therefore uses water resources sparingly.

Relevance

Clean water is a precious resource which Flughafen Zürich AG is committed to conserving at all its airports. Along with minimising the volume of fresh water consumed, the company also ensures wastewater is appropriately treated to keep watercourses clean. Various types of wastewater are produced at airports, each of which must be 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 around 20% of the water it needs from treated rainwater and wastewater, which it uses for toilet flushing, irrigation and fire service drills, among other things. All three majority-owned airports in Brazil have programmes aimed at reducing their consumption of fresh water and boosting the use of greywater.

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 will be 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 meet the regulations, the drainage plan includes stipulations relating to the operation and maintenance of the existing sewage and pump systems. During the reporting year, a completely revised GEP laying out plans for approximately the next twenty years was submitted. The plan includes

various measures for extending the wastewater infrastructure as and when required in line with the further development of the airport.

Following the basic GEP principle, the wastewater produced at Zurich Airport is separated and then treated. All domestic wastewater, 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 likewise being sent on to the sewage plant.

The airports in Latin America all have their own wastewater treatment plants. 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 2021/2022 was mild with below-average precipitation. The amount of surface de-icing agents used was consequently only half the long-term average, while the amount of aircraft de-icer consumed was likewise well below average due to the continuing 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. This method of treatment has been used for many years already. In the period under review, following long-term monitoring, it was verified that this spraying of wastewater over green areas has no adverse effects on the vegetation. As a result, during the reporting year Flughafen Zürich AG received a permit to operate its de-icing runoff treatment plants indefinitely. These had previously been time-limited after phases 1 and 2.

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. Thanks to low precipitation volumes and reduced traffic, the degree of treatment rose again to 95% for the 2021/2022 winter season. This was further aided by greater use of cleaning machines that collected the highly concentrated de-icer directly at the stands as it dripped down off the aircraft. The amount of carbon effectively untreated was just 13 tonnes, the second-lowest value in the last ten years of operation.

De-icer treatment increased to

95%

Key data

Fresh water consumption at Zurich Airport, GRI 303–3	Unit	2018	2019	2020	2021	2022
Drinking water	m ³	700,375	649,997	410,550	402,903	499,552
Groundwater	m ³	124,119	188,230	100,980	113,069	208,874
Rainwater	m ³	12,332	13,180	3,712	4,993	9,490
Total fresh water	m³	836,826	851,407	515,242	520,965	717,916

Consumption of de-icing agents at Zurich	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Aircraft de-icer	m ³	2,152	2,113	982	862	1,252
Surface de-icing agents formate solution	m ³	1,580	1,364	112	1,338	501
Surface de-icing agents solid	Tonnes	21	0	0	16	0
De-icing salts for other surfaces	Tonnes	329	349	60	569	137
Degree of treatment (aprons, runway and taxiways)	in %	92	94	98	88	95
Washed off untreated carbon	Tonnes	40	30	5	23	13

Social impacts

Occupational and aviation safety

Protecting the physical integrity of all people and infrastructure at airports is of the utmost importance. 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 company. One aim therefore is to avoid incidents and accidents involving people or material objects. Efforts in this direction fall into the category of safety. At the same time, 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 consequently the scope of the concepts applied by Flughafen Zürich AG 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 direct responsibility extends only to the company itself.

GRI 3-3

Ensuring safety and security is also a core responsibility for operations abroad. However, owing to the specific terms of the concession models in the respective countries, this may be handled organisationally in different ways at the various 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 licensed companies then have responsibility for safety solely in the publicly accessible passenger zones.

All countries where Flughafen Zürich AG 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.

Safety and security standards of

ICAO

apply across the group

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. The number of incidents and accidents per year relative to the number of flight movements and employees should be continually reduced. For the most part, this was achieved during the past year.

Safety aspects managed in

IMS

Ensuring safety and security at airports requires the collaboration of the companies based at the airport and their employees. Various factors play a role, from construction requirements through to the organisation of processes and the behaviour of employees. Flight operations and ramp safety at Zurich Airport are handled by specific units of Flughafen Zürich AG. 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 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.

Cooperation of all the parties involved, namely the airport's 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 of openness that encourages the reporting of critical or potentially critical incidents. The aim here is to identify what improvements could be made and put them into practice.

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 15 audits

(including emergency drill). A few deviations and several recommendations were identified, but no significant deficiencies were discovered.

16 tip-offs were received on the electronic platform for reporting safety concerns (of which one was anonymous). 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.

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, Vitória and Macaé are the first airports in Brazil to deploy drones to check the condition of runways, fences and other parts of the infrastructure. Drones can reach places that are otherwise inaccessible and they substitute the use of cars, which is also better for the carbon footprint.

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.

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.

During the year under review, FOCA carried out 12 audits, inspections and tests. In addition, the internal Airport Security unit performed 288 quality control checks. 54 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 or any of the company's majority-owned airports abroad during the year under review.

Occupational safety and fire safety

Occupational safety is not merely about complying with statutory obligations, 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 which experience deems necessary and appropriate in the circumstances to prevent occupational illnesses and workplace accidents. The company has set out its position in its occupational safety policy.

Drones

used for inspections in Brazil

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

An extensive internal system analysis of the occupational safety system was carried out during the year under review. This produced various recommended actions to further improve occupational safety. These measures will be implemented over the coming years.

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. New e-learning modules for employees and managers were therefore developed which focus on occupational health and safety responsibilities and also cover maternity leave and child protection.

Occupational health and safety on the construction site in Noida

When the construction contract of the new airport in Noida was awarded during the reporting year, the responsible local Flughafen Zürich AG subsidiary imposed strict workforce protection requirements above and beyond the statutory requirements. Everyone working on the building site will receive occupational safety training and will be provided with personal protective equipment.

Additional insulation and ventilation was fitted to workers' accommodation on the construction site to provide better protection from the weather. More care was also taken in the sanitary facilities to respect privacy and protect the health of workers.

Both the authorities and the management of the local subsidiary periodically check site safety and the accommodation situation.

Key data

Zurich Airport	Unit	2018	2019	2020	2021	2022
Aircraft damage	Number of cases per 1000 flight movements	0.09	0.11	0.18	0.19	0.11
Vehicle damage	Number of cases per 1000 flight movements	0.39	0.48	0.34	0.25	0.34
Infrastructural damage	Number of cases per 1000 flight movements	0.07	0.32 ¹⁾	0.47	0.40	0.32

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

Flughafen Zürich AG, Zurich site	Unit	2018	2019	2020	2021	2022
Number of hours lost through accidents (occupational accidents)	Hours (h) per 1000 FTEs	1,348	3,652	2,513	1,711	2,503
Number of hours lost through accidents (non-occupational accidents)	Hours (h) per 1000 FTEs	6,833	6,069	11,431	10,145	8,742

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 company can only successfully fulfil its mandate in a functioning society, in an intact environment and in an efficient economy. Ethical conduct is not merely about meeting statutory obligations and voluntary commitments, it encompasses the fair and considerate treatment of other parties much more broadly at both an individual and institutional level.

GRI 3-3

Matters relating to [> human rights](#) and [> anti-corruption](#) measures are discussed in greater detail elsewhere in this report.

Approach and progress

Together with the rights and integrity of people, business partners and institutions, the Zurich Airport Group respects the law at all times. In the year under review it decided to extend its group-wide processes and systems in this area. The first step was the revision of its [> Code of Conduct](#) which was completed during the reporting year. This sets out the fundamental ethical principles of the company. Group-wide implementation will be completed by the end of 2023.

Revised

Code of Conduct

for the group

Processes to remediate negative impacts

In the event of any negative impacts improperly caused by the business activities of the company, Flughafen Zürich AG acknowledges its responsibility to offer effective remediation to those affected and to support appropriate mechanisms for this purpose. At the company's Zurich site the Swiss legal system provides adequate complaint and adjudication mechanisms – both governmental and non-governmental – that allow any party harmed to raise a matter.

GRI 2-25

In Zurich, Flughafen Zürich AG is obliged in certain circumstances to compensate owners for a loss in value of their properties as a result of noise or very low direct overflights (see [> Noise compensation](#) section). It is further obliged to operate a sound insulation programme to protect properties from noise exposure (see [> Sound insulation](#) section). The company has also set up a staff representation council (PeV) to represent the interests of the workforce and to serve as an initial point of contact for any complaints about the company (see [> Participation rights](#) section).

In accordance with their operating licence, the Brazilian airports are obliged to provide low-barrier contact points such as an Ombuds Office. The airports in Florianópolis, Vitória and Macaé consequently each have a separate website that provides information and a facility for submitting written complaints. The focus here is on noise. The airport operators are obliged to discuss these complaints with the national regulatory body (Agência Nacional de Aviação Civil, [› ANAC](#)) and report what action has been taken.

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.

In the year under review, no relevant fines or sanctions were imposed due to non-compliance with laws and regulations in the social and economic area.

GRI 2-27

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 2-26

A separate process exists for reporting safety concerns relating to flight operations (see [› Occupational and aviation safety](#)). The human resources department and the staff representation council (PeV) are also available for reporting matters relating to bullying, sexual harassment and discrimination.

The majority-owned subsidiaries in Brazil, Chile and India likewise have a dedicated whistleblower office and corresponding processes.

Fair supply chains

To ensure social, environmental and ethical standards are followed in Flughafen Zürich AG's supply chain, the company takes a risk-based approach and exercises its duty of care. 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 core labour standards prescribed by the International Labour Organization (ILO) at a minimum. One example of this from the year under review is the tendering process for new uniforms at the Zurich site, where this criterion was stipulated along with further sustainability requirements. Further information may be found in the [› Regional value creation](#), [› Anti-corruption](#) and [› Human rights](#) sections.

Anti-competitive behaviour

The operations of many business partners of the Zurich Airport Group are dependent on the airport infrastructure. The company therefore holds a dominant market position, and in some cases has a monopoly over infrastructures.

The particular infrastructures for which it has a monopoly are approved 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 a regulated procedure. 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 firms and 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. A dual-till system is also used in Chile, regulated by the Ministerio de Obras Públicas (MOP). 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. Internal Audit takes a risk-based inspection approach which also includes the majority-owned subsidiaries abroad. In 2022, Internal Audit took on more staff in order to keep pace with growth in international business and generally increasing complexity.

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 it expresses support for a competitive Swiss aviation industry and airport infrastructure. 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.

Resettlements in India

2377 families from 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 A08

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 furthermore may lead to criminal prosecution and reputational damage. As an international enterprise with a wide variety of business relationships and close contacts with government agencies, Flughafen Zürich AG is aware that it is also exposed to certain risks of corruption at its various operating locations.

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

Approach

Flughafen Zürich AG does not tolerate any form of corruption and bribery at any of its locations. It seeks to practise effective corruption prevention to avoid both active and passive corruption and bribery. Such 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 corruption or expose any instances that nevertheless occur. The guidelines for the behaviour of all employees are laid down in the [> Code of Conduct](#). The subsidiaries in the various countries must also include these obligations as a minimum.

The four-eyes principle applies: 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 at Zurich 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 corruption prevention 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 also the [> Regional value creation](#), [> Human rights](#) and [> Fair supply chains](#) 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, to avoid any contact with potential suppliers during the procurement process beyond that of the direct process itself, and to maintain confidentiality.

Integrity clause in international business contracts

The company 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 subsidiaries in Brazil, India and A-Port in Chile also include anti-corruption clauses in their contracts.

Gifts

All employees of Flughafen Zürich AG are forbidden to give or receive cash, goods, in-kind benefits, invitations or other advantages. The same applies to undisclosed commissions ('kickbacks'). An exception may be made for courtesy gifts, in which case a maximum amount is specified for each individual gift and cumulatively per year in each country. 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. Limits additionally apply to the acceptance and provision of foreign trips.

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.

GRI 205-3

Human rights

The Zurich Airport Group attaches importance to upholding human rights and expects its business partners and suppliers to meet minimum social standards.

Relevance

As one of the signatories to the UN Global Compact, the company has undertaken to protect human rights and advocate for them toward third parties as well. It 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.

Flughafen Zürich AG 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. Flughafen Zürich AG 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, Flughafen Zürich AG pays particular attention to upholding human rights in Brazil, Chile and India to avoid becoming complicit in any violations there.

Approach

The [> Code of Conduct](#) of the Zurich Airport Group is the core document that prescribes certain fundamental codes of behaviour, including upholding the human rights of employees. A management system to prevent child labour is now likewise being set up, which will include risk evaluation and a duty of care. The rollout of this is scheduled to begin in 2023.

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 exposure. This follows a legally defined procedure and obliges Flughafen Zürich AG to pay compensation in the event of a formal expropriation (see [>Noise compensation \(formal expropriations\)](#) in the Noise section and [>Business ethics](#) 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 value creation](#), [>Anti-corruption](#) and [>Fair supply chains](#) 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. Consequently, there were no cases where non-compliance by a contracting party led to exclusion (see [Compliance management](#)).

The subsidiaries in Latin America and India have established processes designed to ensure that human rights are observed. Supplier contracts for the airports in Brazil also include a provision binding the supplier to uphold human rights. In India, companies signing licence, construction and supply agreements are obliged to provide regular reports on their adherence to the UNGC's ten principles.

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

Flughafen Zürich AG 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 fundamental attitude applies in particular to interactions with the company's own employees and is enshrined in the [> Code of Conduct](#) which applies group-wide. The same also applies 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.

The principles of respectful and non-discriminatory behaviour are also stipulated in similar documents at the company's airports in Brazil, Chile and India, where they likewise apply to all employees. In Brazil, the applicable Code of Ethics and Conduct additionally defines inclusion and diversity as important values. Chile also has a Code of Conduct. In Noida, the relevant obligations are set out in its HR Policy Manual, which addresses in particular ethical conduct and the prevention of sexual harassment.

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 the provision of these services to another company through a service 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 and India, 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 2105 employees in over 70 different occupations materially influence the quality of services and the long-term success of the company.

Relevance

The company 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. It maintains a collaborative and respectful relationship with its workforce. This applies to all employees, irrespective of their background and their position in the company. During the year under review the company focused on returning to normal operations following the exceptional situation caused by the Covid-19 pandemic and on introducing the new corporate values (see [Strategy](#)).

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.

GRI 2-30

Comprising seven members from the various divisions 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.

In the reporting year, the PeV conducted negotiations for a general pay increase across the board and exercised its right of consultation for the regrading of job functions.

Employees can contact the PeV either by telephone, in writing or in person at its new office set up during the previous year. Staff make extensive use of these opportunities for dialogue.

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.

Employee survey

The revised strategy, purpose and values of the company were launched at the beginning of the reporting year. These were communicated to all staff based in Zurich, and workshops were held to embed them among management. At the Zurich site, for the first time since 2016 a company-wide employee survey was carried out which focused on the revised corporate values. In the anonymous survey, employees gave feedback as to whether they thought the values were being lived out in the company. The survey further measured work satisfaction, engagement and commitment. The response rate of the survey was roughly 66%.

Employees display a very strong commitment to the company and a strong sense of belonging. 94% of staff are proud or very proud to be working for Flughafen Zürich AG. An even higher percentage are of the opinion that they are making a significant contribution to the company's success. The scores for work satisfaction are also very high. The survey further revealed that a very high proportion of employees perceive that their interactions are carried out respectfully, and likewise their treatment by managers. The employee survey also highlighted scope for improvement, however. The Management Board has therefore defined four areas it wishes to focus adjustments on in the coming months. The standardised performance review was modified and will be conducted in its new form from the end of the reporting year. In addition, the areas of agility and decision-making processes are to be strengthened in leadership development. The results of the survey were likewise evaluated and jointly analysed at the various organisational levels. The teams are now going on to address the corporate values and their impacts in daily life with modified workshops and development measures.

94%

proud employees

Health management

The Zurich site has a health management policy aimed at promoting and maintaining the health of employees, both at the workplace and in their private lives. On the one hand, this includes occupational safety (see [> Occupational and aviation safety section](#)), i.e. 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 the Zurich site 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 – the employer 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 broad range of occupations and qualifications. This also applies to the other companies operating at Zurich Airport – a total of over 300 firms employing some 27,000 people between them.

Flughafen Zürich AG continued to be a reliable partner for its employees in 2022. The short-time working which had been in operation at Zurich Airport since March 2020 due to the economic consequences of the Covid-19 pandemic ceased at the end of February 2022. The company made up the difference in pay resulting from the reduced working hours for all employees so none suffered a drop in earnings.

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.

In the reporting year, Flughafen Zürich AG employed 85 non-guaranteed hours employees (see [› Key data](#)). In Zurich, these are mainly people who work for the VIP Service or at service points and info desks, along with tour guides who have mostly already reached retirement age.

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, the subsidiary in Chile voluntarily pays 70% of these costs.

The majority-owned airports in Brazil were jointly awarded the [› Great Place to Work label](#). This stems from an employee survey already carried out during the previous year, the results of which were also used to identify measures to improve the situation of the workforce. The label is issued annually on the basis of a new survey.

Pay survey

Equal pay for work of equal value is a core principle for the company. At its Zurich site, Flughafen Zürich AG compares the pay disparity between men and women annually. The pay gap calculated is currently approximately 1.8% in favour of men, based on total pay excluding allowances. However, if bonuses for particularly unpleasant, dirty or noisy jobs were included, the gap would be greater because it is mainly men who tend to work in these types of job.

GRI 405-2

Swiss law requires companies based in Switzerland with over 100 employees to periodically review pay equality, for which the federal government provides a specific pay equality tool ([› Logib](#)). Flughafen Zürich AG last undertook such an analysis of pay equality in 2021. 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%.

Compensation ratio

At the Zurich site, during the financial year just ended, the ratio of the annual total compensation for the highest-paid individual (CEO) to the median annual total compensation for all other employees was 9.1x (2021: 8.0x). For the entire group including the international majority-owned subsidiaries, the ratio of the annual total compensation for the highest-paid individual (CEO) to the median annual total compensation for all other employees in the group was 9.7x (2021: 8.4x). Given the different levels of pay and costs in Switzerland in comparison with Brazil and India especially, the pay ratio for the group is only meaningful to a limited extent. To make the pay ratio figure more meaningful, the pay of the Board of Directors, apprentices and interns/trainees and that of workers paid on an hourly basis was excluded. Likewise, only workers who were employed for the whole year were included, and the pay of part-time employees was calculated on the basis of full-time equivalent rates.

GRI 2-21

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 workshops to furnish people with the skills to deal with both financial and personal matters, and consequently smooth the transition into retirement. 36 employees and their partners (previous year: 40) attended these workshops during the reporting year. The company furthermore allows early retirement. More information on the BVK pension fund can be found in [note 22, Employee benefits](#).

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 most cafés 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

The option of remote working became even more firmly established at the Zurich site during the reporting year. Wherever feasible and expedient, Flughafen Zürich AG can provide the necessary equipment and organisational structures to facilitate remote working. In the year under review, some individual administrative time accounting processes were modified in order to simplify this mode of working and also pass on more responsibility to employees. Meeting face-to-face in person remains important too, however. Moreover, many airport employees cannot work remotely as their particular job requires their physical presence on site.

In addition, all 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% (previous year: 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 twelve 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

Flughafen Zürich AG invests in the professional development of employees at all its locations. It is important for the company both to train people just embarking on their careers and to foster 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. In Chile, steps were likewise taken in the reporting year to introduce an annual employee performance review and discussion in future. In India, individual career development plans were implemented for approximately half the workforce, with these plans being discussed with and supervised by line managers. This process will probably be retained for the duration of the project phase until commercial operation of the new airport begins.

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. In the reporting period, the company employed 43 apprentices in 12 different vocational education schemes and 7 newly qualified apprentices in a one-year continued employment programme after their training at the Zurich site. Moreover, during the reporting year a total of 17 interns and trainees received work experience over several months. Overall, this corresponds to around 4% of all employees who complete basic professional training and internships at Flughafen Zürich AG.

Proportion of employees in basic training or internships

4%

A 12-month programme for trainees (with the option of a 12-month extension) 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 in Zurich. Employees and managers can deepen or extend their technical, personal and social competencies 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 and managers. 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, Flughafen Zürich AG furthermore offers suitable personnel the opportunity to take up airport-related posts abroad so they can develop their skills in an international environment.

Workers in an employment-like relationship

Flughafen Zürich AG has a number of workers who are not employees and who therefore do not have a direct contract of employment with Flughafen Zürich AG. This applies in particular to people working as cleaners and individuals working in ICT at the Zurich site. GRI 2-8

Cleaning workers in an employment-like relationship are used to cover peak periods, and are therefore used mostly during the summer months. These workers are employed by an agency, but are treated the same as the company's own employees in relation to working hours and bonuses.

Workers who are not employees are also used in the field of ICT. This makes it possible to buy in the necessary skills and bridge short-term capacity bottlenecks. These workers are often employees of specialist IT companies, for example.

It is very rare for workers not to be direct employees at the international majority-owned subsidiaries in Brazil and Chile, and it is not the case in India at all.

Owing to the bankruptcy of the firm constructing the new terminal in Iquique, some of its employees were taken on temporarily, which explains the jump in the headcount there. Once the construction work has been completed, which is scheduled for this year, the number of employees will fall again.

Key data

Zurich Airport Group, GRI 2–7	Unit	2019	2020	2021	2022
Employee composition					
No. of employees (excl. apprentices/interns/trainees)	Number of people	2,129	1,983	1,915	2,105
No. of employees in FTEs (excl. apprentices/interns/trainees)	Full-time equivalents (FTE)	1,848	1,722	1,694	1,886
Non-guaranteed hours employees	Number of people	119	106	77	85
Apprentices	Number of people	49	48	43	49
Interns/trainees	Number of people	18	7	3	22
Employees by employment contract					
Permanent (excl. apprentices/interns/trainees)	Number of people	2,070	1,930	1,856	1,901
Female	Number of people	700	644	596	613
Male	Number of people	1,370	1,286	1,260	1,288
Other	Number of people	0	0	0	0
Temporary (excl. apprentices/interns/trainees)	Number of people	59	53	59	204
Female	Number of people	22	14	18	45
Male	Number of people	37	39	41	159
Other	Number of people	0	0	0	0
Permanent employees by employment type					
Full-time (excl. apprentices/interns/trainees)	Number of people	1,540	1,420	1,404	1,592
Female	Number of people	331	293	282	337
Male	Number of people	1,209	1,127	1,122	1,255
Other	Number of people	0	0	0	0
Part-time (excl. apprentices/interns/trainees)	Number of people	541	521	478	481
Female	Number of people	376	354	325	309
Male	Number of people	165	167	153	172
Other	Number of people	0	0	0	0
Employees by region					
Switzerland	Number of people	1,706	1,652	1,534	1,553
Permanent (excl. apprentices/interns/trainees)	Number of people	1,658	1,610	1,501	1,521
Temporary (excl. apprentices/interns/trainees)	Number of people	48	42	33	32
Latin America	Number of people	423	317	330	481
Permanent (excl. apprentices/interns/trainees)	Number of people	412	306	309	314
Temporary (excl. apprentices/interns/trainees)	Number of people	11	11	21	167
Asia	Number of people	0	14	51	71
Permanent (excl. apprentices/interns/trainees)	Number of people	0	14	46	66
Temporary (excl. apprentices/interns/trainees)	Number of people	0	0	5	5

Zurich Airport (Zurich site), GRI 401–1

	Unit	2020	2021	2022
Newly hired employees (excl. apprentices/interns/trainees)	Number of people	90	76	161
of which female	Number of people	28	28	77
of which male	Number of people	62	48	84
of which employees aged up to 30 years	Number of people	6	7	40
of which employees aged between 31 and 50 years	Number of people	49	40	100
of which employees aged above 50 years	Number of people	35	29	21
Employee turnover rate ¹⁾	in %	5.4	9.7	7.2
of which female	Number of people	27	46	67
of which male	Number of people	60	99	58
of which employees aged up to 30 years	Number of people	5	10	22
of which employees aged between 31 and 50 years	Number of people	47	81	74
of which employees aged above 50 years	Number of people	36	54	29

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	2020	2021	2022
Percentage of following categories on 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		w ¹⁾ m ²⁾	w ¹⁾ m ²⁾	w ¹⁾ m ²⁾
Management Board	in % of total	0 0.3	0 0.4	0.1 0.3
Management personnel (FS1–3)	in % of total	7 26	7 27	7 30
Employees without management function (FS4–6)	in % of total	25 42	25 41	23 40
Percentage of all employees by age		w m	w m	w m
<30	in % of total	2 4	2 4	3 4
30–50	in % of total	17 38	17 37	15 36
>50	in % of total	12 27	12 28	13 29

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

Flughafen Zürich AG uses a variety of ICT systems at its various locations. In Zurich, the company 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. The situation is similar at the three airports in Brazil. In Chile, on the other hand, the ICT systems of the subsidiary A-Port and its sites are largely confined to the commercial and personnel-related administration of the company itself as the aviation-related systems in particular are operated by the authorities.

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 Security 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 are collected in Zurich 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, during the reporting year Flughafen Zürich AG set up an information security management system (ISMS) certified to ISO 27001. This management system ensures that ICT security is maintained for the basic infrastructure and is 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. The technical and organisational requirements are implemented and elaborated in an ongoing process audited by the Federal Office of Civil Aviation.

ISMS now



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 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.

The behaviour of employees is key to successfully protecting systems against cyberattacks. Regular information campaigns and training events are held to raise awareness among all ICT users so they can quickly recognise potential threats.

In 2021, a project to prepare for ISO 27001 certification was started in Brazil in collaboration with external consultants. The resulting recommendations are still in the process of being implemented, with certification scheduled for 2023.

In addition, an internal audit focusing on ICT security was carried out in the Latin American subsidiaries during the reporting year. The vulnerabilities identified will be investigated and the necessary steps taken to rectify them.

Protection of personal data

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. Owing to the scope of the systems, no sensitive passenger-related data are collected at the airports in Chile. The passenger data collected at the Brazilian airports cannot be linked to individual people.

In addition, between June 2021 and March 2022 a data protection project was carried out in Brazil with the aid of external consultants. Among other things, a record of processing activities was created containing an overview of all the processes in which potentially sensitive data are processed. The results are currently being processed.

GRI content index

Statement of use	Flughafen Zürich AG has reported in accordance with the GRI Standards for the period 1 January to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not currently available

GRI Standard	Disclosure	Location	Explanation or omission
GRI 2: General Disclosures 2021	2–1 Organizational details	Ownership and legal form	
	2–2 Entities included in the organization's sustainability reporting	Headquarters	
	2–3 Reporting period, frequency and contact point	Locations	
		Group structure	01.01.2022– 31.12.2022, annually
		Contact details	No significant changes
	2–4 Restatements of information		None
	2–5 External assurance	Flughafen Zürich AG	
	2–6 Activities, value chain and other business relationships	Key data employees	
	2–7 Employees	Workers who are not employees	
	2–8 Workers who are not employees	Organizational structure	
	2–9 Governance structure and composition	Board of Directors	
	2–10 Nomination and selection of the highest governance body	Nomination process	
	2–11 Chair of the highest governance body	Chairman of the Board of Directors	
	2–12 Role of the highest governance body in overseeing the management of impacts	Role of the Board of Directors in oversight	
	2–13 Delegation of responsibility for managing impacts	Delegation of responsibility	
	2–14 Role of the highest governance body in sustainability reporting	Role of the Board of Directors in sustainability reporting	
	2–15 Conflicts of interest	Conflicts of interest	
	2–16 Communication of critical concerns	Information and control instruments	
	2–17 Collective knowledge of the highest governance body	Board of Directors collective knowledge	
	2–18 Evaluation of the performance of the highest governance body	Board of Directors evaluation	
	2–19 Remuneration policies	Remuneration policy	
	2–20 Process to determine remuneration	Remuneration system	
	2–21 Annual total compensation ratio	Compensation ratio	
	2–22 Statement on sustainable development strategy	Letter to shareholders	
	2–23 Policy commitments	Guidelines and implementation	
	2–24 Embedding policy commitments	Guidelines and implementation	
	2–25 Processes to remediate negative impacts	Remediation of negative impacts	
	2–26 Mechanisms for seeking advice and raising concerns	Whistleblowing	
	2–27 Compliance with laws and regulations	Compliance	
	2–28 Membership associations	Memberships	
	2–29 Approach to stakeholder engagement	Stakeholders	
	2–30 Collective bargaining agreements	Participation rights	

GRI Standard	Material topics	Location
GRI 3: Material Topics 2021	3–1 Process to determine material topics	Sustainability topics
GRI 3: Material Topics 2021	3–2 List of material topics	Material topics
Regional contribution		Go to section
GRI 3: Material Topics 2021	3–3 Management of material topics	Management approach
GRI 201: Economic Performance 2016	201–1 Direct economic value generated and distributed	Consolidated income statement
GRI 203: Indirect Economic Impacts 2016	203–1 Infrastructure investments and services supported	Infrastructure investments
GRI 204: Procurement Practices 2016	204–1 Proportion of spending on local suppliers	Local suppliers
Noise		Go to section
GRI 3: Material Topics 2021	3–3 Management of material topics	Management approach
Climate		Go to section
GRI 3: Material Topics 2021	3–3 Management of material topics	Management approach
GRI 305: Emissions 2016	305–1 Direct (Scope 1) GHG emissions	Climate key data
GRI 305: Emissions 2016	305–2 Energy indirect (Scope 2) GHG emissions	Climate key data
GRI 305: Emissions 2016	305–3 Other indirect (Scope 3) GHG emissions	Climate key data
Occupational and aviation safety		Go to section
GRI 3: Material Topics 2021	3–3 Management of material topics	Management approach
Business ethics		Go to section
GRI 3: Material Topics 2021	3–3 Management of material topics	Management approach
GRI 206: Anti-competitive Behavior 2016	206–1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Legal proceedings

GRI Standard	Topics in the applicable GRI Sector Standards determined as not material	Location
Energy		Go to section
GRI 302: Energy 2016	302–1 Energy consumption within the organization	Energy key data
GRI 302: Energy 2016	302–2 Energy consumption outside of the organization	Energy key data
GRI 302: Energy 2016	302–3 Energy intensity	Energy key data
GRI 302: Energy 2016	302–4 Reduction of energy consumption	Energy key data
Waste and circular economy		Go to section
GRI 306: Waste 2020	306–3 Waste generated	Waste generated
Air quality		Go to section
GRI 305: Emissions 2016	305–7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air emissions
Biodiversity		Go to section
Water		Go to section
GRI 303: Water and Effluents 2018	303–3 Water withdrawal	Water consumption
Anti-corruption		Go to section
GRI 205: Anti-corruption 2016	205–3 Confirmed incidents of corruption and actions taken	Incidents of corruption
Human rights		Go to section
Equality of opportunity and freedom from discrimination		Go to section
Responsible employer		Go to section
GRI 401: Employment 2016	401–1 New employee hires and employee turnover	Employee turnover
GRI 404: Training and Education 2016	404–2 Programs for upgrading employee skills and transition assistance programs	Professional development Retirement
GRI 404: Training and Education 2016	404–3 Percentage of employees receiving regular performance and career development reviews	Performance review
GRI 405: Diversity and Equal Opportunity 2016	405–1 Diversity of governance bodies and employees	Diversity
GRI 405: Diversity and Equal Opportunity 2016	405–2 Ratio of basic salary and remuneration of women to men	Ratio of basic salary
ICT security and data protection		Go to section
Airport Operators Sector Supplement (G4: 2014)		
AO1	Total number of passengers annually	Passengers
AO2	Total annual number of aircraft movements	Flight movements
AO3	Total amount of cargo tonnage	Freight
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 4.4 billion as at 31 December 2022), the consolidated group does not comprise any other listed companies. However, it does include the following unlisted companies:

GRI 2-1

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 15,269 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 581 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

Unless otherwise stated, data included in sustainability and non-financial reporting likewise refer to the consolidated data of the company including any majority-owned subsidiaries.

GRI 2-2

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)	31.12.2020	31.12.2021	31.12.2022
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	109.6	109.7	109.7
Available earnings			
Profit brought forward	1,817.1	1,689.4	1,699.0
Earnings for the year	-127.8	9.6	194.9
Treasury shares	-0.5	-0.1	-0.1
Total equity	2,264.9	2,275.0	2,469.9

Shareholders and participation rights

Significant shareholders

As at 31 December 2022, 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 2-1

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 Annual General Meeting by a two-thirds majority of represented votes.

Participation rights at the Annual General Meeting

Entries in the Share Register are normally made up to one week before the Annual General Meeting. With respect to the convening of the Annual General Meeting and the inclusion of items on the agenda, no rules in the Articles of Incorporation deviate from the statutory provisions. In the year under review, the provisions of the old law still apply, which are referenced below. In accordance with Article 699 para. 3 of the Swiss Code of Obligations (as at 31 December 2022), 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 Annual General Meeting, can be considered.

In accordance with the company's Articles of Incorporation, any shareholder may arrange to be represented at the Annual 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 Annual General Meeting 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 Annual General Meeting 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 Annual General Meeting 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 Annual General Meeting that is held in the year in which they turn 70.

GRI 2-9

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 Annual General Meeting were elected by individual vote.

Process for selecting and appointing the Board of Directors

The Board of Directors of Flughafen Zürich AG continually and proactively reviews membership of the Board itself. Coordinated strategic human resources planning which takes account of the composition and selection process requirements is carried out for all members of the Board of Directors.

GRI 2-10

On the basis of a skills matrix and a general requirements profile covering diversity, personality and leadership qualities, the Board of Directors determines what expertise and experience are lacking. The Board will generally employ an external executive search agency to identify a number of potential candidates on the basis of its requirements profile. Following prescreening, the Nomination & Compensation Committee reviews the resulting shortlist and contacts the candidates on the list. The executive search agency and subsequently the Nomination & Compensation Committee conducts one or more interviews with the candidates. The Nomination & Compensation Committee will then make a recommendation to the Board of Directors as to which candidate it should put forward for election at the Annual General Meeting. Members of the Board of Directors appointed by the Canton of Zurich are likewise always selected with the assistance of an external consultant in a comparable process closely involving the Chair of the Board of Directors.

The Board of Directors evaluates its members' competencies in the form of a self-assessment. This provides a basis for comparing existing and required competencies on the Board as a whole. If such an analysis reveals that certain competencies are incomplete or lacking entirely on the Board of Directors, this will flow into the next selection process for new members.

GRI 2-18

Diversity and competencies

Both a good gender balance and an appropriate length of tenure on the Board of Directors are desirable. In the year under review, the Board of Directors was composed of three women and five men, average tenure was 9 years, and the average age was 64.

Along with a knowledge of law and compliance, the competencies required on the Board of Directors encompass core entrepreneurial skills, leadership experience at board or senior executive level, international experience, strategy development, finance, sustainability, communication, politics and reputation management; these broad-based competencies are all covered by multiple members of the Board. The Board of Directors also attaches importance to representation from individuals with (sector) knowledge of important stakeholders and in the areas of aviation, tourism, retailing and hospitality, real estate, the platform economy and digital transformation. As well as having a balanced composition, this enables the Board to appoint deputies (vice chairs and committee chairs).

Every year the Board of Directors meets for in-depth discussions focusing on a particular issue for which it also draws on the knowledge of internal and external experts. In the 2022 financial year, for instance, the Board looked at cyber risks and how to deal with cyberattacks together with external experts who ran a workshop on the topic. Various measures were subsequently put in place to minimise the impact of such attacks, including from a sustainability standpoint.

GRI 2-17

Members

Andreas Schmid

- Chairman of the Board of Directors since the 2000 Annual General Meeting
- Swiss citizen, born in 1957, MA (Law); member of the Mövenpick 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
- Significant activities and vested interests: Chairman of the Supervisory Board of Villeroy & 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
- Significant 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 Annual General Meeting
- 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
- Significant activities and vested interests: none

Josef Felder

- Member of the Board of Directors since the 2017 Annual General Meeting
- Swiss citizen, born in 1961, Swiss Certified Expert for Accounting and Controlling and AMP 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
- Significant 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 Careal 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 Annual General Meeting
- 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 Warentreuhand AG (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
- Significant 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 Annual General Meeting
- 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
- Significant 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 Municipalities 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 Zurich 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
- Significant activities and vested interests: Member of the Boards of Directors of Clariant AG, Georg Fischer AG, Forbo Holding Ltd, Stäubli 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
- Significant 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, member of the Gotthard-Komitee

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.

GRI 2-11

Details of activities in companies with a commercial purpose and other legal entities entered in the Commercial Register are set out in the [Remuneration report](#). The requirements for disclosure of additional mandates of members of the Board of Directors and the Management Board are geared to the SIX Corporate Governance policy, and in the Remuneration Report they are geared to the Swiss Code of Obligations. These requirements are not identical. 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.

Members of the Board of Directors have a duty to disclose conflicts of interest, or any appearance of a conflict of interest, in relation to an individual business matter, even minor ones. The Board of Directors will decide on the action to be taken, which may include the respective member withdrawing from deliberations and not voting on a particular item of business.

GRI 2-15

There are no cross-board memberships between Boards of Directors. The Code of Conduct also includes a duty to disclose any internal conflicts of interest. In addition, major shareholders and their respective shareholdings are disclosed (see [Shareholders section](#)).

Internal organisation

Chairman of the Board of Directors

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

Vice Chairman of the Board of Directors

Josef Felder

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. The committee also considers non-financial reporting matters.

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. It 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 Annual General Meeting 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 seven meetings with an average duration of around five hours plus a two-day retreat, the Audit & Finance Committee held seven meetings lasting an average of two hours, the International Business Committee held three meetings lasting an average of two hours in each case, plus a one-day retreat and a multi-day trip to India, the Nomination & Compensation Committee held six meetings with an average duration of two hours, and the Public Affairs Committee held one meeting lasting 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 – or Chief People & Communications Officer since 1 June 2022 – 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.

Members of the Board of Directors are required to attend all meetings of the Board and of the committees to which they belong and to spend the necessary preparation time to adequately carry out their responsibilities. During the last financial year there were solely two excused absences of members of the Board of Directors from committee meetings, with Board meeting attendance being as follows:

Board member	Board meetings
Andreas Schmid	8/8
Vincent Albers	8/8
Guglielmo Brentel	8/8
Josef Felder	8/8
Stephan Gemkow	7/8
Corine Mauch	7/8
Eveline Saupper	8/8
Carmen Walker Späh	4/8

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.

Role of the Board of Directors in overseeing the impacts of management practices

The Board of Directors reviews developments and the impacts of the company and all its divisions at every meeting. These are also discussed with members of the Management Board, including aspects of sustainable development. Encounters with and developments among stakeholder constituencies are also considered.

GRI 2-12

In 2021, the Board of Directors redefined the company's strategy and values in consultation with the Management Board. These are based on megatrends identified by the Management Board as particularly relevant to the company. Sustainable development has been expressly included in our strategy ever since (see [Strategy](#) section).

Every year at a two-day retreat, the Board of Directors and the Management Board together develop and define business goals that align with this strategy. Half a day was set aside for the topic of sustainable development during the 2022 strategy review, for which the Management Board established the fundamental principles in its respective divisions. Representatives of individual stakeholder groups are regularly invited to these retreats to set out their expectations and views. At their meetings, members of the Management Board report on all significant contact with stakeholders as a matter of course (see [Stakeholders](#) section for more information).

Delegation of responsibility

In accordance with the organisational regulations, the Board of Directors has delegated the management of the company to the Management Board. Division heads are responsible for allocating responsibilities within their divisions, with sustainability being a matter for all divisions. The Board of Directors is accordingly notified of all relevant developments in the general situation assessment at every meeting. Various reports presented to the Board of Directors over the course of the financial year elucidate elements of how impacts are managed.

GRI 2-13

Reporting on sustainable development is carried out through the Integrated Report. The Audit & Finance Committee is accordingly responsible for this and consequently analyses the company's sustainability reporting in detail and prepares it for the attention of the Board of Directors.

GRI 2-14

The Finance & Services division, which includes the Financial Services and Sustainability & Environmental departments, has overall responsibility for integrated reporting. Reporting on governance matters requires the involvement of the General Secretary. The People & Communications division is responsible for key aspects of managing impacts on social sustainability (employees and people generally).

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 solely 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. As part of its general situation assessment, the Management Board also informs the Board of Directors at every meeting about any developments and critical concerns or particular risks that have recently come to light in the company's business activities. The Board of Directors is also kept informed of anticipated financial developments by means of rolling long-term planning for various scenarios, receiving over the course of the financial year reports on matters such as compliance management, noise management or risk management, for example.

GRI 2-16

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. During the reporting period, Internal Audit, which was set up as an entity independent of management to help the Board of Directors and the Audit & Finance Committee exercise their duty of oversight, reviewed aspects of the internal control system, project audits and various aspects of the Latin American subsidiaries, 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 July 2008 as member of the Management Board; CEO since January 2015
- Significant activities and vested interests: Member of the Board of Directors of Schweiter Technologies AG, Steinhausen (Canton Zug) since 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
- Significant 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 consequently joined the Management Board in February 2017
- Significant 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 center management roles for the Federation of Migros Cooperatives (from 2010 to 2015)

- Joined Flughafen Zürich AG in February 2016 as CCO and Member of the Management Board
- Significant activities and vested interests: none

Lydia Naef

- Chief Real Estate Officer (CREO)
- Swiss citizen, born 1982, degree in business economics plus an MBA in international real estate management, various consulting and project management roles at RESO Partners AG and Halter AG (from 2006 to 2012), joined Flughafen Zürich AG as a property management team leader in 2012, Head Services & Parking and Head Property & Portfolio Management
- Appointed CREO and assumed Management Board function in September 2022
- Significant activities and vested interests: Chair of the Board of Directors of Flying Bag AG

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 consequently joined the Management Board in October 2017
- Significant activities and vested interests: none

Manuela Staub

- Chief People & Communications Officer (CPCO)
- Swiss citizen, born 1973, degree in business economics and Executive Master of Science in Communications Management, worked in various roles, including Head of Organisational Development, at Bluewin (1999 to 2001), then Head of Communications for various divisions at Swisscom AG, joined Flughafen Zürich AG as Head of Corporate Communications in February 2020
- Became CPCO and consequently joined the Management Board in June 2022
- Significant activities and vested interests: none



Lydia Naef, Stefan Gross, Stefan Tschudin, Manuela Staub, Lukas Brosi, Stephan Widrig and Daniel Bircher (from left to right)

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

Details of activities in companies with a commercial purpose and other legal entities entered in the Commercial Register are set out in the [> Remuneration report](#). 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 Annual General Meeting. 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 488,500 (2021: CHF 442,350). The auditors also charged a total of CHF 110,000 (2021: CHF 105,500) for additional audit-related services. In terms of non-audit-related services, CHF 0 (2021: 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 from the external auditing firm participates in the relevant agenda items at 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/en/investor-news/. Anyone interested in receiving them 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 (until the end of the reporting year) 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.

GRI 2-19

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. The pension contribution system for the Management Board is essentially the same as for other salaried employees based at Zurich Airport. The only difference is that contributions to the pension fund for the variable salary component of Management Board members are paid in full by the employer. No severance payments are made to the Board of Directors or to the Management Board.

The current remuneration and bonus system was drawn up in 2012 and minor adjustments were last made in 2017. The bonus scheme for the Management Board is presented by the Nomination & Compensation Committee for the Board of Directors to decide on. The scheme for all other employees entitled to a bonus is approved by the Management Board. See sections [> 2. Components and methods of determination](#) and [> 3. Approval by the Annual General Meeting](#) for further information.

GRI 2-20

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 Annual General Meeting 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 Annual General Meeting

Each year, the Annual General Meeting 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 Annual General Meeting 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 Annual General Meeting.

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 Annual General Meeting 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 Annual General Meeting 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 (2022):

(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	51,750	426,250
Josef Felder	Vice Chairman; Chairman Audit & Finance Committee	108,531	23,000	17,250	40,250	189,031
Vincent Albers	Member	97,750	23,000	17,250	48,875	186,875
Guglielmo L. Brentel	Member	97,750	23,000	5,750	14,375	140,875
Stephan Gemkow	Member; Chairman International Business Committee	97,750	20,125	17,250	28,750	163,875
Corine Mauch ²⁾	Member	97,750	20,125	5,750	2,875	126,500
Eveline Saupper ³⁾	Member; Chairwoman Nomination & Compensation Committee	104,219	23,000	17,250	20,125	164,594
Carmen Walker Späh ⁴⁾	Member; Chairwoman Public Affairs Committee	97,750	11,500	11,500	2,875	123,625
Total		1,030,000	166,750	115,000	209,875	1,521,625
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 126,500, CHF 87,525 was paid out to the City of Zurich and CHF 38,975 to the member.

3) Vice Chairwoman until AGM 2021

4) Of the total amount of CHF 123,625, CHF 123,625 was paid out to the Canton of Zurich and CHF 0 to the member.

b) for the prior year (2021):

(in CHF)	Recipient	Function	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
	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 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.

No severance payments or other long-term remuneration payments were made in 2022 or 2021.

2. Remuneration of the Management Board

a) for the reporting period (2022):

(in CHF)	Recipient	Salary	Variable remuneration (cash) ¹⁾	Variable remuneration (shares) ¹⁾	Pension and social insurance contributions	Miscellaneous ²⁾	Total CHF	Number of shares ³⁾	Share price (CHF) ³⁾
	Stephan Widrig (CEO)	420,000	363,977	182,023	254,763	27,818	1,248,581	1,272	143.10
	Other members of the Management Board ⁴⁾	1,695,027	749,152	320,115	752,913	171,332	3,688,539	2,237	143.10
	Total	2,115,027	1,113,129	502,138	1,007,676	199,150	4,937,120	3,509	
Total amount approved by the Annual General Meeting							5,500,000		

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) Miscellaneous includes representation expenses and the company car, in individual cases it can also include other items such as a long-service gift.

3) 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.

4) A new member joined the Management Board on 1 June 2022.

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 reduced by the Board of Directors, taking due account of special factors, and set at 130%. In the previous year, the level of target achievement was also above 100%, and the variable remuneration for the Management Board was reduced to 100 % in view of the consolidated loss.

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 2022.

b) for the prior year (2021):

(in CHF)	Salary	Variable remuneration (cash) ¹⁾	Variable remuneration (shares) ¹⁾	Pension and social insurance contributions	Miscellaneous ²⁾	Total CHF	Number of shares ³⁾	Share price (CHF) ³⁾
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 ⁴⁾	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) Miscellaneous includes representation expenses and the company car, in individual cases it can also include other items such as a long-service gift.
- 3) 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.
- 4) A new member joined the Management Board on 1 August 2021.

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 2022 or 2021, nor was non-market-based remuneration paid to parties related to members of the Board of Directors or the Management Board during these years.

3. Activities at other companies

The activities of members of the Board of Directors and the Management Board at other companies with a commercial purpose and other legal entities entered in the Commercial Register are listed below:

Board of Directors	Activities in companies with a commercial purpose and other legal entities entered in the Commercial Register
Andreas Schmid	<ul style="list-style-type: none"> • Chairman of the Board of Directors of Helvetica Capital AG • President of the Supervisory Board of Villeroy & Boch AG, Germany¹⁾ • Member of the Board of Directors of Gategroup Holding AG • Member of the Board of Directors of Steiner AG • Member of the Board of Trustees of Avenir Suisse • Chairman of the Board of Directors of Nüssli AG • International advisor at École Hôtelière Lausanne (EHL)
Vincent Albers	<ul style="list-style-type: none"> • Member of the Board of Directors and Executive Management of Albers & Co AG • Chairman of the Board of Directors of Hardturm AG (Albers Group) • Member of the Board of Directors of Schoeller Textil AG (Albers Group) • Chairman of the Board of Directors of AG Haus zum blauen Täubli • Member of the Board of Directors of Immobilien ETHFZ AG • Member of the Board of Directors of Hohenlinden AG • Member of the Board of Directors of Kartaus AG • Various other mandates in units of the Albers Group
Guglielmo Brentel	<ul style="list-style-type: none"> • Chairman of the Board of Directors of H&G Hotel Gast AG, Altendorf • Chairman of the Board of Directors of Gastgeber3.0 AG, Zurich • Chairman of the Board of Directors of Holesa AG, Lenzerheide (Hotel Schweizerhof) • Chairman of the Board of Directors of Niklaus Ming Holding AG, Vevey • President of IG Seepärke Zürich • President of Zurich Tourism • Member of the Board of Directors of Laax Hospitality 3.0 AG
Josef Felder	<ul style="list-style-type: none"> • Vice-Chairman of the Board of Directors of AMAG Group AG and subsidiaries • Member of the Board of Directors of Careal Property Group AG • Member of the Board of Directors of Gebr. Knie Schweizer National-Circus AG • Chairman of the Board of Directors of Musikpunkt Hug Holding AG • Chairman of the Board of Directors of SGV Holding AG (Schiffahrtsgesellschaft Vierwaldstättersee) • Chairman of the Board of Directors of Felder & Company AG
Stephan Gemkow	<ul style="list-style-type: none"> • Member of the Board of Directors of AMADEUS IT Group S.A., Madrid, Spain¹⁾ • Member of the Board of Directors of Airbus SE, Leiden, Netherlands¹⁾ • Senior Advisor BNP Paribas Group, Frankfurt, Germany¹⁾ • Member of the Board of Trustees of C.D. Waelholz GmbH & Co. KG, Hagen, Germany • Member of the Board of Directors of Airbus Defence und Space GmbH, Ottobrunn, Germany
Corine Mauch	<ul style="list-style-type: none"> • Mayor of the city of Zurich • Member of the Greater Zurich Area Foundation Board • Member of the Switzerland Innovation Park Zurich Foundation Board • Member of the Technopark Zurich Foundation Board • Member of the Board of Directors of Tonhalle-Gesellschaft Zürich AG • Member of the BlueLion Foundation Board • President of the Nico Kaufmann Foundation Board • Member of the Board of RZU (planning umbrella association for the Zurich region and vicinity) • Vice-Chairwoman of Association Trans Europe TGV Rhin-Rhône-Méditerranée • Member of the Board of Trustees of Zoo Zürich • President of the Zurich Film Foundation Board • Member of the Board of the Zurich Art Society
Eveline Saupper	<ul style="list-style-type: none"> • Attorney-at-law • Member of the Board of Directors of Clariant AG¹⁾ • Member of the Board of Directors of Georg Fischer Ltd¹⁾ • Member of the Board of Directors of Forbo Holding Ltd¹⁾ • Member of the Board of Directors of Stäubli Holding AG • Member of the Board of Directors of Tourismus Savognin Bivio Albula AG • Chairwoman of the Board of Directors of Mentex Holding AG • Member of the Piz Mitgel Val Surses Foundation Board • Chairwoman of the Board of Directors of Piz Mitgel Management AG (wholly-owned subsidiary of the Piz Mitgel Val Surses Foundation) • Member of the UZH Foundation Board
Carmen Walker Späh	<ul style="list-style-type: none"> • Member of Government Council of the Canton of Zurich • President of the Greater Zurich Area Foundation Board, location marketing

In the Remuneration Report, the requirements for disclosure of additional mandates of members of the Board of Directors and the Management Board are geared to the Swiss Code of Obligations, in the section on corporate governance in the main report they are geared to the SIX Corporate Governance policy. These requirements are not identical.

1) listed company

Management Board	Activities in companies with a commercial purpose and other legal entities entered in the Commercial Register
Stephan Widrig	• Member of the Board of Directors of Schweiter Technologies AG ¹⁾
Daniel Bircher	none
Lukas Brosi	• Member of the Board of the Association of Swiss Finance Directors
Stefan Gross	none
Lydia Naef ²⁾	• Chairwoman of the Board of Directors of Flying Bag AG • Chairwoman of the Board of Directors of Nabreg AG
Stefan Tschudin	none
Manuela Staub ³⁾	none

1) listed company

2) since 1 September 2022

3) since 1 June 2022

To the General Meeting of
Flughafen Zürich AG, Kloten

Zurich, 9 March 2023

Report of the statutory auditor on the audit of the remuneration report



Opinion

We have audited the remuneration report of Zürich Flughafen AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables marked "audited" on pages 128 to 130 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report complies with Swiss law and Art. 14-16 VegüV.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SAC-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the remuneration report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report 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.



Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is 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 and SA-CH 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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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	2022	2021
Aviation revenue	(2)	491.1	240.6
Non-aviation revenue	(2)	532.4	439.4
Total revenue		1,023.5	680.0
Personnel expenses	(3)	-196.9	-171.3
Police and security		-105.3	-84.7
Energy and waste		-34.2	-22.2
Maintenance and material		-38.8	-27.9
Other operating expenses	(4)	-50.1	-45.2
Sales, marketing and administration		-43.2	-34.0
Capitalised expenditure and other income	(5)	21.0	17.8
Expenses for construction projects as part of concession arrangements	(5)	-16.8	-10.6
Other expenses	(5)	-3.6	-2.7
Earnings before interest, tax, depreciation and amortisation (EBITDA)		555.6	299.2
Depreciation and amortisation		-295.3	-280.2
Earnings before interest and tax (EBIT)		260.2	19.1
Finance costs	(6)	-42.2	-32.1
Finance income	(6)	22.2	3.0
Share of result of associates		0.0	-3.7
Result before tax		240.3	-13.7
Income taxes	(7)	-33.3	3.6
Consolidated result		207.0	-10.1
Result attributable to shareholders of Flughafen Zürich AG		207.0	-10.1
Result attributable to non-controlling interests		0.0	0.0
Basic earnings per share (CHF)	(17)	6.74	-0.33
Diluted earnings per share (CHF)	(17)	6.74	-0.33

Consolidated statement of comprehensive income

(CHF million)	Notes	2022	2021
Consolidated result		207.0	-10.1
Other comprehensive income			
Foreign exchange differences		-3.5	-8.5
Items that are or may be reclassified subsequently to profit or loss		-3.5	-8.5
Remeasurement of defined benefit liability, net of income tax		63.7	92.4
Items that will never be reclassified to profit or loss		63.7	92.4
Other comprehensive income, net of income tax		60.2	83.9
Total comprehensive income		267.2	73.8
Comprehensive income attributable to shareholders of Flughafen Zürich AG		267.2	73.8
Comprehensive income attributable to non-controlling interests		0.0	0.0

Consolidated balance sheet

(CHF million)	Notes	31.12.2022	31.12.2021
Assets			
Property, plant and equipment	(8)	2,701.8	2,745.8
Right-of-use assets	(9)	152.2	73.9
Investment property	(10)	591.6	605.9
Investments in airport operator projects	(11)	290.3	268.6
Intangible asset from right of formal expropriation	(11)	46.5	66.3
Other intangible assets	(11)	13.0	17.9
Investments in associates	(12)	0.0	0.0
Non-current financial assets of Airport Zurich Noise Fund	(13)	301.0	327.7
Non-current fixed-term deposits	(16)	8.0	2.1
Other non-current financial assets		7.9	8.7
Deferred tax assets	(21)	8.1	8.1
Total non-current assets		4,120.4	4,125.1
Inventories		10.9	10.2
Current financial assets of Airport Zurich Noise Fund	(13)	60.1	45.3
Other current financial assets		57.6	8.8
Trade receivables	(14)	93.3	78.6
Other receivables and prepaid expenses	(15)	210.3	164.5
Current tax assets		0.9	0.1
Current fixed-term deposits	(16)	401.1	121.3
Cash and cash equivalents	(16)	261.2	409.3
Total current assets		1,095.4	838.1
Total assets		5,215.8	4,963.2
Equity and liabilities			
Share capital	(17)	307.0	307.0
Treasury shares		-0.1	-0.1
Capital reserves		200.2	199.6
Translation reserve		-111.2	-107.7
Other retained earnings		2,283.2	2,012.4
Equity attributable to shareholders of Flughafen Zürich AG		2,679.0	2,411.2
Equity attributable to non-controlling interests		0.1	0.1
Total equity		2,679.1	2,411.3
Non-current financial liabilities	(18)	1,520.3	1,873.9
Non-current provisions for formal expropriations plus sound insulation and resident protection	(19)	273.0	318.3
Deferred tax liabilities	(21)	71.3	43.4
Employee benefit obligations	(22)	10.7	87.8
Non-current liabilities		1,875.3	2,323.4
Trade payables		44.4	57.0
Current financial liabilities	(18)	422.9	16.8
Current provisions for formal expropriations plus sound insulation and resident protection	(19)	45.7	36.8
Current tax liabilities		19.7	2.7
Other current liabilities, accruals and deferrals	(23)	128.8	115.1
Current liabilities		661.4	228.5
Total liabilities		2,536.7	2,551.9
Total equity and liabilities		5,215.8	4,963.2

Consolidated cash flow statement

(CHF million)	Notes	2022	2021
Consolidated result		207.0	-10.1
Finance result	(6)	20.0	29.1
Share of result of associates		0.0	3.7
Income taxes	(7)	33.3	-3.6
Depreciation, amortisation and impairment of			
Property, plant and equipment (after recognition of government subsidies and grants)	(8)	233.8	231.4
Right-of-use assets	(9)	8.8	7.3
Investment property	(10)	26.9	22.8
Intangible assets	(11)	25.9	18.7
Gains (-)/losses (+) on disposal of property, plant and equipment (net)		1.6	0.7
Share-based payments		1.6	0.9
Increase (-)/decrease (+) in inventories, trade receivables and other receivables and prepaid expenses		-78.7	-37.7
Increase (+)/decrease (-) in current liabilities, excluding current financial liabilities		25.2	-20.5
Increase (+)/decrease (-) in employee benefit obligations		0.9	4.8
Increase (+)/decrease (-) in provision for formal expropriations plus sound insulation and resident protection		-12.1	-15.5
Income tax paid		-5.5	-0.3
Cash flow from operating activities		488.6	231.7
Investments in property, plant and equipment plus projects in progress		-179.8	-153.8
Investments in investments property		-41.9	-37.6
Investments in airport operator projects		-13.2	-14.6
Investments in other intangible assets		-0.4	-0.3
Investments in financial assets		-151.1	-6.9
Investments in fixed-term deposits		-404.4	-222.4
Repayment of financial assets		99.6	48.2
Repayment of fixed-term deposits		121.3	300.0
Proceeds from disposal of property, plant and equipment		0.1	0.2
Interest received		2.8	0.6
Cash flow from investing activities		-567.0	-86.6
Repayment of existing debentures	(18)	-26.6	0.0
Issue of liabilities to banks	(18)	2.9	5.0
Repayment of liabilities to banks	(18)	-10.7	-68.0
Increase of other financial liabilities	(18)	0.0	0.8
Repayment of lease liabilities	(18)	-8.9	-7.5
Repayment of liabilities from concession arrangements	(18)	-10.2	-0.8
Purchase of treasury shares		-1.0	-0.2
Interest paid		-16.2	-13.8
Cash flow from financing activities		-70.7	-84.5
Increase (+)/decrease (-) in cash and cash equivalents		-149.1	60.6
Balance at 1 January	(16)	409.3	351.2
Effect of foreign exchange differences on cash and cash equivalents held		1.1	-2.5
Balance as at reporting date	(16)	261.2	409.3

Consolidated statement of changes in equity

(CHF million) ¹	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 2022	307.0	-0.1	199.6	-107.7	2,012.4	2,411.2	0.1	2,411.3
Consolidated result	0.0	0.0	0.0	0.0	207.0	207.0	0.0	207.0
Foreign exchange differences	0.0	0.0	0.0	-3.5	0.0	-3.5	0.0	-3.5
Remeasurement of defined benefit liability, net of income tax	0.0	0.0	0.0	0.0	63.7	63.7	0.0	63.7
Other comprehensive income, net of income tax	0.0	0.0	0.0	-3.5	63.7	60.2	0.0	60.2
Total comprehensive income	0.0	0.0	0.0	-3.5	270.7	267.2	0.0	267.2
Dividend for the 2021 financial year	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of treasury shares	0.0	-1.0	0.0	0.0	0.0	-1.0	0.0	-1.0
Share-based payments	0.0	1.0	0.6	0.0	0.0	1.6	0.0	1.6
Balance as at 31 December 2022	307.0	-0.1	200.2	-111.2	2,283.2	2,679.0	0.1	2,679.1
(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	0.0	0.0	0.0	0.0	-10.1	-10.1	0.0	-10.1
Foreign exchange differences	0.0	0.0	0.0	-8.5	0.0	-8.5	0.0	-8.5
Remeasurement of defined benefit liability, net of income tax	0.0	0.0	0.0	0.0	92.4	92.4	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of treasury shares	0.0	-0.2	0.0	0.0	0.0	-0.2	0.0	-0.2
Share-based payments	0.0	0.6	0.3	0.0	0.0	0.9	0.0	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

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](#) as well as in [note 8, Property, plant and equipment](#) and [note 11, Intangible assets](#) in the notes to the 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 2022:

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards: Subsidiary as a First-time Adopter
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to IFRS 9 Financial Instruments: Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

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 2022.

Introduction of new standards in 2023 and later

The following new or amended standards and interpretations issued by the end of 2022 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 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
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	*	1 January 2024 Financial year 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	*	1 January 2024 Financial year 2024

* 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 2022.

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, 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 as well as noise charges. 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 Covid pandemic were recognised in profit or loss when incurred.

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 as operator receives the right 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 Annual General Meeting.

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 [note 11, 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 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 slightly more than 5200 were still pending at the end of 2022.

Around 560 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 86.6 million had already been paid out at that date. As at 31 December 2022, a provision was recognised for the outstanding costs of CHF 243.4 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 300.4 million had already been paid out at that date. As at 31 December 2022, a provision was recognised for the outstanding costs of CHF 99.6 million (see [> note 19, Provision for formal expropriations plus sound insulation and resident protection](#)).

Impairment of assets in accordance with IAS 36

The coronavirus pandemic and its repercussions caused a fall in demand for air travel and the related commercial activities, which also impacted on the Zurich Airport Group. As these circumstances continue to indicate that the carrying amount of assets could be impaired, the company performs an impairment test for its cash-generating units (CGUs) 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 2032 and in the case of investments in airport operator projects from the budget over the remaining terms (4 to 27 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 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 2022 based on a value in use calculation using cash flow forecasts derived from the long-term budget approved for the period to 2032. 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 2022 based on value in use calculations using cash flow forecasts from the financial budgets for the remaining terms of the contractually agreed concessions (4 to 27 years). The country-specific WACC applied to the cash flow forecasts ranged from 9.0% to 10.5% (previous year: 9.0% to 10.3%).

Result

As at 31 December 2022, an impairment loss of CHF 4.3 million was required to be recognised for the airport operator project in Iquique (Chile) as a result of the impairment test on the CGUs and non-financial assets (see [note 11, Intangible assets](#)). This impairment loss was recognised through profit or loss in the reporting period. No impairment arose on the other assets.

Accounting treatment of agreements for airport operator projects

In the case of agreements where the airport premises can be used both for the provision of regulated services and for the provision of non-regulated services, management must assess whether IFRIC 12 is applicable. If the unregulated business activities make a significant contribution to revenue, IFRIC 12 does not apply to that agreement. Instead, agreed payments for the use of the airport premises are recognised and measured as leases in accordance with IFRS 16 and revenue from the use of the airport premises is recognised and measured in accordance with IFRS 15. These assessments involve judgements by management.

III Notes to the consolidated financial statements

1 Segment reporting

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

(CHF million)	Regulated business	Noise	Non-regulated business	International	Eliminations	Consolidated
2022						
Revenue from contract with customers (IFRS 15)	490.9	0.0	157.8	80.6	0.0	729.4
Other revenue (non IFRS 15)	0.2	0.0	294.0	0.0	0.0	294.2
Total revenue from third parties	491.1	0.0	451.8	80.6	0.0	1,023.5
Inter-segment revenue	27.9	0.0	84.6	0.0	-112.5	0.0
Total revenue	519.1	0.0	536.4	80.6	-112.5	1,023.5
Personnel expenses	-76.0	-1.8	-107.6	-11.6	0.0	-196.9
Other operating expenses	-157.3	4.0	-77.2	-40.5	-0.0	-271.1
Inter-segment operating expenses	-83.8	-0.9	-26.7	-1.2	112.5	0.0
Segment result (EBITDA)	202.0	1.4	324.8	27.3	-0.0	555.6
Depreciation and amortisation	-148.4	-3.4	-128.9	-14.6	0.0	-295.3
Segment result (EBIT)	53.6	-2.1	195.9	12.8	-0.0	260.2
Finance result						-20.0
Share of result of associates						-0.0
Income tax expense						-33.3
Consolidated result						207.0
 Invested capital as at 31 December 2022	1,971.5	101.4	1,950.1	599.2		4,622.2
Non-interest-bearing non-current liabilities ¹⁾						355.0
Non-interest-bearing current liabilities ²⁾						238.6
Total assets as at 31 December 2022						5,215.8
 ROIC (in %)	2.3	-1.6	8.2	2.1		4.7
Capital expenditure	150.3	0.1	51.2	131.7		333.4
Investments in associates	0.0	0.0	0.0	0.0		0.0

1) 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.

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

In the “International” segment, “Depreciation and amortisation” includes an impairment loss of CHF 4.3 million that arose on investments in international airport operator projects as a result of impairment calculations (see also [note 11, Intangible assets](#)).

(CHF million)							
2022	Aviation	PRM	User fees	Air security ⁴⁾	Access fees ⁴⁾	Eliminations	Total regulated business
Revenue from contract with customers (IFRS 15)	297.4	11.2	53.3	128.2	0.9	0.0	490.9
Other revenue (non IFRS 15)	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Revenue from third parties	297.6	11.2	53.3	128.2	0.9	0.0	491.1
Inter-segment revenue	28.5	0.0	5.8	11.9	2.8	-21.1	27.9
Total revenue	326.2	11.2	59.1	140.1	3.6	-21.1	519.1
Personnel expenses	-62.3	-0.0	-9.9	-2.7	-1.0	0.0	-76.0
Other operating expenses	-39.6	-10.3	-5.4	-58.4	-43.7	0.0	-157.3
Inter-segment operating expenses	-59.4	-1.1	-16.6	-13.9	-13.9	21.1	-83.8
EBITDA	164.9	-0.2	27.2	65.0	-54.9	0.0	202.0
Depreciation and amortisation	-107.7	-0.2	-31.6	-5.7	-3.2	0.0	-148.4
EBIT	57.2	-0.3	-4.4	59.3	-58.1	0.0	53.6
 Invested capital as at 31 December 2022	 1,343.4	 10.8	 450.5	 138.8	 28.0	 	 1,971.5
 ROIC (in %)	 3.5	 -2.8	 -0.8	 37.7	 -183.6	 	 2.3
 Operating assets pursuant to Ordinance on Airport Charges (OAC) ³⁾	 1,160.6	 3.0	 415.8	 57.0	 20.2	 	 1,656.6
 ROIC (in %) pursuant to OAC	 4.8	 -8.3	 -0.9	 76.9	 -232.4	 	 3.3

3) 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.

4) In accordance with the OAC, the shortfall in the "Access fees" segment can be charged to the "Air security" segment. Taking the shortfall into account, the ROIC pursuant to the OAC for the "Air security" segment amounts to 1.2%.

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

(CHF million)	Regulated business	Noise	Non-regulated business	International	Eliminations	Consolidated
2021						
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 ¹⁾						449.5
Non-interest-bearing current liabilities ²⁾						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) 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.

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

(CHF million)	Aviation	PRM	User fees	Air security ⁴⁾	Access fees ⁴⁾	Eliminations	Total regulated business
2021							
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) ³⁾	 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

3) 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.

4) In accordance with the OAC, the shortfall in the "Access fees" segment can be charged to the "Air security" segment. Taking the shortfall into account, the ROIC pursuant to the OAC for the "Air security" segment amounts to -44.5%.

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).

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.

→ PRM

The “PRM” (Passengers 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

Since 1 January 2021, revenue from aircraft noise charges has been 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 2022, an amount of CHF 13.8 million (previous year: CHF 1.3 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 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 2022, consulting services totalling CHF 2.5 million (previous year: CHF 5.4 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 339.3 million in the past financial year (previous year: CHF 177.2 million).

2 Revenue

(CHF million)	2022	2021
Passenger charges	181.7	77.9
Security charges	126.5	53.5
PRM charges	11.2	4.6
Passenger-related flight operations charges	319.4	136.0
Landing charges	65.5	35.2
Aircraft-related noise charges	12.1	6.5
Emission charges	3.0	1.8
Aircraft parking charges	25.0	18.9
Freight charges	7.5	6.8
Other flight operations charges	113.1	69.2
Total flight operations charges	432.5	205.2
Baggage sorting and handling system	35.1	18.9
De-icing	6.9	5.1
Check-in	4.0	2.3
Aircraft energy supply system	4.1	2.8
Other fees	3.9	3.2
Total aviation fees	54.1	32.3
Refund of security costs	1.7	0.8
Other revenue	2.9	2.3
Total other aviation revenue	4.5	3.1
Total aviation revenue	491.1	240.6
Retail, tax & duty-free	108.5	107.4
Food & beverage	21.6	13.3
Advertising media and promotion	17.7	16.2
Revenue from car parks	76.3	51.4
Other commercial revenue	15.9	10.9
Total commercial and parking revenue	239.9	199.2
Revenue from rental agreements	128.1	123.6
Energy and utility cost allocation	34.8	23.5
Cleaning	2.4	2.3
Other real estate revenue	3.0	3.6
Total real estate revenue	168.3	153.0
Communication services	14.9	14.1
Fuel charges	6.3	3.6
Catering	1.4	0.6
Other revenue from services	20.9	13.5
Total revenue from services	43.5	31.8
Revenue from international airport concessions	61.2	39.3
Revenue from consulting activities	2.5	5.4
Revenue from construction projects as part of concession arrangements	16.9	10.7
Total revenue from international business	80.6	55.4
Total non-aviation revenue	532.4	439.4
Total revenue	1,023.5	680.0

The rent concessions granted in connection with the coronavirus pandemic (rent waivers and contractual amendments such as staggered rents or lease term extensions) were recognised as assets in accordance with IFRS 16 and are being amortised on a straight-

line basis over the remaining term of the relevant contracts. This reduced revenue by CHF 4.7 million in the reporting period (previous year: increased revenue by CHF 29.3 million).

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

(CHF million)	2022	2021
Flight operations charges	432.5	205.2
Aviation charges	54.1	32.3
Other aviation revenue	4.3	2.9
Total aviation revenue from contracts with customers (IFRS 15)	490.9	240.4
Aviation revenue (non IFRS 15)	0.2	0.2
Total aviation revenue	491.1	240.6
Commercial and parking revenue	75.9	49.5
Real estate revenue	39.7	28.7
Revenue from services	42.2	30.8
Revenue from international activities	80.6	55.4
Total non-aviation revenue from contracts with customers (IFRS 15)	238.4	164.4
Non-aviation revenue (non IFRS 15)	294.0	275.0
Total non-aviation revenue	532.4	439.4
Total revenue	1,023.5	680.0

3 Personnel expenses

(CHF million)	2022	2021
Wages and salaries	150.5	125.2
Pension costs for defined benefit plans ¹⁾	19.7	23.6
Social security contributions	14.1	14.1
Other personnel expenses and employee benefits	12.7	8.4
Total personnel expenses	196.9	171.3
Average number of employees (full-time equivalents) ²⁾	1,790	1,708
Number of employees at reporting date (full-time equivalents) ²⁾	1,886	1,694
Personnel expense per full-time equivalents as at 31 December (in CHF)	104,369	101,092

1) See note 22, Employee benefits
2) Excluding apprentices and trainees

In the past financial year, short-time working compensation of CHF 12.0 million (previous year: CHF 29.5 million) was offset against personnel expenses (wages and salaries).

Staff participation programme

Employees of Flughafen Zürich AG who have completed their first year of service receive one share free of charge as a one-off payment in kind. In financial year 2022, 54 shares (previous year: 82 shares) worth CHF 8645 (previous year: CHF 13,024) 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 to the members of the Management Board and members of the most senior management in cash and one third is paid out in shares.

The equity-settled portion of the bonus for financial year 2022 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.

(Recipient)	2022 (CHF)	2021 (CHF)	2021 ¹⁾ (Number of shares)	Price per share ¹⁾ (CHF)
Members of the Management Board	502,138	380,698	2,130	169.00
Other members of management	831,048	598,365	3,543	169.00
Adjustment of variable remuneration accrued in the previous year ²⁾	-326	-12,357		
Total	1,332,860	946,706	5,673	

1) Shares distributed in the 2022 financial year under the variable remuneration programme for the Management Board and other members of management (number and price per share) for the 2021 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 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 (April 2023). If the shares had been granted as at year-end, a total of 9,316 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)	2022	2021
Zurich Protection & Rescue Services	21.5	22.0
PRM costs (service costs of service providers)	10.3	7.1
Other operating costs	3.5	3.8
Insurance	4.7	4.5
Cleaning by external contractors, incl. snow clearing	4.4	3.7
Costs for own car park	3.2	1.9
Communication costs	1.7	1.4
Passenger services	0.8	0.7
Total other operating expenses	50.1	45.2

5 Other income and expenses

(CHF million)	2022	2021
Capitalised expenditure	13.0	10.8
Other income	8.0	7.0
Capitalised expenditure and other income	21.0	17.8
Expenses for construction projects as part of concession arrangements	-16.8	-10.6
Expenses for construction projects as part of concession arrangements	-16.8	-10.6
Other expenses	-3.6	-2.7
Other expenses	-3.6	-2.7

Capitalised expenditure of CHF 13.0 million (previous year: CHF 10.8 million) consists mainly of fees for the company's architects and engineers as well as for project managers representing the client. In the reporting period, other income included CHF 7.4 million (previous year: CHF 0.0 million) resulting from the adjustment of the discount rate used to calculate the present value of provisions for sound insulation and resident protection. In the previous year, this line item consisted primarily of compensation payments of CHF 5.0 million for projects written down in the past.

The expenses of CHF –16.8 million (previous year: CHF –10.6 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](#).

As in the previous year, the items recognised in other expenses in the reporting period primarily included losses on asset disposals and losses on receivables.

6 Finance result

(CHF million)	2022	2021
Net interest expenses on debentures and non-current loans	-11.3	-10.8
Net interest expenses on defined benefit obligations	-0.2	-0.3
Interest expenses on finance lease liabilities	-0.1	0.0
Other interest expenses	-10.9	-12.9
Adjustments to fair value on financial assets of Airport Zurich Noise Fund	-11.8	0.0
Present value adjustment on provision for formal expropriations plus sound insulation and resident protection	-0.8	0.0
Present value adjustment on liabilities from concession arrangements	-1.0	-4.9
Foreign exchange losses	-0.8	-1.1
Other finance costs	-5.2	-2.0
Total finance costs	-42.2	-32.1
Interest income on financial assets of Airport Zurich Noise Fund	0.6	0.5
Adjustments to fair value on financial assets of Airport Zurich Noise Fund	0.0	2.0
Other interest income	4.9	0.4
Other finance income	16.7	0.1
Total finance income	22.2	3.0
Finance result	-20.0	-29.1

Due to the deflationary environment in Brazil in the second half of the year, both other interest expenses and expenses for the present value adjustment on liabilities from concession agreements were down year on year. Conversely, after the income generated in the previous year, negative fair value changes at the Airport Zurich Noise Fund resulted in additional expenses.

Other finance income consisted mainly of two one-time items: the repurchase of own debentures and the prepayment of the future fixed concession payments in Florianópolis resulted in gains of CHF 8.4 million and CHF 8.0 million, respectively (see [note 18, Financial liabilities](#)).

7 Income tax

(CHF million)	2022	2021
Taxes for current year	-21.3	-0.7
Taxes for prior years	0.7	-2.1
Total current income tax	-20.7	-2.8
Deferred income tax on changes in temporary differences	-12.6	2.2
Change in tax rate	0.0	4.2
Total deferred income tax	-12.6	6.4
Total income tax	-33.3	3.6

Income tax can be analysed as follows:

(CHF million)	2022	2021
Result before tax	240.3	-13.7
Income tax based on the statutory tax rate of 19.0% applicable at the parent company (2021: 19.0%)	-45.7	2.6
Effect of application of different income tax rates in foreign countries	-2.8	1.0
Prior-period adjustments	0.7	-2.1
Effect of tax rate changes on deferred taxes	0.0	4.2
Effect of share of results of associates	-0.2	0.0
Effect of solely tax-deductible income and expenses	-0.5	0.0
Current-year losses for which no deferred tax assets were recognised	0.0	-2.0
Recognition of tax effects of previously unrecognised tax losses	14.2	0.0
Tax incentives	1.1	0.0
Foreign exchange differences	0.0	-0.1
Miscellaneous items	-0.1	0.0
Total income tax	-33.3	3.6

In the reporting period, a positive effect of CHF 14.2 million was recognised in connection with the restructuring of the subsidiary Zurich Airport International AG. This effect is attributable to the recognition of previously unrecognised tax loss carryforwards.

8 Property, plant and equipment

(CHF million)	Land	Engineering structures	Buildings	Movables	Projects in progress	Total
Cost						
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
Transfer and reclassification	0.0	23.2	220.2	15.0	-263.4	-5.0
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
Balance as at 1 January 2022	138.1	1,704.1	4,799.2	280.0	268.5	7,189.9
Additions	0.0	0.0	0.0	0.0	200.6	200.6
Disposals	0.0	-45.7	-17.0	-12.4	0.0	-75.1
Transfer and reclassification	0.0	103.7	64.0	11.4	-183.9	-4.8
Foreign exchange differences	0.0	0.0	0.0	0.0	-3.4	-3.4
Balance as at 31 December 2022	138.1	1,762.1	4,846.2	279.0	281.8	7,307.2
Depreciation and impairment						
Balance as at 1 January 2021	0.0	-978.4	-3,165.8	-197.8	0.0	-4,342.0
Depreciation	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
Balance as at 1 January 2022	0.0	-1,035.3	-3,197.3	-199.7	0.0	-4,432.3
Depreciation	0.0	-64.1	-153.5	-17.2	0.0	-234.8
Disposals	0.0	45.0	16.1	12.3	0.0	73.4
Foreign exchange differences	0.0	0.0	0.0	0.0	0.0	0.0
Balance as at 31 December 2022	0.0	-1,054.4	-3,334.7	-204.6	0.0	-4,593.7
Government subsidies and grants						
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
Balance as at 1 January 2022	0.0	-7.7	-3.1	0.0	-1.0	-11.8
Additions	0.0	0.0	0.0	0.0	-0.9	-0.9
Disposals	0.0	0.8	0.2	0.0	0.0	1.0
Transfers	0.0	-0.5	-0.8	-0.3	1.6	0.0
Balance as at 31 December 2022	0.0	-7.4	-3.7	-0.3	-0.3	-11.7
Net carrying amount as at 31 December 2021	138.1	661.1	1,598.8	80.3	267.5	2,745.8
Net carrying amount as at 31 December 2022	138.1	700.3	1,507.8	74.1	281.5	2,701.8

Projects in progress

In the past financial year, the Zurich Airport Group invested a total of CHF 200.6 million in projects in progress (previous year: CHF 141.6 million). The largest investments at Zurich Airport are attributable to the following projects:

- Expansion and refurbishment of the baggage sorting system (CHF 56.4 million)
- Renovation of runway 10/28 (CHF 32.3 million)
- Development of the landside passenger zones (CHF 11.1 million)

In the reporting period, capitalised development, planning and implementation costs relating to the construction and operation of Noida International Airport in New Delhi, India amounted to CHF 25.3 million (previous year: CHF 21.7 million). This amount includes the capitalised ongoing depreciation charges on the right-of-use asset relating to the land on which the airport is being built (see [note 9, Right-of-use assets](#)) and any interest expenses incurred on the corresponding lease liabilities (see [note 18, Financial liabilities](#)).

Depreciation

Depreciation of property, plant and equipment totalling CHF –234.8 million was offset against government grants and subsidies recognised in the income statement in the amount of CHF 1.0 million.

Impairment

As in previous years, an impairment test was performed for items of property, plant and equipment due to the coronavirus pandemic and its effects (see [Impairment of assets in accordance with IAS 36](#)).

9 Right-of-use assets

The Zurich Airport Group as lessee

(CHF million)	Land	Real estate	Movables	Total right-of-use assets
Cost				
Balance as at 1 January 2021	0.0	92.9	0.0	92.9
Additions	0.0	0.5	0.0	0.5
Transfer and reclassification	0.0	0.0	0.0	0.0
Balance as at 31 December 2021	0.0	93.4	0.0	93.4
Balance as at 1 January 2022	0.0	93.4	0.0	93.4
Additions	83.5	13.4	0.0	96.9
Transfer and reclassification	0.0	-0.5	0.5	0.0
Foreign exchange differences	-7.2	0.0	0.0	-7.2
Balance as at 31 December 2022	76.3	106.3	0.5	183.1
Depreciation and impairment				
Balance as at 1 January 2021	0.0	-12.2	0.0	-12.2
Depreciation	0.0	-7.3	0.0	-7.3
Transfer and reclassification	0.0	0.0	0.0	0.0
Balance as at 31 December 2021	0.0	-19.5	0.0	-19.5
Balance as at 1 January 2022	0.0	-19.5	0.0	-19.5
Depreciation	0.0	-8.7	-0.1	-8.8
Transfer and reclassification	-2.6	0.0	0.0	-2.6
Foreign exchange differences	0.0	0.0	0.0	0.0
Balance as at 31 December 2022	-2.6	-28.2	-0.1	-30.9
Net carrying amount as at 31 December 2021	0.0	73.9	0.0	73.9
Net carrying amount as at 31 December 2022	73.7	78.1	0.4	152.2

Land

Via its operator Yamuna International Airport Private Limited, Flughafen Zürich AG holds the right-of-use asset relating to the land on which Noida International Airport, New Delhi, India will be built and operated in future. The right-of-use asset was recognised as an asset and a liability (see [note 18, Financial liabilities](#)) at the present value of the future lease payments (interest rate: 9.0%) of CHF 83.5 million and will expire at the end of the concession in 2061. The depreciation charges arising on the right-of-use asset in this context up until the date in 2024 when the airport is brought into use and any interest expenses incurred on the corresponding lease liabilities (see [note 18, Financial liabilities](#)) are capitalised as projects in progress (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, the Zurich Airport Group 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 2022 (previous year: 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 the extension option, the lease ends in October 2039. The company has also signed a management agreement with the co-ownership structure for the parking area in the Circle. Disregarding the extension option, this ends in 2031.

In addition, the Zurich Airport Group leases further 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)	2022	2021
Balance as at 1 January	-76.3	-83.3
Additions	-96.9	-0.5
Payments	8.9	7.5
Interest expense on lease liabilities	-9.6	0.0
Foreign exchange differences	8.3	0.0
Balance as at 31 December	-165.6	-76.3
of which current (payment within 1 year)	-9.1	-7.5
of which non-current (payment from 1 year on)	-156.5	-68.8

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)	2022	2021
Depreciation charges for right-of-use assets	-8.8	-7.3
Interest expense on lease liabilities	-0.1	0.0
Expense relating to short-term leases	-0.1	-0.1
Total amount recognised for leases in profit or loss	-9.0	-7.4

The total cash outflow for leases amounted to CHF 9.0 million in the reporting period (previous year: CHF 7.4 million). Future cash outflows for leases not yet commenced as at the reporting date amount to CHF 0.0 million (previous year: CHF 13.8 million).

The Zurich Airport Group as lessor

The tenancy agreements entered into by the Zurich Airport Group as lessor may be either fixed tenancy agreements or commercial leases:

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 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.

Commercial revenue (retail, tax & duty free plus food & beverage) and real estate revenue (revenue from rental agreements) contained conditional rental payments amounting to CHF 11.5 million (previous year: CHF 6.1 million).

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

(CHF million)	31.12.2022	31.12.2021
Due date up to 1 year	269.3	239.5
Due date from 1 to 5 years	826.7	800.7
Due date in more than 5 years	373.8	377.0
Total	1,469.8	1,417.2

10 Investment property

(CHF million)	Land	Project costs	Buildings and engineering structures plus movables	Total investment property
Cost				
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
 Balance as at 1 January 2022	 1.0	 0.6	 631.9	 633.5
Additions	0.0	12.6	0.0	12.6
Disposals	0.0	0.0	0.0	0.0
Transfer	0.0	-12.5	12.5	0.0
Balance as at 31 December 2022	1.0	0.7	644.4	646.1
 Depreciation and impairment	 	 	 	
Balance as at 1 January 2021	0.0	0.0	-5.5	-5.5
Depreciation	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
 Balance as at 1 January 2022	 0.0	 0.0	 -27.6	 -27.6
Depreciation	0.0	0.0	-26.9	-26.9
Disposals	0.0	0.0	0.0	0.0
Balance as at 31 December 2022	0.0	0.0	-54.5	-54.5
 Net carrying amount as at 31 December 2021	 1.0	 0.6	 604.3	 605.9
Net carrying amount as at 31 December 2022	1.0	0.7	589.9	591.6

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. In the course of 2021, the handover of the space to the lessees

was largely completed, enabling most of the share of the project costs to be billed and allocated to the relevant categories of investment property.

The share of the fair value of the Circle was CHF 794.1 million at the reporting date (previous year: CHF 759.9 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 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 and reclassification	-4.6	0.0	9.6	5.0
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
 Balance as at 1 January 2022	 288.2	 134.0	 83.0	 505.1
Additions	22.5	0.0	0.0	22.5
Disposals	-1.1	-17.7	-5.1	-23.9
Transfer and reclassification	0.0	0.0	4.8	4.8
Foreign exchange differences	14.6	0.0	0.0	14.6
Balance as at 31 December 2022	324.2	116.3	82.7	523.1
 Amortisation and impairment	 -	 -	 -	 -
Balance as at 1 January 2021	-17.4	-65.4	-59.7	-142.6
Amortisation	-7.2	-2.3	-9.2	-18.7
Disposals	0.2	0.0	3.8	4.0
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
 Balance as at 1 January 2022	 -19.5	 -67.7	 -65.1	 -152.4
Amortisation	-9.9	-2.1	-9.6	-21.6
Impairment	-4.3	0.0	0.0	-4.3
Disposals	1.0	0.0	5.0	6.0
Foreign exchange differences	-1.1	0.0	0.0	-1.1
Balance as at 31 December 2022	-33.8	-69.8	-69.7	-173.4
 Net carrying amount as at 31 December 2021	 268.6	 66.3	 17.9	 352.8
Net carrying amount as at 31 December 2022	290.3	46.5	13.0	349.8

Investments in airport operator projects

The investments in airport operator projects in the amount of CHF 290.3 million (previous year: CHF 268.6 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 66.4 million; previous year: CHF 56.4 million), the expansion and operation of the Brazilian airport in Florianópolis (CHF 127.6 million; previous year: CHF 122.0 million) and the expansion and operation of the Brazilian airports in Vitória and Macaé (CHF 96.3 million; previous year: CHF 90.2 million).

The obligations of CHF 6.6 million (previous year: CHF 24.7 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 consolidated 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 2022, the Zurich Airport Group has recognised an intangible asset from the right of formal expropriation in the amount of CHF 46.5 million (previous year: CHF 66.3 million).

Impairment

As in previous years, an impairment test was performed for investments in airport operator projects due to the coronavirus pandemic and its effects (see [> Impairment of assets in accordance with IAS 36](#)).

An impairment loss of CHF 4.3 million was required to be recognised as a result of the impairment test on the non-financial asset relating to the investment in the airport operator project in Iquique (Chile) due in particular to the delays and increases in costs in finishing the new terminal (bankruptcy of the general contractor engaged). This impairment loss was recognised through profit or loss in the "International" segment in the reporting period. Recoverable amount was determined for the investment based on value in use calculations using cash flow forecasts from the financial budgets for the remaining term of the contractually agreed concession (18 years) and applying a country-specific WACC of 9.3%.

12 Investments in associates

(CHF million)	31.12.2022	31.12.2021
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	0.0
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	0.0

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.

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)	31.12.2022	31.12.2021
Revenue	133.1	50.2
Loss	-3.5	-33.1
Comprehensive income	-3.5	-33.1
Non-current assets	501.5	360.5
Current assets	33.1	31.4
Non-current liabilities	-482.2	-359.3
Current liabilities	-60.0	-36.7
Equity attributable to non-controlling interests	3.8	2.0
Net equity	-3.8	-2.1
Equity share	25.0%	25.0%
Carrying amount of interest in associate	0.0	0.0

13 Financial assets of the Airport Zurich Noise Fund

(CHF million)	31.12.2022	31.12.2021
Current financial assets of Airport Zurich Noise Fund	60.1	45.3
Non-current financial assets of Airport Zurich Noise Fund	301.0	327.7
Total financial assets of Airport Zurich Noise Fund	361.1	373.0

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 2022, interest on bonds was between 0.00% and 2.125% (previous year: 0.00% and 0.875%). 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)	31.12.2022	31.12.2021
Trade receivables, gross ¹⁾	93.8	79.1
Allowance for expected credit loss	-0.5	-0.5
Trade receivables, net	93.3	78.6

1) Trade receivables include an amount of CHF 14.7 million due from Swiss (2021: CHF 9.1 million). In the period between the reporting date and the preparation of the 2022 consolidated financial statements, Swiss paid the outstanding amount arising from flight operations charges as at 31 December 2022 in full.

Geographical distribution of trade receivables:

(CHF million)	31.12.2022	31.12.2021
Switzerland	39.1	33.2
Europe	4.0	2.8
Other	1.2	0.9
Total aviation	44.3	36.9
Switzerland	38.1	34.2
Europe	0.0	0.1
Latin America	11.1	7.7
Other	0.3	0.2
Total non-aviation	49.5	42.2
Total trade receivables, gross	93.8	79.1

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

(CHF million)	31.12.2022				
	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	83.0	6.0	1.6	3.3	93.8
Expected credit loss	-0.2	-0.1	-0.0	-0.2	-0.5

(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

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)	31.12.2022	31.12.2021
Prepaid expenses and accruals	103.6	115.2
Accrued interest on interest-bearing debt instruments Airport Zurich Noise Fund	0.4	0.3
Prepaid services	74.9	20.5
Tax receivables (VAT and withholding tax)	27.0	26.2
Other receivables	4.5	2.3
Total other receivables and prepaid expenses	210.3	164.5
of which financial instruments	104.0	115.5
of which other receivables and prepaid expenses	106.3	49.0

As at the reporting date, "Prepaid expenses and accruals" contained accruals for rent concessions in the amount of CHF 50.9 million (previous year: CHF 55.6 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.

As at the reporting date, "Prepaid services" included prepayments of CHF 69.1 million (previous year: CHF 0.0 million) to the general contractor engaged for the construction of Noida International Airport in New Delhi, India.

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)	31.12.2022		31.12.2021	
	Total	of which AZNF	Total	of which AZNF
Cash on hand	0.3	0.0	0.2	0.0
Cash at banks and in postal accounts	147.6	17.3	301.3	29.8
Fixed-term deposits ¹⁾	113.4	0.0	107.8	0.0
Total cash and cash equivalents	261.2	17.3	409.3	29.8
Current fixed-term deposits ²⁾	401.1	0.0	121.3	0.0
Non-current fixed-term deposits ²⁾	8.0	0.0	2.1	0.0
Total fixed-term deposits	409.1	0.0	123.4	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 2021	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
Purchase of treasury shares		5,690	-5,690
Distribution of treasury shares to employees and third parties		-5,727	5,727
Balance as at 31 December 2022	30,701,875	831	30,701,044

Share rights

The holders of registered shares are entitled to participate at the Annual General Meeting 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.

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:

	2022	2021
Result attributable to shareholders of Flughafen Zürich AG in CHF	206,975,401	-10,086,696
Weighted average number of outstanding shares	30,700,650	30,700,116
Effect of dilutive shares	9,316	5,844
Adjusted weighted average number of outstanding shares	30,709,966	30,705,960
Basic earnings per share (CHF)	6.74	-0.33
Diluted earnings per share (CHF)	6.74	-0.33

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 (previous year: CHF 153.6 million) were subject to a restriction on distribution under the provisions of commercial law.

Major shareholders and shareholder structure

The shareholder structure as at 31 December was as follows:

	2022	2021
Public sector	38.60%	38.60%
Private individuals	7.13%	7.81%
Companies	3.76%	3.59%
Pension funds	1.50%	1.51%
Financial institutions (including nominees)	18.74%	19.02%
Balance available and non-registered shareholders	30.27%	29.47%
Total	100.00%	100.00%
Number of registered shareholders	14,858	16,096

As at the reporting date, the following shareholders or groups of shareholders held at least 5% of the voting rights:

	2022	2021
Canton of Zurich	33.33%	33.33%
City of Zurich	5.00%	5.00%

18 Financial liabilities

(CHF million)	31.12.2022	31.12.2021
Non-current debentures	1,214.2	1,648.9
Non-current liabilities to banks	123.3	111.8
Non-current lease liabilities	156.5	68.8
Non-current liabilities from concession agreements	5.9	24.0
Other non-current financial liabilities	20.4	20.4
Non-current financial liabilities	1,520.3	1,873.9
Current debentures	400.0	0.0
Current liabilities to banks	12.3	7.7
Current lease liabilities	9.1	7.5
Current liabilities from concession agreements	0.7	0.7
Other current financial liabilities	0.8	0.9
Current financial liabilities	422.9	16.8
Total financial liabilities	1,943.2	1,890.7

The CHF 400.0 million debenture maturing in April 2023 was reclassified out of non-current and into current financial liabilities.

The increase in lease liabilities is due in particular to the recognition of lease liabilities totalling CHF 83.5 million in connection with the right-of-use asset relating to the land on which Noida International Airport, New Delhi, India will be built and operated in future (see [note 9, Right-of-use assets](#)).

The decline in non-current liabilities from concession agreements relates to the prepayment of the future fixed concession payments in Florianópolis, which were made at very favourable discounted terms (see also [note 6, Finance result](#)).

Composition of non-current financial liabilities as at the reporting date:

Financial liabilities	as at 31.12.2022		as at 31.12.2021		Duration	Interest rate	Interest payment date
	Nominal value	Carrying amount	Carrying amount				
	(CHF million)	(CHF million)	(CHF million)				
Debenture (2023)	n/a	n/a	399.9	2013–2023	1.500%	17.4.	
Debenture (2024)	300.0	299.7	299.4	2020–2024	0.700%	22.5.	
Debenture (2027)	200.0	199.7	199.6	2020–2027	0.100%	30.12.	
Debenture (2029)	350.0	350.4	350.6	2017–2029	0.625%	24.5.	
Debenture (2035)	365.0	364.5	399.4	2020–2035	0.200%	26.2.	
Non-current liabilities to banks	144.4	123.3	111.8	n/a	n/a	n/a	
Non-current lease liabilities	555.2	156.5	68.8	until 2039	0.000%	n/a	
Non-current liabilities from concession agreements	7.9	5.9	24.0	until 2047	n/a	n/a	
Other non-current financial liabilities	0.0	20.4	20.4	until 2035	0.000%	n/a	
Total non-current financial liabilities	1,520.3		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 288.8 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)	31.12.2022	31.12.2021
Due date up to 1 year	422.9	16.8
Due date from 1 to 5 years	499.3	699.3
Due date in more than 5 years	1,021.0	1,174.6
Total financial liabilities	1,943.2	1,890.7

Financial liabilities changed as follows as a result of cash and non-cash changes:

(CHF million)	31.12.2021	Non-cash changes					31.12.2022
		Cash flows (+)	Cash flows (-)	Increase(+) / decrease(-)	Foreign exchange movements	Value changes	
Debentures	1,648.9	0.0	-26.6	-400.0	0.0	-8.1	1,214.2
Non-current liabilities to banks	111.8	2.9	0.0	2.6	5.4	0.6	123.3
Non-current lease liabilities	68.8	0.0	0.0	86.5	-8.3	9.5	156.5
Non-current liabilities from concession agreements	24.0	0.0	-9.5	-5.9	2.5	-5.2	5.9
Other non-current financial liabilities	20.4	0.0	0.0	0.0	0.0	0.0	20.4
Non-current financial liabilities	1,873.9	2.9	-36.1	-316.8	-0.4	-3.2	1,520.3
Debentures	0.0	0.0	0.0	400.0	0.0	0.0	400.0
Current liabilities to banks	7.7	0.0	-10.7	14.3	0.3	0.7	12.3
Current lease liabilities	7.5	0.0	-8.9	10.4	0.0	0.1	9.1
Current liabilities from concession agreements	0.7	0.0	-0.7	0.7	0.0	0.0	0.7
Other current financial liabilities	0.9	0.0	0.0	0.0	-0.1	0.0	0.8
Current financial liabilities	16.8	0.0	-20.3	425.4	0.2	0.8	422.9
Total financial liabilities	1,890.7	2.9	-56.4	108.6	-0.2	-2.4	1,943.2

(CHF million)	31.12.2020	Non-cash changes					31.12.2021
		Cash flows (+)	Cash flows (-)	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

Overview of lease liabilities

The lease liabilities shown below include the leases listed in [note 9, Right-of-use assets](#).

The interest rate on future lease liabilities is mostly 0.0% (leases at the Zurich site) or 9.0% (leases in Noida, India).

(CHF million)	31.12.2022	31.12.2021
Future minimum lease payments		
Due within 1 year	9.1	7.5
Due between 1 and 5 years	32.0	28.9
Due in more than 5 years	523.2	40.0
Total future minimum lease payments	564.3	76.4
Future interest payments	398.7	0.1
Present value of lease liabilities	165.6	76.3
Due within 1 year	9.1	7.5
Due between 1 and 5 years	31.9	28.8
Due in more than 5 years	124.6	40.0

19 Provision for formal expropriations plus sound insulation and resident protection

(CHF million)	2022	2021
Provision for formal expropriations as at 1 January	244.4	245.4
Provision used ¹⁾	-1.0	-1.0
Release of provision	-17.7	0.0
Present value adjustment	0.6	0.0
Provision for formal expropriations as at 31 December	226.3	244.4
Provision for sound insulation and resident protection as at 1 January	110.7	125.2
Provision used ¹⁾	-11.1	-14.5
Release of provision	-7.4	0.0
Present value adjustment	0.2	0.0
Provision for sound insulation and resident protection as at 31 December	92.4	110.7
Total provision for formal expropriations plus sound insulation and resident protection as at 31 December	318.7	355.1
of which current	45.7	36.8
of which non-current	273.0	318.3

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 86.6 million had already been paid out at that date. In the consolidated financial statements for the period ended 31 December 2022, a provision was recognised for the outstanding costs of CHF 243.4 million (nominal amount) at their present value (CHF 226.3 million). The discount rate used to calculate the present value of the nominal payment flows was 2.1% (previous year: 0.0%). 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 300.4 million had already been paid out at that date. In the consolidated financial statements for the period ended 31 December 2022, a provision was recognised for the outstanding costs of CHF 99.6 million (nominal amount) at their present value (CHF 92.4 million). The discount rate used to calculate the present value of the nominal payment flows was 2.1% (previous year: 0.0%). 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. This 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. Since 1 January 2021, revenue from aircraft noise charges has no longer been 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)	2022	2021
Airport Zurich Noise Fund as at 1 January	394.1	409.8
Revenue from noise charges	0.0	0.8
Costs for sound insulation and resident protection	-11.1	-14.5
Costs for formal expropriations ¹⁾	-1.0	-1.4
Balance before operating costs and finance result	382.0	394.7
Operating costs ²⁾	-6.0	-3.1
Interest income from and adjustments to fair value on financial assets of Airport Zurich Noise Fund	-12.2	2.5
Airport Zurich Noise Fund as at 31 December	363.8	394.1

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").

2) The increase in operating costs is mainly due to the repair work on the noise protection hangar in the year under review.

Summary of assets invested for the Airport Zurich Noise Fund:

(CHF million)	31.12.2022	31.12.2021
Cash equivalents (see note 16, "Cash and cash equivalents")	17.3	29.8
Current financial assets of Airport Zurich Noise Fund	60.1	45.3
Non-current financial assets of Airport Zurich Noise Fund	301.0	327.7
Accrual/deferral towards Flughafen Zürich AG ¹⁾	-14.6	-8.7
Total assets invested for Airport Zurich Noise Fund	363.8	394.1

1) For accounting reasons, an asset or liability towards Flughafen Zürich AG arises as at the reporting date. This is compensated for in the following 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)	2023	2024	2025	2026	2027ff.	Total
Cash and cash equivalents	17.3	0.0	0.0	0.0	0.0	17.3
AAA	29.0	8.0	21.6	22.0	51.4	132.0
AA+/AA-/A-	13.1	21.0	17.0	0.0	14.4	65.5
A+/A/A-	18.0	33.2	4.0	3.5	8.0	66.7
Without rating	0.0	0.0	0.0	0.0	96.9	96.9
Other ¹⁾	-14.6	0.0	0.0	0.0	0.0	-14.6
Total assets invested for Airport Zurich Noise Fund	62.8	62.2	42.6	25.5	170.7	363.8
in %	17.3	17.1	11.7	7.0	46.9	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 balance of deferred tax assets and liabilities changed as follows:

(CHF million)	2022	2021
Deferred tax assets and liabilities, net as at 1 January	-35.3	-18.7
Change in tax rate, recognised in OCI	0.0	-0.7
Change in tax rate, recognised in income statement	0.0	4.2
Deferred taxes on remeasurement of defined benefit obligations, recognised in OCI	-15.8	-21.8
Change according to income statement	-12.6	2.2
Foreign exchange differences	0.6	-0.5
Deferred tax assets and liabilities, net as at 31 December	-63.2	-35.3
of which deferred tax assets	8.1	8.1
of which deferred tax liabilities	-71.3	-43.4

Deferred tax assets and liabilities are allocated to the following items:

(CHF million)	31.12.2022		31.12.2021	
	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment & other intangible assets		-6.6		-8.2
Intercompany loans and other financial assets		-3.3		-14.3
Renovation fund		-37.2		-36.1
Aircraft noise		-25.7		-25.4
Financial liabilities issuing costs		-0.2		-0.2
Employee benefit obligations	2.0		16.7	
Tax loss carryforwards for which deferred tax assets were recognised	0.0		24.4	
Miscellaneous items	8.1	-0.4	8.1	-0.3
Deferred tax assets and liabilities, gross	10.2	-73.3	49.2	-84.5
Offsetting of assets and liabilities	-2.0	2.0	-41.1	41.1
Deferred tax assets and liabilities, net	8.1	-71.3	8.1	-43.4

As at 31 December 2022, the Zurich Airport Group still had tax loss carryforwards of CHF 2.2 million (previous year: CHF 84.6 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)	31.12.2022	31.12.2021
Expiration in 2025	0.0	2.0
Expiration in 2026	0.0	4.8
Expiration in 2027	0.0	69.8
Expiration in 2028	2.2	8.0
Total tax loss carryforwards	2.2	84.6

22 Employee benefits

(CHF million)	31.12.2022	31.12.2021
Net defined benefit obligations	0.0	-76.0
Other long-term employee benefits	-10.7	-11.8
Employee benefit obligations	-10.7	-87.8

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 97.6% as at 31 December 2022 (previous year: 111.6%).

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.

Explanation of the amounts in the consolidated financial statements

The actuarial calculation of the defined benefit obligations as at 31 December 2022 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 2022 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)	31.12.2022	31.12.2021
Present value of funded defined benefit obligations	-579.3	-719.7
Fair value of plan assets	584.9	643.7
Unrecognised asset due to the asset ceiling	-5.6	0.0
Net defined benefit obligations recognised in the balance sheet	0.0	-76.0

The defined benefit obligations changed as follows:

(CHF million)	2022	2021
Present value of defined benefit obligations as at 1 January	-719.7	-775.3
Current service costs	-19.7	-23.6
Past service costs	0.0	0.0
Interest expenses on defined benefit obligations	-2.1	-1.1
Employee contributions	-11.9	-11.8
Benefits paid	33.6	43.1
Gain/(loss) due to experience	-18.2	-6.4
Gain/(loss) due to changes in demographic assumptions	0.0	37.5
Gain/(loss) due to changes in financial assumptions	158.7	17.9
Present value of defined benefit obligations as at 31 December	-579.3	-719.7

The weighted average duration of the defined benefit obligation at 31 December 2022 was 13.6 years (previous year: 16.4 years).

The plan assets changed as follows:

(CHF million)	2022	2021
Fair value of plan assets as at 1 January	643.7	590.9
Employer contributions	17.6	17.3
Employee contributions	11.9	11.8
Benefits paid	-33.6	-43.1
Administration expenses	-0.0	-0.0
Interest income on plan assets	1.9	0.9
Return on plan assets excluding amounts included in interest income	-56.5	65.9
Fair value of plan assets as at 31 December	584.9	643.7

The unrecognised asset due to the asset ceiling changed as follows:

(CHF million)	2022	2021
Unrecognised asset due to the asset ceiling as at 1 January	0.0	0.0
Change in unrecognised asset due to the asset ceiling (recognised in other comprehensive income)	-5.6	0.0
Unrecognised asset due to the asset ceiling as at 31 December	-5.6	0.0

The net defined benefit obligations changed as follows:

(CHF million)	2022	2021
Net defined benefit obligations as at 1 January	-76.0	-184.3
Total charge recognised in the income statement	-19.9	-23.9
Total remeasurements recognised in other comprehensive income	78.3	114.9
Employer contributions	17.6	17.3
Net defined benefit obligations as at 31 December	0.0	-76.0

The company expects employer contributions of CHF 19.5 million for financial year 2023.

Analysis of the amounts recognised in the income statement:

(CHF million)	2022	2021
Current service cost	-19.7	-23.6
Net interest expenses on defined benefit obligations	-0.2	-0.3
Administration expenses	-0.0	-0.0
Total charge recognised in the income statement	-19.9	-23.9

Analysis of the amounts recognised in other comprehensive income:

(CHF million)	2022	2021
Gain/(loss) due to experience	-18.2	-6.4
Gain/(loss) due to changes in demographic assumptions	0.0	37.5
Gain/(loss) due to changes in financial assumptions	158.7	17.9
Return on plan assets excluding amounts included in net interest	-56.5	65.9
Change in unrecognised asset due to the asset ceiling	-5.6	0.0
Total remeasurements recognised in other comprehensive income (before tax)	78.3	114.9

The actuarial gain of CHF 158.7 million (previous year: CHF 17.9 million) attributable to changes in financial assumptions was mainly the result of the marked increase in the discount rate from 0.30% to 2.15%.

Actual investment performance was much lower than anticipated in the reporting period due to unfavourable capital market trends. The difference of CHF -56.5 million (previous year: CHF 65.9 million) between the actual return and the interest income on plan assets was recognised in other comprehensive income. In addition, a negative effect of CHF -5.6 million (previous year: CHF 0.0 million) arose as at the reporting date as a result of limiting the plan assets on which there are no economic benefits.

In the previous year, the technical basis used for calculations was changed from BVG 2015 to BVG 2020, resulting in an actuarial gain of CHF 37.5 million.

Assumptions used in actuarial calculations:

(in % or years)	2022	2021
Discount rate as at 31 December	2.15	0.30
Consumer price inflation	1.00	0.75
Expected rate of salary increases (including inflation)	1.75	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)	25.6	25.5
Female (aged 65)	23.7	23.6
Male (aged 45)	23.9	23.8
Male (aged 65)	22.0	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 2022, the life expectancy assumption was calculated on the basis of BVG 2020 (previous year: BVG 2020) 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 %)	31.12.2022	31.12.2021
Asset category:		
Cash and cash equivalents	2.0	3.9
Shares	36.0	38.0
Bonds	38.0	36.2
Property	19.0	17.9
Other	5.0	4.0
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)	2022		2021	
	Effect on DBO		Effect on DBO	
Discount rate	+0.25%	-16.8	-0.25%	17.4
Expected salary increases		1.2		-1.2
Interest rate on retirement savings accounts		2.3		-1.7

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 10.7 million (previous year: CHF 11.8 million) was calculated based on the number of accumulated years of service which, at the reporting date, was 10.5 years (previous year: 10.8 years).

23 Other current liabilities, accruals and deferrals

(CHF million)	31.12.2022	31.12.2021
Deferred income and accruals	101.6	90.4
Accrued interest on financial liabilities	7.5	7.5
Deposits and advance payments by customers	8.2	11.0
Provision for holidays and overtime	4.7	3.4
Other liabilities	6.7	2.7
Total other current liabilities, accruals and deferrals	128.8	115.1
of which financial liabilities carried at amortised cost	109.1	97.9
of which other current liabilities, accruals and deferrals excluding financial instruments	19.7	17.2

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.

Flughafen Zürich AG's risk management system is the tool used to manage corporate risk across the Group and consists of the following components:

- Risk policy objectives and principles of the company
- 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 Office reports to the CFO as Chief Risk Officer and stipulates minimum requirements for decentralised risk management across the Group. The central Risk Office 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 Office, 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, 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.

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)

The following sections provide an overview of the extent of the various financial risks and the objectives, principles and processes relating to the assessment, monitoring and hedging of risks, as well as of the capital management of the Zurich Airport Group. Further information on financial risks can also be found in the corresponding notes.

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 14.7 million due from Swiss (previous year: CHF 9.1 million) (see [note 14, Trade receivables](#)). In the period between the reporting date and the preparation of the 2022 consolidated financial statements, Swiss paid the outstanding amount arising from flight operations charges as at 31 December 2022 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 A- (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)	31.12.2022	31.12.2021
Cash equivalents (excluding cash on hand)	260.9	409.1
Current and non-current fixed-term deposits	409.1	123.4
Non-current financial assets of Airport Zurich Noise Fund	301.0	327.7
Trade receivables, net	93.3	78.6
Current financial assets of Airport Zurich Noise Fund	60.1	45.3
Other receivables and prepaid expenses	104.0	115.5
Other financial assets	65.5	17.6
Total maximum exposure to credit risk	1,293.9	1,117.1

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	31.12.2022	31.12.2021
Operating credit lines (committed credit lines)	31.12.2025	300.0	300.0
Total credit lines		300.0	300.0
Utilisation: bank guarantees		-11.2	-12.3
Total unused credit lines		288.8	287.7

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 2022					
Debentures	1,614.2	1,651.0	411.2	514.6	725.2
Liabilities to banks	135.5	152.9	8.5	42.1	102.3
Lease liabilities	165.6	564.3	9.1	32.0	523.2
Liabilities from concession agreements	6.6	8.7	0.8	1.9	6.0
Other financial liabilities	21.2	21.2	0.8	0.0	20.4
Trade payables	44.4	44.4	44.4	0.0	0.0
Other current liabilities and accruals	109.1	109.1	109.1	0.0	0.0
Total non-derivative financial liabilities	2,096.6	2,551.6	583.9	590.5	1,377.1
Total	2,096.6	2,551.6	583.9	590.5	1,377.1

(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	1,698.3	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	38.5	0.7	4.6	33.2
Other financial liabilities	21.3	21.3	0.9	0.0	20.4
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	2,121.8	184.3	792.0	1,145.4
Total	2,045.6	2,121.8	184.3	792.0	1,145.4

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 2022 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	-6.5	0.0	6.5	0.0
CLP	-0.6	0.0	0.6	0.0
INR	-6.8	0.0	6.8	0.0
31 December 2022	-14.0	0.0	14.0	0.0
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

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)	31.12.2022	31.12.2021
Current and non-current fixed-term deposits	409.1	123.4
Fixed-interest financial assets of Airport Zurich Noise Fund	264.2	264.5
Fixed-interest financial instruments (assets)	673.3	387.9
Cash and cash equivalents	243.9	379.5
Cash and cash equivalents of Airport Zurich Noise Fund	17.3	29.8
Variable-interest financial instruments (assets)	261.2	409.3
Total interest-bearing assets	934.5	797.2
Current and non-current debentures	-1,614.2	-1,648.9
Current and non-current lease liabilities	-165.6	-76.3
Current and non-current other financial instruments	-21.2	-21.3
Fixed interest financial instruments (liabilities)	-1,801.0	-1,746.5
Current and non-current liabilities to banks	-135.5	-119.5
Variable-interest financial instruments (liabilities)	-135.5	-119.5
Total interest-bearing liabilities	-1,936.5	-1,865.9

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	-1.6	0.0	1.6	0.0
Variable-interest financial instruments	0.0	1.0	0.0	-1.0
31 December 2022	-1.6	1.0	1.6	-1.0
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

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)	31.12.2022	31.12.2021
Current and non-current financial assets of Airport Zurich Noise Fund (bonds)	264.2	264.5
Total financial assets carried at amortised cost	264.2	264.5
Current and non-current financial assets of Airport Zurich Noise Fund (mixed investment fund)	96.9	108.5
Total financial assets measured at fair value	96.9	108.5
Cash (excl. cash on hand) and cash equivalents plus short-term monetary investments	260.9	409.1
Current and non-current fixed-term deposits	409.1	123.4
Trade receivables, net	93.3	78.6
Other receivables and prepaid expenses	104.0	115.5
Other financial assets	65.5	17.6
Total cash and cash equivalents, fixed-term deposits, receivables and other financial assets	932.8	744.1
Debentures	-1,614.2	-1,648.9
Total financial liabilities carried at amortised cost	-1,614.2	-1,648.9
Liabilities from concession agreements	-6.6	-24.7
Liabilities to banks	-135.5	-119.5
Lease liabilities	-165.6	-76.3
Other financial liabilities	-21.2	-21.3
Trade payables, net	-44.4	-57.0
Other current liabilities, accruals and deferrals (excluding derivatives and non-financial instruments)	-109.1	-97.9
Total other financial liabilities	-482.4	-396.7

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)	31.12.2022		31.12.2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Bonds of Airport Zurich Noise Fund (Level 1)	264.2	253.9	264.5	268.0
Mixed investment fund of the Airport Zurich Noise Fund (Level 2)	96.9	96.9	108.5	108.5
Total financial assets	361.1	350.8	373.0	376.5
Debentures (Level 1)	-1,614.2	-1,461.4	-1,648.9	-1,643.9
Total financial liabilities	-1,614.2	-1,461.4	-1,648.9	-1,643.9

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 return 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.

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. 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 at the Zurich site amounted to around CHF 185 million in total. The most significant capital commitments currently relate to the refurbishment and expansion of the baggage sorting system (CHF 64 million), the Zone West construction project (CHF 19 million) and the development of the landside passenger zones (CHF 17 million). Capital commitments for the development and implementation of Noida International Airport in New Delhi, India amounted to around CHF 440 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, 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	2022	2021
Concessionária do Aeroporto Internacional de Florianópolis S.A.	Florianópolis, Brazil	81.3	77.7
Aeroportos do Sudeste do Brasil S.A.	Vitória/Macaé, Brazil	2.8	2.5
Sociedade de Participação no Aeroporto de Confins S.A.	Belo Horizonte, Brazil	19.5	19.5
Yamuna International Airport Private Limited	New Delhi, India	0.0	0.0
Total		103.6	99.7

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	2022	2021
Concessionária do Aeroporto Internacional de Florianópolis S.A.	Florianópolis, Brazil	Performance bond	13.6	11.7
Aeroportos do Sudeste do Brasil S.A.	Vitória/Macaé, Brazil	Performance bond	9.2	8.2
Sociedade de Participação no Aeroporto de Confins S.A.	Belo Horizonte, Brazil	Performance bond	9.4	8.1
Operating companies of Iquique and Antofagasta, Chile	Iquique/Antofagasta, Chile	Performance bond	4.9	4.8
Yamuna International Airport Private Limited	New Delhi, India	Performance bond	11.2	12.3
Total			48.3	45.1

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 84.1 million (previous year: CHF 65.3 million) in accordance with the applicable service level agreement. In this context, accrued expenses amounting to CHF 21.8 million (previous year: CHF 19.6 million) at the reporting date were included in "Other current liabilities, accruals and deferrals".

In financial year 2022, consulting revenue from operations and management agreements amounted to CHF 0.0 million (previous year: CHF 2.6 million) for the airport in Belo Horizonte and to CHF 2.5 million (previous year: CHF 2.8 million) for the airports in Bogotá and Curaçao.

In the reporting period, Flughafen Zürich AG paid employer contributions amounting to CHF 17.6 million (previous year: CHF 17.3 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 2.6 million (previous year: CHF 2.4 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 shares as at	
		31.12.2022	31.12.2021
Andreas Schmid	Chairman	11,115	11,115
Josef Felder	Vice Chairman; Chairman Audit & Finance Committee	25,200	25,200
Vincent Albers	Member	2,517	2,517
Guglielmo L. Brentel	Member	309	309
Stephan Gemkow	Member; Chairman International Business Committee	100	100
Corine Mauch	Member	0	0
Eveline Saupper	Member; Chairwoman Nomination & Compensation Committee	675	675
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 31.12.2022	Number of shares as at 31.12.2021
Stephan Widrig	8,080	7,292
Daniel Bircher	847	745
Lukas Brosi	2,029	1,719
Stefan Gross	1,846	1,536
Lydia Naef	450	n/a
Daniel Scheifele	n/a	1,553
Manuela Staub	167	n/a
Stefan Tschudin	1,404	1,094
Total	14,823	13,939

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)	2022	2021
Short-term employee benefits	5.0	4.1
Post-employment benefits (pension benefits)	0.7	0.6
Share-based payments	0.5	0.4
Total	6.2	5.1

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 15,269 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 581 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 Zurich 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 groundhandling 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	In return for the right to operate the airport, an upfront payment of BRL 83.3 million (CHF 24.7 million) fell due when the concession was acquired. Further concession fees (fixed and/or variable) will become due for payment 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 runway.
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.
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 2026.
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 Jawaharlal Nehru International Airport around 70 kilometres south of the Indian capital.

24.8 Events after the reporting date

The Board of Directors authorised the 2022 consolidated financial statements for issue on 9 March 2023. These also have to be approved by the Annual General Meeting.

To the General Meeting of
Flughafen Zürich AG, Kloten

Zurich, 9 March 2023

Report of the statutory auditor

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 balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, 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 (pages 136 to 201) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of 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 (ISA) and Swiss Standards on Auditing (SA-CH). 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, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (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 consolidated financial statements.

Estimates relating to impairment testing of Investments in airport operator projects

Risk	<p>As of 31 December 2022, Flughafen Zürich AG reported CHF 290.3 million of Investments in airport operator projects related to concession arrangements for the operation of foreign airports. The coronavirus and associated decline in air traffic activities has impacted the revenues and earnings of foreign airport operator projects triggering a management valuation assessment (impairment test). Management’s assessment resulted in an impairment of CHF 4.3 million.</p> <p>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.

On the basis of our audit procedures, we have no objections regarding estimates relating to impairment testing of investments in airport operator projects.

Valuation and existence of Property, plant and equipment

Risk	<p>Property, plant and equipment used for operations (assets in use) and assets under construction for operating activities together comprise 52% of total assets. In 2022, investments in property, plant and equipment amounted to CHF 201 million. Therefore, this position is significant for the balance sheet of Flughafen Zürich Group based on its absolute size</p> <p>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.</p> <p>Furthermore, the coronavirus and associated decline 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.</p> <p>Further information regarding property, plant and equipment is included in the consolidated financial statements under note 8.</p>
Our audit response	<p>We mainly performed the following audit procedures:</p> <ul style="list-style-type: none"> ▶ 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

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information 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 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.



Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which 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, ISA and SA-CH 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 on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the 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	2022	2021
Aviation revenue		491.1	240.6
Non-aviation revenue		440.9	376.3
Total revenue		932.0	616.9
Personnel expenses		-184.3	-156.0
Police and security		-101.7	-81.9
Energy and waste		-30.6	-19.5
Maintenance and material		-33.8	-23.6
Other operating expenses		-46.8	-43.1
Sales, marketing, administration		-31.9	-24.5
Expenses for formal expropriations plus sound insulation and resident protection		-10.5	-4.5
Deposits into renovation fund		-5.5	-5.5
Other income and expenses		10.7	9.4
Operating result before depreciation and amortisation, interest and tax		497.6	267.7
Depreciation and amortisation		-250.5	-244.2
Operating result before interest and tax		247.1	23.5
Finance expenses		-14.6	-13.9
Finance income		13.1	3.9
Extraordinary result	(1)	-29.6	0.2
Result before tax		215.9	13.7
Direct tax		-21.0	-4.1
Result for the year		194.9	9.6

Balance sheet

(CHF million)	Notes	31.12.2022	31.12.2021
Assets			
Cash and cash equivalents		220.7	336.9
Current fixed-term deposits		401.1	121.3
Current financial assets of Airport Zurich Noise Fund		60.1	45.3
Trade receivables	(2)	82.3	70.2
Other current receivables		17.9	17.0
Inventories		10.6	10.1
Prepaid expenses	(3)	95.0	127.0
Current assets		887.8	727.8
Non-current fixed-term deposits		0.0	1.4
Non-current financial assets of Airport Zurich Noise Fund		301.7	328.4
Investments	(4)	154.5	6.1
Loans	(4)	274.5	316.5
Non-current loans to associates		0.5	0.5
Equity interest in co-ownership structure for the Circle	(5)	575.0	567.6
Property, plant and equipment	(6)	2,638.6	2,697.2
Right-of-use assets	(7)	129.2	114.2
Intangible asset from right of formal expropriation		24.8	26.0
Other intangible assets		13.0	17.8
Non-current assets		4,111.8	4,075.7
Total assets		4,999.6	4,803.5
Liabilities and equity			
Trade payables		30.7	29.0
Current financial liabilities		400.0	0.0
Other current liabilities	(8)	41.2	25.2
Current provision for aircraft noise	(10)	45.7	36.8
Other current provisions		4.1	3.0
Accruals and deferrals		90.8	72.7
Current liabilities		612.5	166.7
Non-current financial liabilities	(9)	1,215.0	1,650.0
Other non-current liabilities		121.0	109.3
Non-current provision for aircraft noise	(10)	385.6	412.4
Renovation fund		195.6	190.1
Non-current liabilities		1,917.2	2,361.8
Total liabilities		2,529.7	2,528.5
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	109.7
Available earnings			
Profit brought forward		1,699.0	1,689.4
Result for the year		194.9	9.6
Treasury shares	(12)	-0.1	-0.1
Equity		2,469.9	2,275.0
Total liabilities and equity		4,999.6	4,803.5

Notes to the financial statements

I Accounting principles

General remarks

The 2022 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 Annual General Meeting.

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 slightly more than 5,200 were still pending at the end of 2022. Around 560 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 2022, Flughafen Zürich AG has recognised an intangible asset from the right of formal expropriation of CHF 24.8 million (previous year: CHF 26.0 million) and a provision for aircraft noise of CHF 431.3 million in total (previous year: CHF 449.2 million) in the financial statements in accordance with the provisions of the Swiss Code of Obligations.

Depending on future legal judgements, especially 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 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)	2022	2021
Extraordinary income	0.1	6.7
Extraordinary expenses	-29.7	-6.5
Extraordinary result	-29.6	0.2

Extraordinary expenses include an amount of CHF –24.6 million incurred in the course of the restructuring and recapitalisation of the subsidiary Zurich Airport International AG. This resulted from the loan waiver granted in the amount of CHF –248.0 million, which was offset, firstly, by the reversal of the existing valuation allowance of CHF 75.0 million and, secondly, by the use of a net CHF 148.4 million of the loan waiver, which had a partly capital-forming effect (see also [note 4, Investments and loans](#)).

2 Trade receivables

(CHF million)	31.12.2022	31.12.2021
Trade receivables from third parties	82.9	70.4
Valuation allowance	-1.5	-1.1
Trade receivables from investments	1.0	0.9
Total trade receivables	82.3	70.2

3 Prepayments and accrued income

(CHF million)	31.12.2022	31.12.2021
Prepaid expenses in respect of third parties	93.8	126.2
Prepaid expenses in respect of investments	1.2	0.8
Total prepaid expenses	95.0	127.0

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 15,269 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 581 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)	31.12.2022	31.12.2021
Loans to Zurich Airport International AG	274.5	391.5
Valuation allowance for loans to Zurich Airport International AG	0.0	-75.0
Total loans	274.5	316.5

During the reporting period, further loans of CHF 131.0 million were extended to Zurich Airport International AG for the purposes of financing international airport operator projects. At the same time, loans of CHF 248.0 million were waived in the course of the subsidiary's restructuring and recapitalisation. In this context, the existing valuation allowance of CHF 75.0 million was reversed (see [note 1, Extraordinary result](#)).

As at the reporting date, loans to Zurich Airport International AG in the amount of CHF 0.0 million were subject to terms of subordination (previous year: CHF 150.0 million).

5 Equity interest in the co-ownership structure the Circle

(CHF million)	31.12.2022	31.12.2021
Share of assets of co-ownership structure for the Circle	597.4	613.3
Share of liabilities of co-ownership structure for the Circle	-22.4	-45.7
Total equity interest in co-ownership structure for the Circle	575.0	567.6

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 implementation of the Circle by the co-ownership structure the Circle was largely completed in the course of financial year 2021. The co-ownership structure is still responsible for its operation.

6 Property, plant and equipment

(CHF million)	31.12.2022	31.12.2021
Land	139.0	139.0
Buildings, engineering structures	2,191.8	2,230.8
Projects in progress	234.9	248.2
Movables	72.8	79.2
Total property, plant and equipment	2,638.6	2,697.2

7 Leases

The cost of the right-of-use assets recognised and the accumulated depreciation are shown below:

(CHF million)	31.12.2022	31.12.2021
Cost of recognised right-of-use assets	166.8	139.3
Accumulated depreciation on right-of-use assets	-37.6	-25.1
Total right-of-use assets	129.2	114.2

The corresponding lease liabilities have the following maturity structure:

(CHF million)	31.12.2022	31.12.2021
Due within 1 year	12.9	9.9
Due between 1 and 5 years	47.6	36.7
Due in more than 5 years	73.5	72.6
Total recognised lease liabilities	134.0	119.2

8 Other current liabilities

(CHF million)	31.12.2022	31.12.2021
Other current liabilities to third parties	38.6	22.8
Other current liabilities to employee pension funds	2.6	2.4
Total other current liabilities	41.2	25.2

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

	31.12.2022		31.12.2021		Interest payment date
	Nominal value	Nominal value	Duration	Interest rate	
	(CHF million)	(CHF million)			
Debenture (2023)	n/a	400.0	2013–2023	1.500%	17.4.
Debenture (2024)	300.0	300.0	2020–2024	0.700%	22.5.
Debenture (2027)	200.0	200.0	2020–2027	0.100%	30.12.
Debenture (2029)	350.0	350.0	2017–2029	0.625%	24.5.
Debenture (2035)	365.0	400.0	2020–2035	0.200%	26.2.
Total non-current financial liabilities	1,215.0	1,650.0			

The CHF 400.0 million debenture maturing in April 2023 was reclassified out of non-current and into current financial liabilities.

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 288.8 million (previous year: CHF 287.7 million).

10 Provision for aircraft noise

(CHF million)	2022	2021
Balance as at 1 January	449.2	460.5
Change in provision for aircraft noise	-17.9	-11.3
Balance as at 31 December	431.3	449.2
of which current	45.7	36.8
of which non-current	385.6	412.4

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)	2022	2021
Balance as at 1 January	868	4,051
Acquisitions (at applicable market price)	5,690	1,439
Allocation to management, employees and third parties ¹⁾	-5,727	-4,622
Balance as at 31 December	831	868

1) See also note 17, Equity interests of members of the Management Board, other members of management and employees

In the reporting period, 5690 registered shares were purchased at the market price (previous year: 1439 registered shares). Treasury shares are distributed to members of the Management Board and members of the most senior management level 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, 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, no hidden reserves were reversed (previous year: CHF 3.2 million).

15 Major shareholders

As at the reporting date, the following shareholders or groups of shareholders held at least 5% of the voting rights:

	2022	2021
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
		31.12.2022	31.12.2021
Andreas Schmid	Chairman	11,115	11,115
Josef Felder	Vice Chairman; Chairman Audit & Finance Committee	25,200	25,200
Vincent Albers	Member	2,517	2,517
Guglielmo L. Brentel	Member	309	309
Stephan Gemkow	Member; Chairman International Business Committee	100	100
Corine Mauch	Member	0	0
Eveline Saupper	Member; Chairwoman Nomination & Compensation Committee	675	675
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, 2130 shares (previous year: 1539 shares) worth CHF 359,970 (previous year: CHF 239,776) were distributed to members of the Management Board and 3543 shares (previous year: 3001 shares) worth CHF 598,767 (previous year: CHF 467,556) 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 31.12.2022	Number of shares as at 31.12.2021
Stephan Widrig	8,080	7,292
Daniel Bircher	847	745
Lukas Brosi	2,029	1,719
Stefan Gross	1,846	1,536
Lydia Naef	450	n/a
Daniel Scheifele	n/a	1,553
Manuela Staub	167	n/a
Stefan Tschudin	1,404	1,094
Total	14,823	13,939

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, 54 shares (previous year: 82 shares) worth CHF 8645 (previous year: CHF 13,024) were handed out in this context.

18 Significant events after the reporting date

The Board of Directors authorised the 2022 financial statements in accordance with the provisions of the Swiss Code of Obligations (CO) for issue on 9 March 2023. These also have to be approved by the Annual General Meeting.

Proposal for the distribution of available earnings

The Board of Directors will propose to the Annual General Meeting that the available earnings be used as follows:

(CHF million)	31.12.2022
Profit brought forward	1,699.0
Result for the year	194.9
Available earnings	1,893.9
Allocation to the legal retained earnings ¹⁾	0.0
Payment of an ordinary dividend of CHF 2.40 (gross) ²⁾	73.7
To be carried forward	1,820.2

In addition to the ordinary dividend as proposed above, the Board of Directors will request that an additional dividend be distributed as follows from the capital contribution reserves:

(CHF million)	31.12.2022
Capital contribution reserves before distribution	117.0
Transfer from capital contribution reserves to voluntary retained earnings and payment of an additional dividend of CHF 1.10 (gross) ²⁾	33.8
Capital contribution reserves after distribution	83.2

1) No allocation is being made to the legal retained earnings because these exceed 50% of the nominal share capital.

2) The dividend sum covers all outstanding registered shares. However, those shares held by the company at the time of declaration of the dividend are not eligible to a dividend. For this reason, the reported dividend sum may be correspondingly lower.

To the General Meeting of
Flughafen Zürich AG, Kloten

Zurich, 9 March 2023

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of Flughafen Zürich AG (the Company), which comprise the balance sheet as at 31 December 2022, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 208 to 219) comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SAC). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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 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 responsibilities for the audit of the 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 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

Risk	<p>Property, plant and equipment used for operations (assets in use) and assets under construction for operating activities together comprise 53% of total assets. In 2022, investments in property, plant and equipment amounted to CHF 176 million. Therefore, this position is significant for the balance sheet of Flughafen Zürich Group based on its absolute size.</p> <p>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.</p> <p>Furthermore, the coronavirus and associated decline 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.</p> <p>Further information regarding property, plant and equipment is included in the consolidated financial statements under note 6.</p>
Our audit response	<p>We mainly performed the following audit procedures:</p> <ul style="list-style-type: none"> ▶ 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

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 and SA-CH 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings and the proposed repayment of legal capital reserve comply 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

Contacts

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Integrated Report 2022

The Integrated Report 2022 of Flughafen Zürich AG is published in German and English and is available online under the following link:
> <https://report.flughafen-zuerich.ch/2022/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

Annual General Meeting 2023
24 April 2023

Half-yearly financial statements 2023
29 August 2023