



2017

Profile and Sustainable Development Report
of Czech Aeroholding Group



**TOP
ODPOVĚDNÁ
FIRMA 2017**
TOP ODPOVĚDNÁ
VELKÁ FIRMA



**TOP
ODPOVĚDNÁ
FIRMA 2017**
ODPOVĚDNÝ
REPORTING



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Introductory words

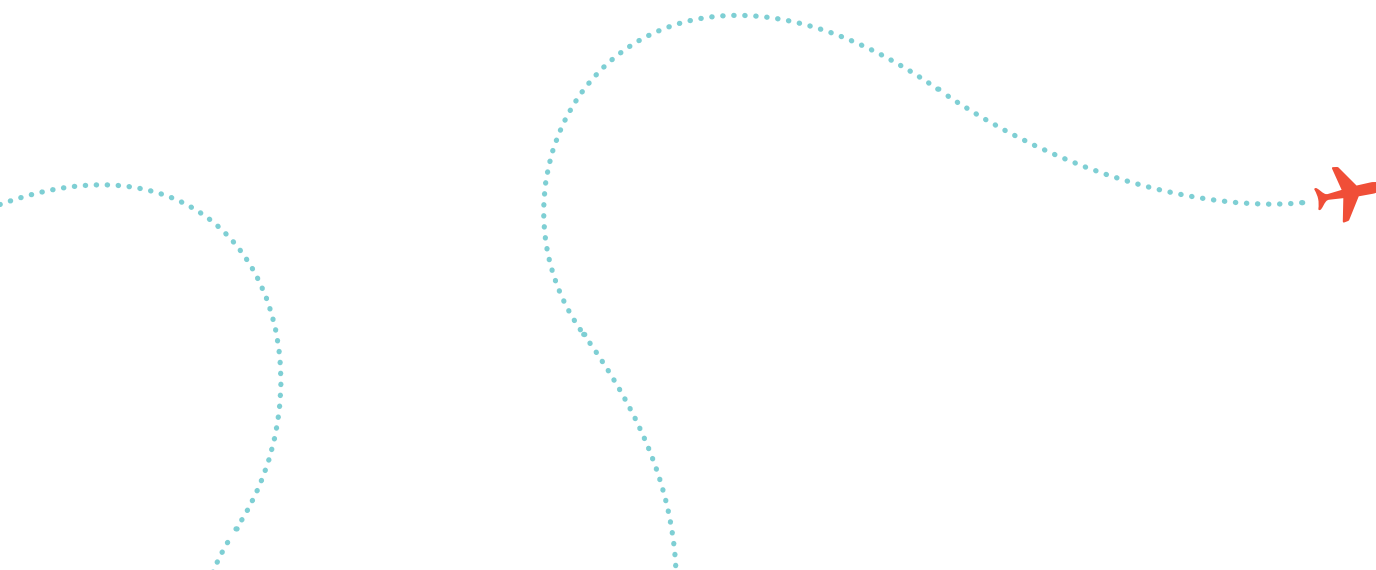
Dear Readers,

Welcome to our report about the sustainable business activities of Prague Airport in 2017. The idea of sustainable development is part of our corporate strategy and is dealt with in detail in the Corporate Social Responsibility Policy which we are gradually implementing. I am convinced that we can already boast of achievements, although I see the cornerstone of a responsible conduct of business lies in our continuous efforts and care in doing things even better for the benefit of long-term stability. As a representative of a successful company, I feel obliged to continue with improvements in this field and push for new trends beneficial to the whole of society and I see opportunities for that. It is, therefore, not a specific target to be reached: it is rather a path which leads us in the right direction and which we want to keep on following.

The year 2017 was exceptional for the airport from several points of view. We commemorated the important anniversary of 80 years of operation. The interesting events for the public and our partners that we held were successful and we celebrated properly. A reconstruction of the first flight from Prague Ruzyně to Piešťany which started the airport's operation in 1937 was a great success, even in the media. A special newspaper from that time was published for this

anniversary. People could visit a weekend Runway Festival which involved a display of a wide-ranging fleet of historical airplanes. An exhibition reminding visitors of both the history and the presence of the largest airport in our country was situated directly inside the airport terminal. We also presented our long-term development plans to the public there.

In terms of business, we performed well. We broke the all-time record number of passengers again, this time by no less than two million. Last year, almost 15.5 million passengers went through the airport in Prague and according to ACI's findings, we are one of the five fastest-growing airports in our category in Europe. This piece of news is undoubtedly pleasing, since the development of the air transport business has a positive influence on the national economy as well as on the development of the whole of the Czech Republic. Many thanks to our employees for their good organization when attending to passengers in their much higher numbers. This is not easy when we consider the fact that currently most Czech companies suffer from a lack of workforce. I highly appreciate the enthusiasm of our people to whom working at the airport is often a mission. Their determination to train team-reinforcing newcomers in



a busy season, willingness to help beyond their duties and, on top of it all, handle it with a smile, which is documented by the praise, results of passenger satisfaction surveys and positive evaluations on social networks. A good company is built by good employees. We are aware of this. We hold employees in high regard, looking for additional opportunities for appreciating their work and, in return, for meeting their requirements. This is the right approach as well as a good investment which pays off for every company. This year, we have had first-hand experience in this respect.

In terms of the environment, Prague Airport managed to meet the target set in 2012, namely to reduce our carbon footprint step by step in order to achieve a 9% decrease compared to 2009. Generally, our approach to ecology is highly active. We currently monitor all the environmental components, also using alternative methods such as bio-monitoring by bee colonies, and provide frank information about the results. In the long run, we also support environmental projects in our vicinity.

Naturally, I cannot forget to mention safety, which is a necessary priority with regard to the focus of our activity. In this area, we also make active efforts to find new opportunities to improve. Obtaining the EASA safety certificate proves that we have established a high standard of safety and keep up with modern European airports. In the near

future we plan to open a new central security control point which will offer not only a high standard of security, but also advanced comfort for passengers.

I highly esteem neighborly relations with local communities, which are undoubtedly based particularly on open communication and transparency. Together with Prague Airport Region (association of local governments), we have launched a new system of support focusing on language learning. It is true that the Czech Republic is still slightly lagging behind in foreign language skills and the reason, according to statistics, is mostly shyness. People study languages, but they are afraid of speaking. With the idea of improving this trend, we have started to invest in foreign-language study visits abroad and extra lessons with a native speaker as part of the classes in primary schools in our vicinity.

We do a lot, but there is still room for improvement. To push for a responsible approach in all fields of our activity and beyond is a long-term trend and an established integral part of our conduct of business. Actually, see for yourself. I wish you a good read and should you have any questions, comments or suggestions, do not hesitate to contact us. Any feedback is always precious and often becomes a source of positive change.



Václav Řehoř
Chair of the Board of Directors of
Český Aeroholding, a.s.



About Czech Aeroholding Group

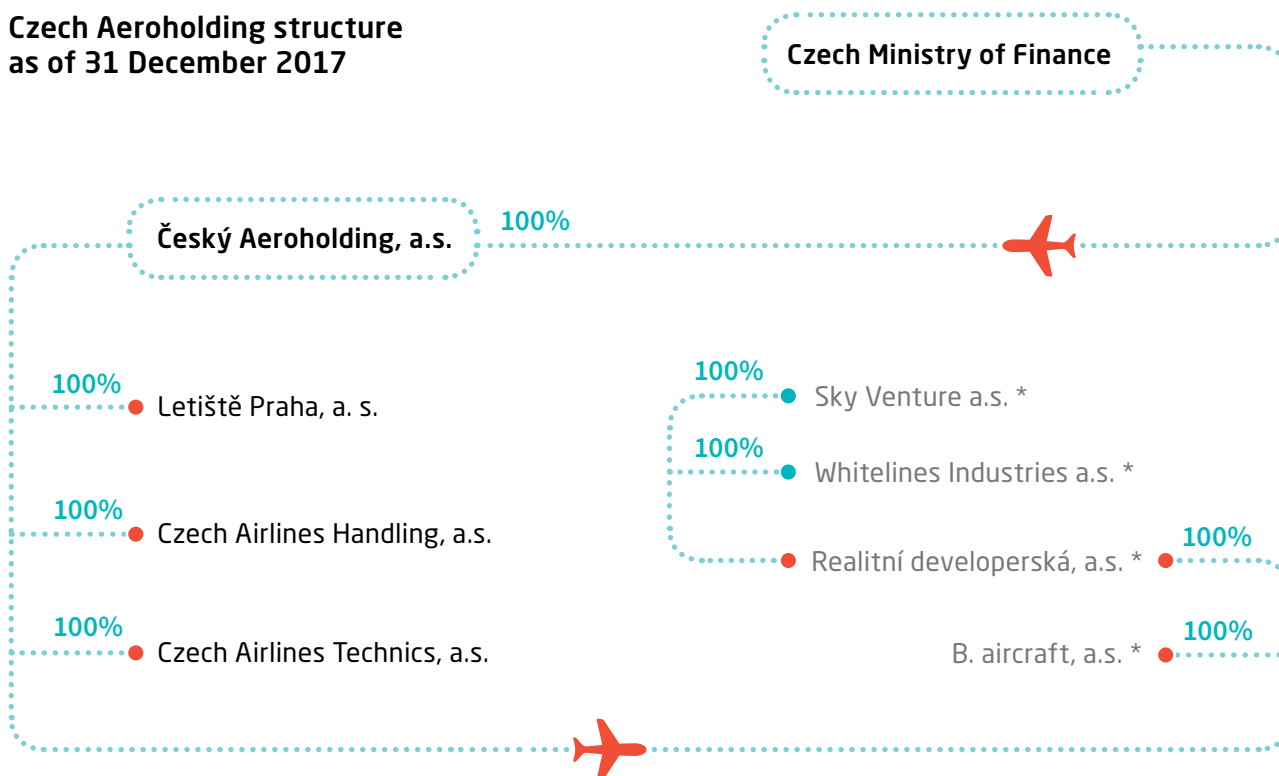
Český Aeroholding (hereinafter “Czech Aeroholding”) is an important group of Czech firms which comprises companies operating in the air transport and related ground services of the biggest international airport in the Czech Republic. The only shareholder of the parent company Český Aeroholding, a.s. is the Czech Republic, represented by the Ministry of Finance of the Czech Republic.

The key subsidiaries are Letiště Praha, a. s., the operator of the international airport, Václav Havel Airport Prague, Czech Airlines Handling, a.s., providing comprehensive ground handling services for aircraft and passengers, and Czech Airlines Technics, a.s., providing services related to the technical maintenance of aircraft.



The Group is one of the most significant employers in the Prague region and its surroundings. Currently, over 17,000 people work on Prague Airport’s premises.

Czech Aeroholding structure as of 31 December 2017



* From the viewpoint of the Group, these are organizations of minor importance which will not be further mentioned in the Report because of their minimal influence and lack of employees. More information about these companies can be found in the respective annual reports which are made available on the web pages of Czech Aeroholding Group (www.cah.cz/).

Management structure

The statutory body of Český Aeroholding, a.s. is a three-member Board of Directors. The supervisory role is performed by the Supervisory Board, superintending the performance of activities by the Board of Directors and the pursuit of business activity. The Audit Committee is responsible for monitoring the process of drawing up a financial

statement and consolidated financial statement and this committee has been established in compliance with the law on auditors. It consists of three members and attends to the monitoring of the effectiveness of internal control, internal audit, and risk management.

Board of Directors

Chair of the Board of Directors

Ing. Václav Řehoř, Ph.D., MBA



Vice-Chair of the Board of Directors

Ing. Radek Hovorka



Member of the Board of Directors

JUDr. Petr Pavelec, LL.M.



Supervisory Board

Chair of the Supervisory Board

prof. Jan Švejnar, M.A., Ph.D.

Members of the Supervisory Board

Ing. Michal Požár, MBA • Ing. Jiří Opletal • Mgr. Ondřej Landa • Robert Bullock

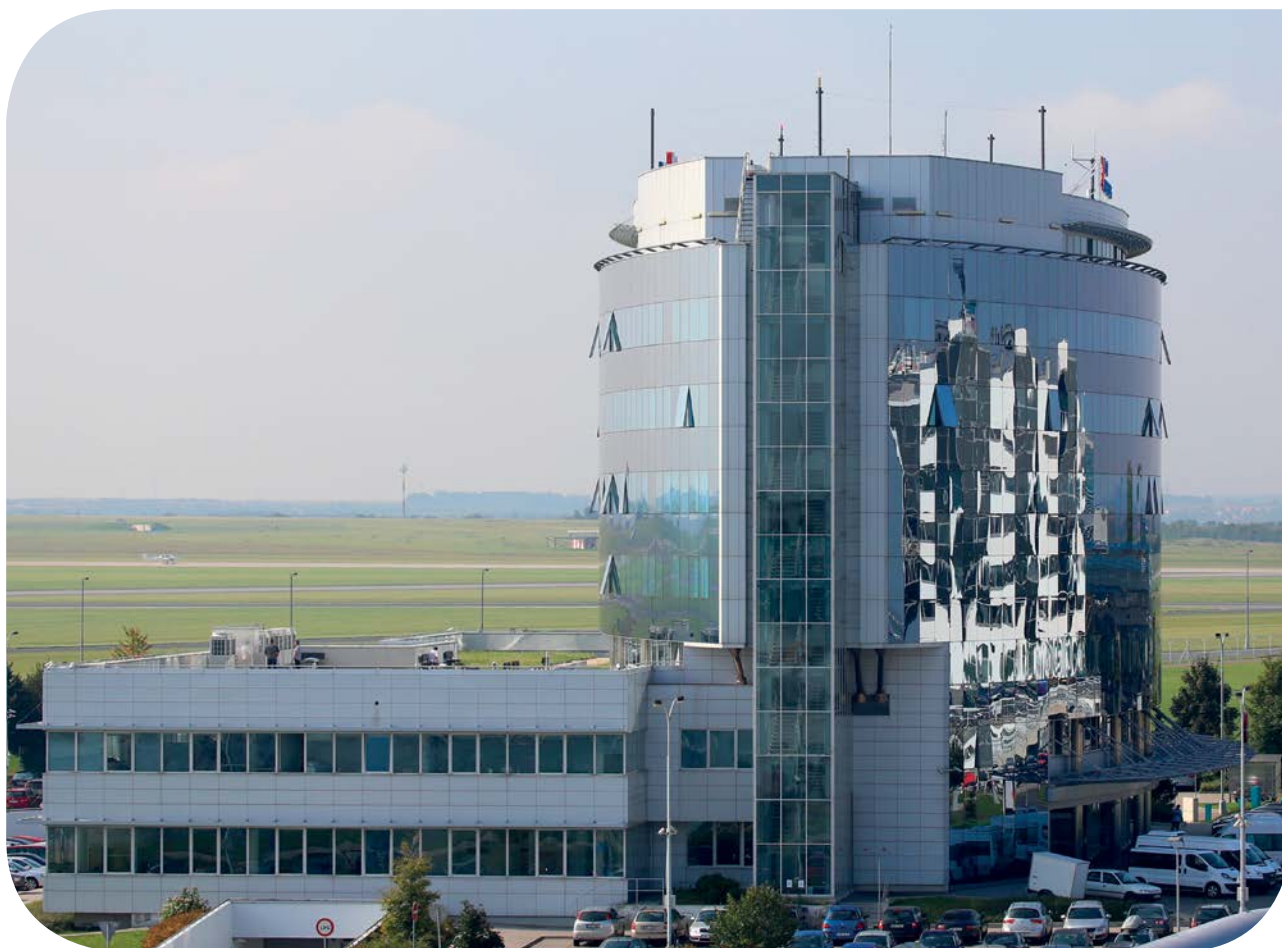
Further information including annual reports is available at: <https://www.cah.cz/cs/o-nas/>

Český Aeroholding, a.s.

The parent company Český Aeroholding, a.s. (hereinafter also Czech Aeroholding) takes care of coordination, financial and strategic management, implements synergies inside the Group, and provides its subsidiaries with shared services such as IT, central purchasing and sales, human resource management, accounting, and legal, financial, PR and marketing services. Thanks to the centralization of administrative services, individual companies united under the Czech Aeroholding Group can fully focus on their main lines of business.



Czech Aeroholding Group is an important employer; we employ over 3,800 people in total.



Český Aeroholding, a.s.

Jana Kašpara 1069/1, 160 08 Prague 6 • +420 220 111 200 • info@cah.cz • www.cah.cz

Letiště Praha, a. s.

Letiště Praha, a. s. (hereinafter also “Prague Airport”) operates the largest international civil airport in the Czech Republic, Václav Havel Airport Prague, takes care of its growth, contributes to the continuous development of civil air transport in the Czech Republic, maintains its accessibility to the general public, and enables clients to travel in a modern, fast, and comfortable manner. Prague Airport allocates its capacities to particular airline companies, rents airport space for commercial purposes, and provides additional services, for example, those related to passenger and baggage check-in, parking and catering.

Security at Václav Havel Airport Prague, i.e. the security control of passengers and luggage as well as security guarding of the whole airport premises, is provided by Prague Airport’s own staff. It also has its own specialized fire brigade at its disposal. Emergency medical services are provided 24 hours a day by a contractual partner.

As part of its activities, the airport closely cooperates with air carriers, the Ministry of Transport of the Czech Republic, the Civil Aviation Authority, the Air Navigation Services of the Czech Republic, public authorities within and outside the aviation sector, and other users of the airport. Last but not least, it also cooperates with the city of Prague and towns and villages situated in the vicinity of the airport.



**In 2017, we looked after
over 15 million passengers.**



Letiště Praha, a. s.

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Czech Airlines Handling, a.s.

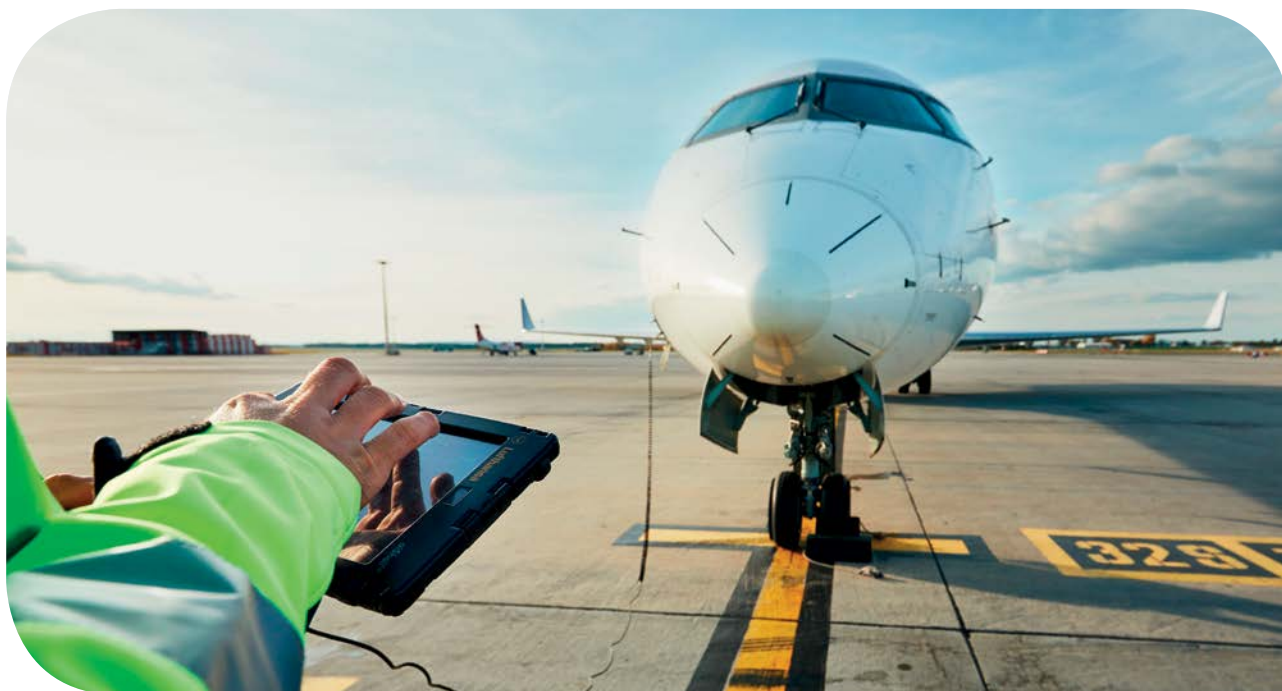
At Václav Havel Airport Prague, Czech Airlines Handling, a.s. (hereinafter also “Czech Airlines Handling”) provides comprehensive services regarding the ground handling of passengers, aircraft, cargo, and mail for more than 30 airline companies, including both carriers united in the airline alliances Sky Team and Star Alliance, as well as many other companies running regular or charter passenger transport or the separate transport of goods.

In 2017, the company succeeded in expanding its portfolio to other clients, such as Air Cargo Global, Georgian Airways, Rusline, and Turkish Airlines Cargo. Another important activity is the aircraft refueling service, where in 2017 a strategic partnership in the field of fuel trade was entered into with PKN Orlen. Consequently, the company has expanded its offer of services provided in the operating field, as well as remaining an autonomous trader of JET A-1 fuel.

Czech Airlines Handling also runs a Contact Center which provides services particularly to airline companies. Czech Airlines (České aerolinie a.s.) and Korean Air are among its most important clients. The company also sells air tickets and provides operational ticketing services, takes care of aircraft cleaning, and also delivers delayed baggage to passengers for its clients.



Every year, we handle more than 65,000 flights and 4 million pieces of baggage.



Czech Airlines Handling, a.s.

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Czech Airlines Technics, a.s.

Czech Airlines Technics, a.s., (hereinafter also “Czech Airlines Technics”) focuses particularly on the repair and maintenance of aircraft and aircraft technical equipment in the following areas:

- **Base maintenance**
- **Line maintenance**
- **Component maintenance**
- **CAMO support**
- **Landing gear maintenance**

In 2017, Czech Airlines Technics proceeded with a successful expansion of services for external clients, especially in the field of aircraft base maintenance and landing gear maintenance. In that year, the company carried out over 100 large-scale overhauls of B737, A320 Family and ATR aircraft. For the maintenance season of 2017/2018, the fifth line of base maintenance has already been opened, which represents a year-on-year increase in capacity of 25%.

Major clients in 2017 continued to be Czech Airlines, Finnair, Transavia Airlines, Germania, Travel Service, and NEOS. Some work was performed for Luxair, Aeroflot, Primera Air Nordic, GECAS, and Transavia France.



We provide repairs and maintenance for aircraft and aviation technical equipment on five base maintenance lines and two line maintenance lines.



Czech Airlines Technics, a.s.

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Achievements and awards

Moody's A1 rating

The world-renowned agency Moody's Investors Service confirmed their A1 rating with a stable outlook for Czech Aeroholding. The agency's decision recognizes the ability to perform the strategy successfully, to maintain a prudent financial policy, and to report very good economic results. Czech Aeroholding thus continues to be rated as highly as the Czech Republic itself. In its evaluation, Moody's also points out Prague Airport's strong position as the main entrance gate to the Czech Republic, with a 97% share of passengers for whom the airport is the point of departure or the ultimate destination.



TOP Responsible Big Company 2017

A prestigious bronze certificate for the sustainable and responsible conduct of business was awarded to Prague Airport in the TOP Responsible Company competition organized by the largest professional platform, Byznys pro společnost (Business for Society), raising awareness of these principles in the Czech Republic.



World Routes Marketing Awards

The first prize in the category of airports attending to 4 to 20 million passengers per year was awarded to Prague Airport at the World Routes international conference. It was its second victory in its history, competing with airports from all around the world. At this world top-level meeting of air carriers and airports, representatives of airline companies appreciated the quality of mutual cooperation in the development of air connections and marketing support.



Responsible Reporting 2017

We won an award for our comprehensive and transparent reporting as part of our responsible and sustainable approach. The prize from KPMG Czech Republic is awarded by an independent jury consisting of members from public administration, expert institutions, business, the non-profit sector, and the media.



Certificate for successful reduction of carbon footprint

Prague Airport met its five-year objective related to the climate protection and environmental impacts to which it committed itself as part of the Airport Carbon Accreditation (ACA) initiative. It has reduced its footprint by 9% compared to in 2009.



15 million passengers

In 2017, Prague Airport surpassed the number of 15 million passengers, which is the highest number in 80 years of its existence. The record-breaking levels were shown by Prague Airport throughout 2017, ranking among the operationally fastest-growing airports in Europe in its category (10–25 million passengers). The results were influenced by both the increasing attractiveness of Prague as an interesting and safe destination for tourists from abroad, and Czechs' willingness to invest more in their foreign travel.



EASA safety certificate

The Václav Havel Airport Prague international airport complies with the high safety standards set by the rules of the European Aviation Safety Agency (EASA). It supports this with a certificate awarded by the Czech Civil Aviation Authority in September 2017. The EASA certificate was awarded to Prague Airport as the fourth of the operators of five Czech airports which fall within the scope of authority of this European agency.



Chinese authorization CAAC

It was a great success for Czech Airlines Technics to obtain authorization from the CAAC. Thanks to this, CSAT mechanics can now release Chinese airlines' aircraft into operation after line maintenance independently, without needing the presence of a flight engineer from the airline company.



ISAGO certificate

Czech Airlines Handling passed through a challenging ISAGO recertification audit after almost two years, focusing again on safety, quality of passenger and aircraft handling, as well as compliance with operating procedures including airlines' rules and IATA procedures. According to the audit outcome, the company reconfirmed the high quality of the handling services it provides and received certification for the next period of time.



Gold medal for honey

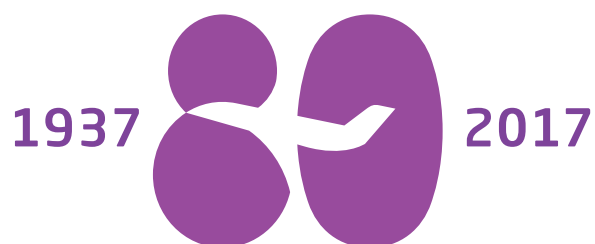
In 2017, two gold medals at once were awarded to Prague Airport for honey produced by Prague Airport's bee colonies in the Czech Honey Competition, organized by the Czech Beekeepers' Association every year. The Association rates the airport's honey among the top every year; nevertheless, in 2017, the medal was awarded to two kinds of it at once: rape plant and buckwheat. In both cases, our honey won the highest rating of 100%. The gold medals awarded prove the highest quality of the airport's honey to be true in the long run.



Maintenance certificate for new Airbus A320 neo and Boeing 737 MAX aircraft

Czech Airlines Technics (CSAT), the subsidiary of Czech Aeroholding providing aircraft maintenance and repair services, won a certificate from the Civil Aviation Authority as the first in the Czech Republic to authorize CSAT personnel to carry out line maintenance on the new Airbus A320 neo and Boeing 737 MAX aircraft. So far, only a few independent companies have this certificate and employees trained on aircraft which will only be gradually put into operation this year.

Important events in 2017



We celebrated the important anniversary of 80 years of the operation of the largest and most modern airport in the Czech Republic.

To mark this great jubilee, Prague Airport prepared several events for passengers and the general public:



Reconstruction of the first flight

On the actual anniversary on April 5, in cooperation with Czech Airlines and the airports in Piešťany and Brno, we organized a reconstruction of the flight recorded as the first on the route which began the operation of the airport in Prague-Ruzyně.



Open-door weekend

This event was held on June 10-11, offering a rich program for children and a demonstration of airport technical equipment and aircraft for both the general public and airplane fans.

Interactive exhibition

An interactive exhibition documenting the evolution of the airport from its beginnings to the future vision was displayed in the public zone of Terminal 2.



Modernization of the interior of Terminal 1

The entrance of Terminal 1 was partially reconstructed. After security procedures, passengers enter the type of modern space common in major European and world airports.



Plans and tasks for the next period of time

Plans for future development of the airport

The importance and utilization of air transport for passenger travels continues to grow and according to current estimates, air traffic in Europe is expected to double in the next 20 years. Looking at these prognoses, Prague Airport plans to develop the terminals and adjacent areas, increase the capacity of the runway system, and also adapt the public zone in front of the terminals and develop the extended area around the airport. Implementing these plans will enable the airport to serve 21 million passengers. Prague Airport plans to invest approximately CZK 27 billion in the most important projects – the extension of Terminal 2 and construction of a new, parallel runway.

Changes in noise charges

From 2018, Prague Airport has planned a substantial change in noise charges in order to motivate air carriers to use quieter aircraft for their flights to and from Prague. Following the development of air traffic, the noise categories will be extended to be fairer, and inbound and outbound flight fees will be introduced. From the summer flight season, noise charges will also regulate night traffic more strictly.

Creating a CSR working group

We plan to form a working team of volunteers and employees who are keen on socially responsible business. The idea of corporate social responsibility includes the integration of the responsible approach into all aspects of a business. The formation of a CSR working group of experts in different fields will ensure an all-embracing view of the topic, consensus in the decision-making, a definition of realistic objectives, and subsequently the easier implementation of jointly proposed solutions.

Cooperation in promoting incoming tourism

Representatives of the Capital of Prague, the Central Bohemian Region, Prague Airport, CzechTourism, and Prague City Tourism have agreed to cooperate in the field of incoming tourism promotion. They have also articulated the need for the common promotion of longer stays for incoming tourists and drawing their attention to places outside the main attraction, which is currently Prague. The defined objectives are based on the long-term strategy of the CzechTourism agency, which monitors and evaluates both the quantitative and qualitative potential of existing and new markets, and promotes Czechia at its foreign branches in more than 40 solvent markets.

Biodiversity support

As part of cooperation with representatives of the vicinity of the airport, we plan to support local biodiversity: in other words, active participation in the protection of wild animal and plant species, preservation of species diversity, biocorridors, and the support of environmentally stable systems.



“The development of tourism in the Czech Republic and direct air connections with the world depend on the support of incoming services,” say key institutions in the tourist industry.

Corporate culture and business ethics

We regard high standards in our conduct and approach as an integral part of our everyday work as well as a prerequisite for maintaining and further developing the good reputation of and trust in Czech Aeroholding Group. Therefore, in accordance with good market practices,

the Group implements integrated compliance programs by means of which it shapes the corporate culture of the Group itself and endeavors to have an external influence via the ethics of its business conduct.

Code of Ethics

In line with our company values of “safety, customer orientation, competitiveness, responsibility, and transparency,” the companies of Czech Aeroholding Group have committed themselves to respect the rule of law and adhere to high moral standards unconditionally.

An important instrument for strategic management and shaping the corporate culture of the whole Group is the Rules of Conduct and Ethical Principles document, which is available to the public on the company web pages at www.cah.cz/compliance/. The document openly declares the company’s commitments to our customers, business partners, employees, and the surrounding community in which we work. It defines clear standards for conduct at work as well as in areas which we consider key in our conduct of business. It deals with topics strengthening the transparency of the company, such as the prevention of conflicts of interest, corruption, and other unfair practices, but also issues of protecting the environment, safety, and maintaining good relations at work as well as with our partners.

Business ethics

Nevertheless, the Code of Ethics is only the beginning of building up a responsible and transparent approach to our business conduct. The company is aware of the risks of unfair practices, including corruption, and maps these risks systematically and prevents them actively, using the appropriate instruments. For this purpose, but also to increase the safety of operations, the degree of risk is assessed for each post. In the case of posts with a significant degree of risk, the company is interested in the employees’ clean record, and personal integrity. In terms of preventing conflicts of interest, including regarding competitive position, the com-

pany has defined clear rules, binding on all employees, and the observance of which is, again, checked systematically. The Group has set clear rules for accepting and providing gifts and entertainment. To eliminate undue influencing of decision-making, including corruption practices, we never ask for any gifts and we avoid accepting them. A responsible approach to business conduct, our values and ethical conduct are encouraged not only inside the company, but also through our business relations. We care about who we cooperate with and map the risks of the business relations into which we plan to enter.



All these rules are binding on all employees, who learn about them when they join the company, and the relevant training course is then repeated regularly.

Compliance ethical line

**P.O. BOX 536, Jana Kašpara 1069/1,
160 08 Prague 6 • +420 220 118 008**

compliance@cah.cz

**Form on the website
www.cah.cz/compliance/**

For the purpose of reporting situations which are not in compliance with the above-mentioned rules and the generally binding requirements, our company has opened an

Ethical Line which is available to our employees as well as anybody in our vicinity.

Company values

Competitiveness

We encourage creative and innovative thinking and seek new opportunities actively to achieve our goals. We work with high commitment – a high quality of work done is a matter of course to us.

Safety

We are aware that the prerequisite for safety in the air is safety on the ground. Our mission is to ensure above-standard safety of traveling by air and to continue improving it. Increasing safety is a natural part of every employee's work.

Responsibility

We are a good partner, inspiring employer, and exemplary neighbor. We require personal responsibility from every person. We are aware that every decision we make has an influence on the future of not only the whole company, but also our vicinity.

Customer orientation

Our clients' satisfaction is the only acceptable indicator of our success. We attend to customers individually and with the utmost care, since every individual person matters to us.

Transparency

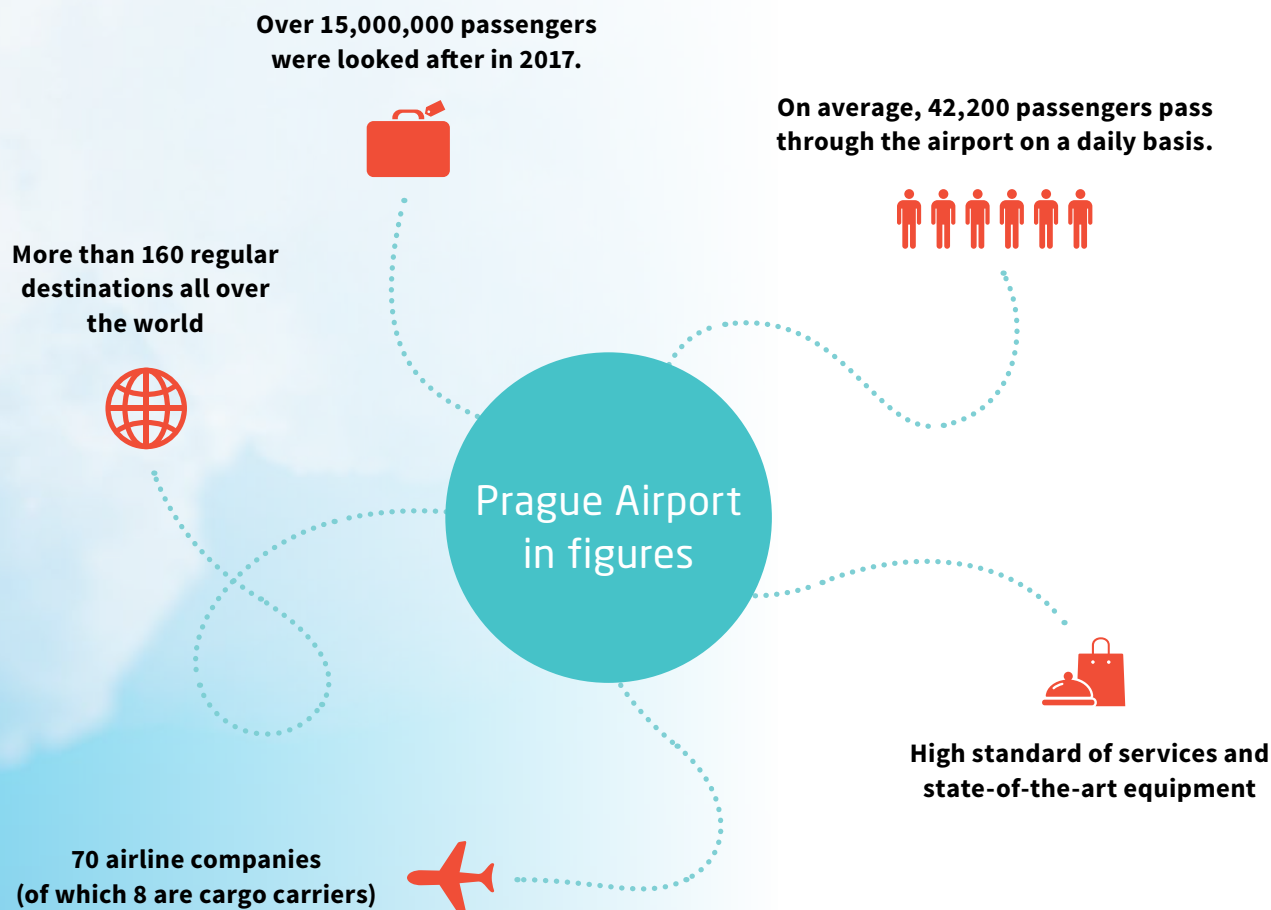
We recognize all of our decisions. We openly communicate with customers, business partners, and employees as well as the general public. In every situation we proceed with correctness, reliability, and mutual respect.

Our business

Václav Havel Airport Prague, which is 17 km from the center of the capital of Prague, is the most important international airport in the Czech Republic with the status of one of the fastest-growing airports in the 10–25 million passengers category in Europe. This international airport serves over 15 million passengers a year. They can enjoy the offer available through the course of the year provided by 70 airline companies connecting Prague directly with more than 160 destinations all over the world. Eight regular cargo carriers also operate here and several dozen companies provide charter transport. Prague Airport employs almost 2,000 people, and additionally over 14,000 people are employed by companies operating at the airport or related to its operations.

The company Letiště Praha (Prague Airport) was established in February 2008, as a result of the privatization and transformation of the former state-owned company.

In its activities, Prague Airport closely cooperates with the Ministry of Transport of the Czech Republic, the Civil Aviation Authority, the Air Navigation Services of the Czech Republic, air carriers, public authorities inside and outside the aviation sector, and other users of the airport. Last but not least, it also cooperates with the capital of Prague and villages and towns situated in the surroundings of the airport. As their base, Václav Havel Airport Prague is used by four carriers – Czech Airlines, Travel Service, Ryanair and Wizz Air.



Traffic development

For Václav Havel Airport Prague, the past year was record-breaking again, with 15.4 million passengers, which means a 17.9% increase in comparison with 2016. Far and away, this surpasses the average growth of airports in Europe which is 8.5% according to the ACI. A total of 148,283 take-offs and landings took place. It is positive for the surroundings of the airport that the record in the number of passengers does not mean a record number of take-offs and landings, which did not reach 2008's record number of aircraft movements by a long way, thanks to the higher aircraft load factor. Sound economic planning, the higher aircraft loads as well as the use of larger, modern types of aircraft are trends in full ac-

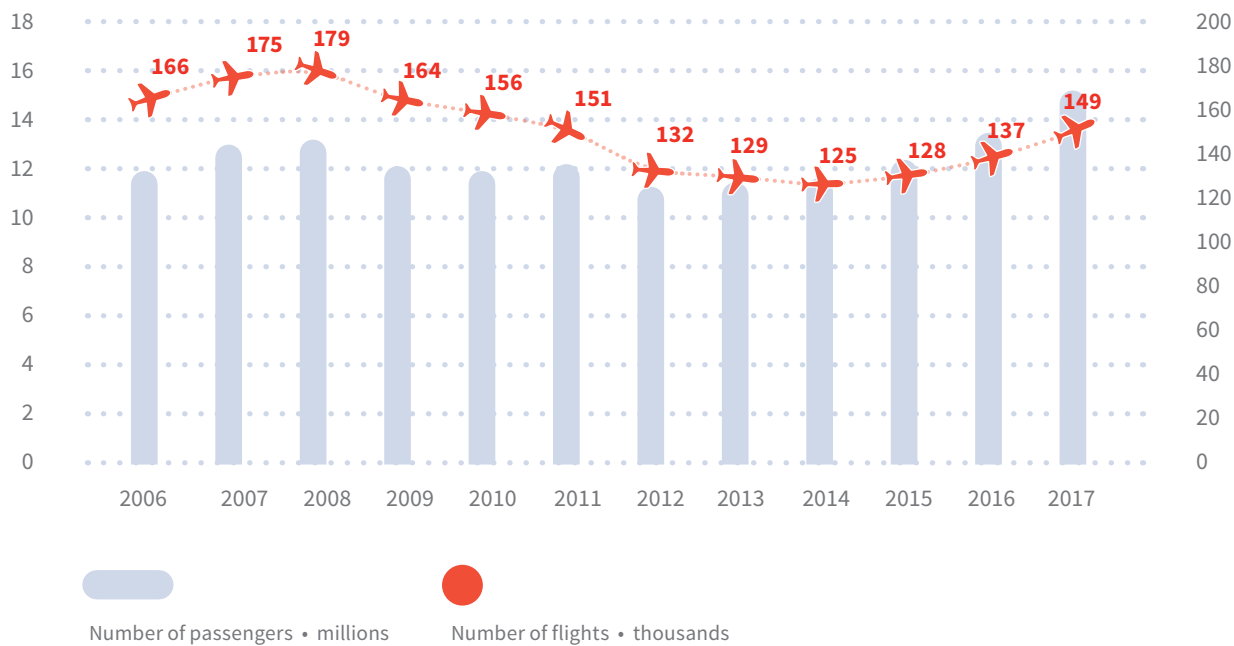
cord with the idea of sustainable business conduct which is welcomed and supported by the airport. Last year, 42,233 passengers, on average, passed through Prague Airport every day.

In 2017, flights from Václav Havel Airport Prague were operated by a total of 69 regular carriers flying to 163 destinations. Most passengers traveled from Prague to European cities, followed by Africa, which showed an increase of more than 66% on a year-on-year basis, mainly caused by passengers' increased interest in holiday destinations in the North of that continent.



Prague Airport is one of the fastest-growing airports in Europe in the 10–25 million passengers category.

Number of passengers vs aircraft movements





In 2017, air transport to a total of 16 new destinations was introduced from Václav Havel Airport Prague.

The path to the airport's development is the increase of new destinations and support for existing ones. Prague Airport adopts an active approach to negotiations with aviation partners through its key account management and regular meetings at specialized conferences. A fair approach to airline companies, transparency of incentive programs, and regular surveys of passenger demand are factors that play an important role in our efforts to convince airline companies of the potential of our airport, the beautiful city of Prague, and the whole of the Czech Republic.

The most frequented air connections* were those to Great Britain (up to 15 destinations, an increase in the number of passengers looked after by the airport +6.61%), followed by Italy (+29.60%), Germany (+8.10%), Russia (+24.56%), and France (+9.02%).

The most frequented destination was traditionally London where last year for the first time flights from Prague headed for all of London's six international airports. It was followed by Paris, Moscow, Amsterdam and Frankfurt. In a year-on-year comparison, the real leaping champion in the number of passengers was Milano Bergamo, followed by Hurghada, Moscow, Rome Ciampino, and Marsa Alam.



Václav Havel Airport Prague is growing faster:

2017

increase of 17.9%

15.4 million passengers



Average growth at airports in Europe according to ACI Europe:

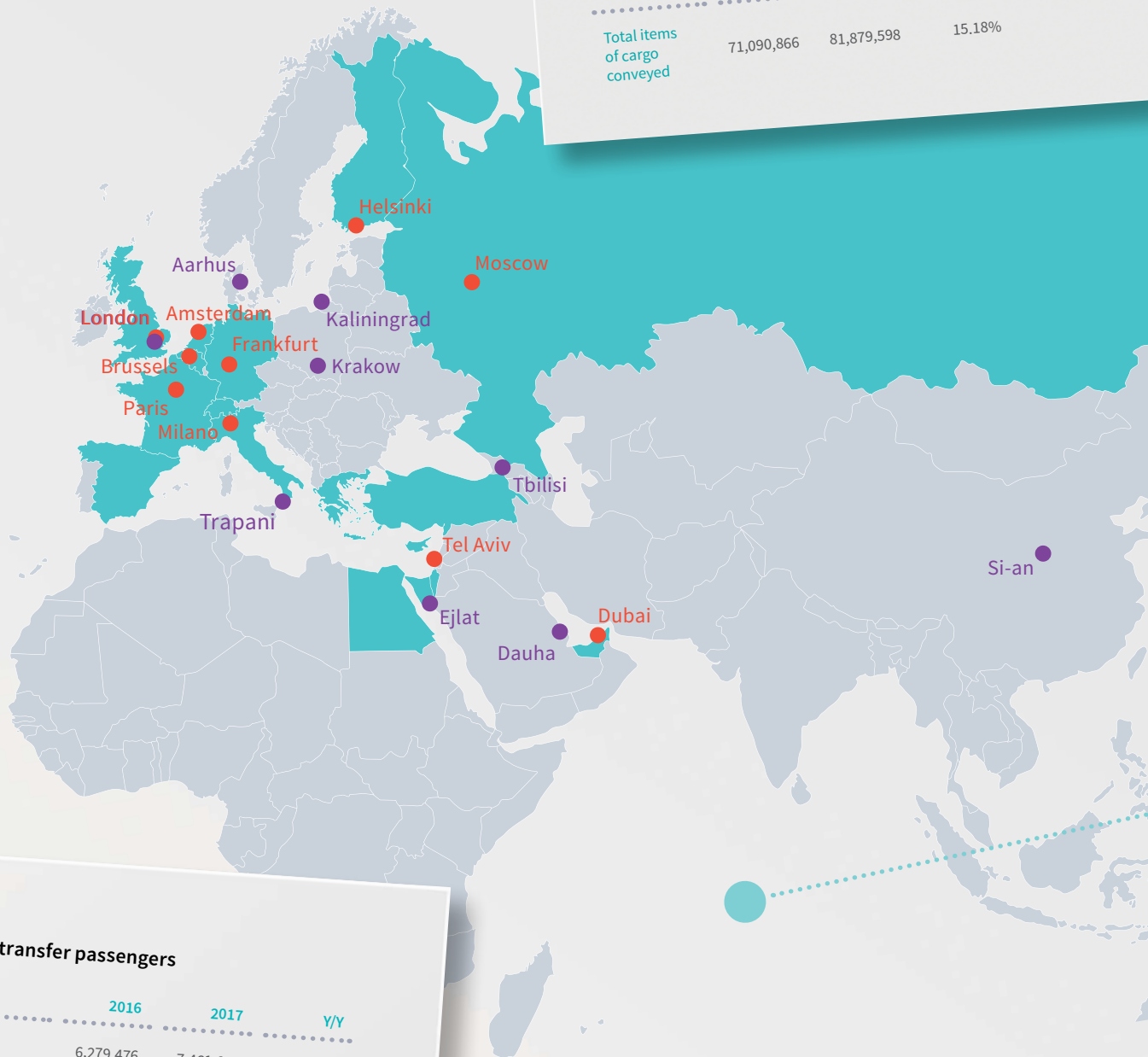
2017

increase of 8.5%


* including transfer passengers

Main operational indicators

	2016	2017	Y/Y
Total number of transported passengers	13,074,517	15,415,001	17.90%
Total number of movements	136,766	148,283	8.42%
Total items of cargo conveyed	71,090,866	81,879,598	15.18%



Local and transfer passengers

	2016	2017	Y/Y
 Local	6,279,476	7,461,607	18.83%
 Transfer	179,292	207,374	15.66%

Market segments

	Total	Y/Y	Market share
Regular transport	14,895,854	19.53%	96.63%
Irregular transport	519,147	-15.19%	3.37%
Network carriers	10,603,848	19.49%	68.79%
Low-cost carriers*	4,292,006	19.62%	27.84%
Charter carriers	497,703	-15.83%	3.23%
General aviation	21,444	3.16%	0.14%

* Eurowings/Germanwings
Transavia/Transavia France
Ryanair
easyJet/easyJet Switzerland
Wizz Air • Norwegian
Vueling • Jet2.com
Volotea • Pegasus
flydubai • UP by El Al



New routes in 2017

Top countries

Great Britain • GB
Italy • ITA
Germany • DE
Russia • RUS
France • FRA
Spain • ESP
Netherlands • NLD
Greece • GRC
Turkey • TUR
Belgium • BEL

Reykjavik • Iceland
Dauha • Qatar • for passengers
London/City • Great Britain
Si-an • China
Ejlat • Israel
Krakov • Poland
London/Southend • Great Britain
Kaliningrad • Russia
Tbilisi • Georgia
Aarhus • Denmark
Trapani • Italy

Top destinations

Moscow • SVO
Paris • CDG
Amsterdam • AMS
Frankfurt • FRA
Dubai • DXB
London/Heathrow
Tel Aviv
London/Stansted
Brussels
London/Gatwick
Barcelona
Helsinki
Milan/Malpensa

Safety and security

The main prerequisite for safety in the air is safety on the ground. Our mission is to ensure above-standard safety of air travel and to improve it continuously. Safety is one of our company values. The operation of an airport is very complex and covering and controlling the great number of risks

SAFETY

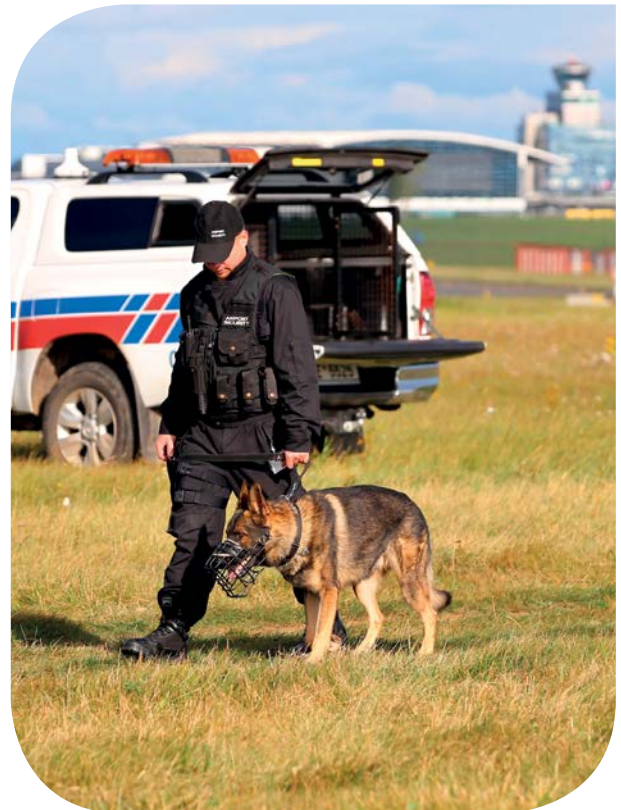
SAFETY can be understood as a set of measures against human mistakes, usually an unintentional action out of a lack of knowledge or out of negligence of occupational duties, non-existent or incorrectly defined operating procedures, a failure of technical equipment, or an impact of force majeure.



requires the cooperation of many specialists in all air transport fields. At the same time, we motivate our employees to consider safety improvements as a natural part of their work. In the aviation sector, we differentiate between safety and security.

SECURITY

The second term in this context is SECURITY which deals with the protection of civil aviation against illegal actions. In practice, it covers instruments and measures aiming to prevent the committing of any crime inside aircraft, in terminals, or near the airport. The measures probably best known to the general public are the security checks of passengers and their baggage.



SAFETY MANAGEMENT SYSTEM (SMS)


This represents an active approach to safety issues in all activities at the airport, the purpose of which is to increase safety in a targeted and systematic way. It comprises the active search for potential risks and the reduction of identified risks which could lead to injury to people or damage to valuable aviation technical equipment. The SMS does not only prevent major aircraft accidents, but also minor incidents, for example, a collision with another machine, a lamppost, or birds or other animals. The SMS is under the management of Prague Airport, which closely cooperates with other organizations engaged in the airport's operations.

Together with the whole airport, the SMS has received a certificate from the Civil Aviation Authority, based on EU Implementing Regulation no 139/2014.

Voluntary safety reports

In real traffic, the most important element of the SMS is voluntary reports from aircraft crews, check-in personnel and other operating staff. On a regular basis, the Safety Department appeals to everyone to report anything which is not in compliance with regulations, procedures, or operational safety in general. The main principle of the promoted safety culture is that no one will be punished as a result of making a report, since the only important point is to assess the incident professionally and to remove the risk. A potential danger or fault can be also reported anonymously via the airport website at www.prg.aero/safety. Safety audits and safety inspections are also used to search for safety risks. By means of these, all the operational processes are repeatedly evaluated in terms of safety, and safety recommendations are made.

The SMS has three main safety tasks:



1 Supervise the current operation of the airport

The process includes regular audits and field inspections aiming to check repeatedly whether the infrastructure is in good order and the procedures are properly set and followed and whether what was described as safe earlier remains safe.

3 Learn from the past

If, despite all efforts, a safety incident happens, it is necessary to learn from it. Every such incident is investigated in detail and then a corresponding solution is proposed to remove the cause so that a similar situation cannot happen in the future.

2 Ensure that the airport remains safe in the future as well

The airport keeps changing all the time and every change can pose a hidden safety risk. Before any new procedure is introduced in practice, it must be scrutinized and evaluated as safe. Otherwise, the change will not be implemented.

Safety and security strategy

The aim of Prague Airport's Safety and Security Strategy is to define the ways employees, passengers, and other users of the airport, resources, information, integrity and reputation of the company are safeguarded against potential threats. The environment safety evaluation and analysis of risks endangering the assets that Prague Airport protects are an integral part of this. In particular, it covers the following areas:

- **Protection of civil aviation against illegal actions (airport security guarding, security control of passengers and luggage).**
- **Protection of people, the company's assets, and employees.**
- **Public order protection and criminality prevention.**
- **Administrative safety and information safety.**
- **IT safety.**
- **Prague Airport Rescue and Fire Service.**
- **Operational safety.**
- **Occupational health and safety.**



The safety of the airport is an important part of safety of the whole country

We look for additional opportunities and introduce new measures to increase safety not only directly at the airport, but also to help the security services of the Czech Republic in their fight against extremism, organized crime, and also trafficking arms or drugs. These measures include, for example, the following:

- **System for automatic biometric detection of faces, focusing on wanted persons.**
- **Recognition of vehicle registration numbers which provides a comprehensive overview of vehicle movements on all incoming and outgoing roads.**
- **Validation of entry and its extension by passport readers which check the authorization of passengers' entry to non-public zones of the airport.**
- **Detection of radioactive radiation, providing 100% radiation monitoring of the entire cargo passing through the airport's terminals.**
- **Inspection of suspicious objects and detection of dangerous chemicals, focusing especially on narcotics and psychotropic drugs or explosives.**
- **Security guarding of the outer boundary of the airport premises.**
- **Common training for airport personnel and security services.**
- **Modern means of protection.**

Rescue and Fire Service

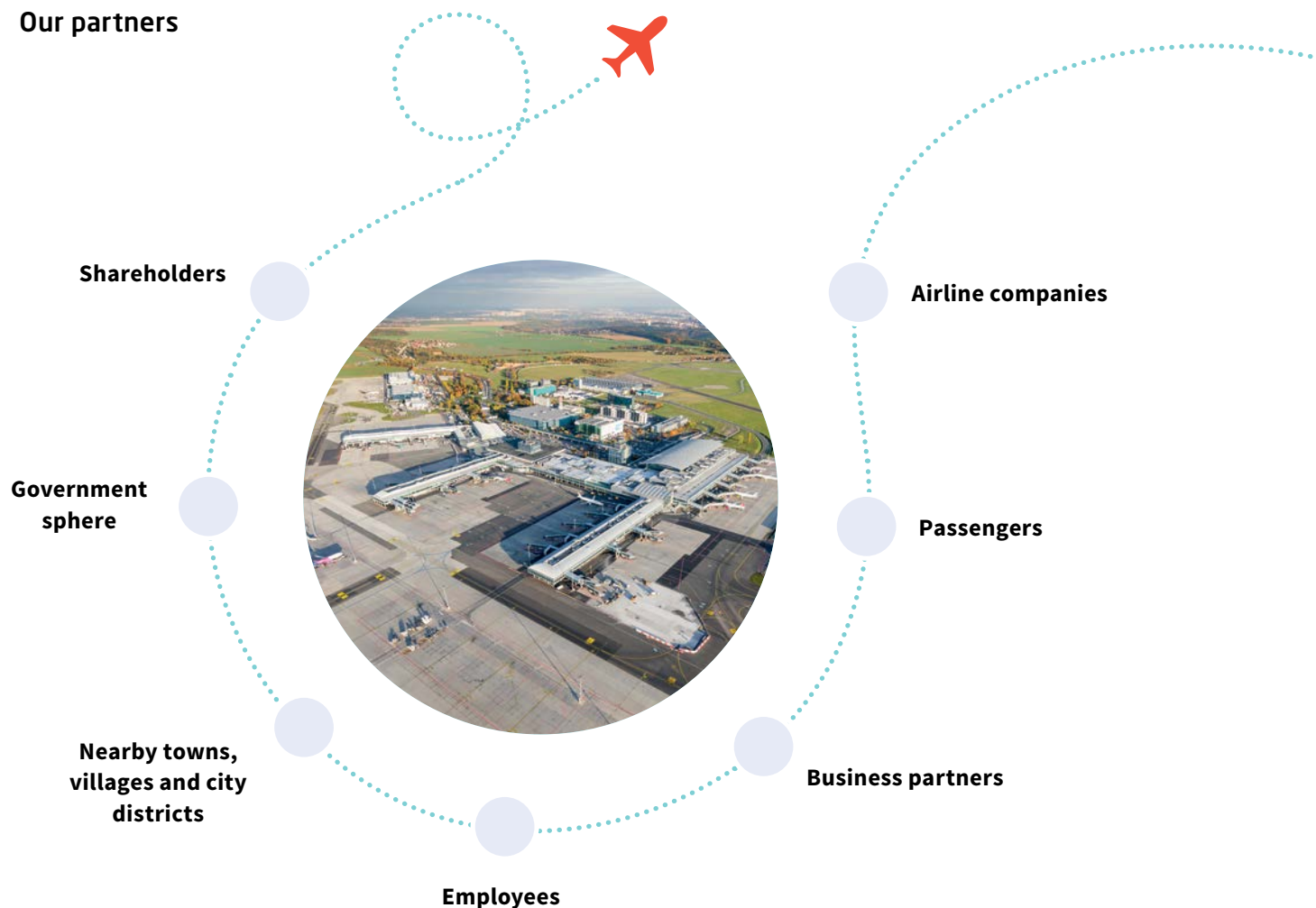
An important role in terms of safety is performed by the Prague Airport Rescue and Fire Service, which is part of the Integrated Rescue System (IRS) of the Czech Republic. It contributes to the safety of civilians and acts as a fire protection service directly on the airport premises as well as in both the Capital of Prague and Central Bohemia. It carries out rescue activities on important arteries (D0, D6, D7) and safeguards critical infrastructure components, such as the Czech Republic's National Integrated Center of the Civil Navigation Service. With 93 professional fire officers, it ensures a continuous service for 24 hours, 365 days a year.

Our fire officers undergo repeated demanding drills and training to the extent of more than 6,000 hours per year. Their preparation includes a theoretical part, such as knowledge of tactics, regulations, and the properties of dangerous substances, and hands-on training with technical equipment which sometimes takes place abroad in special training centers. Physical training is also necessary for fire officers to keep fit to discharge their duties. They also undergo a wide range of tactical and practice drills, either separately or with the other IRS services. Cooperation with the other security services operating at the airport is a matter of course.



Together aboard

Our partners



We are aware that every managerial decision we make has an influence on the future of not only the connection of the Czech Republic with the world, but also of our surroundings. The airport has a significant local impact on life in nearby villages, towns, and Prague city districts and on the environment. It is among the most important employers of the region and many additional jobs are closely connected with its operation. The airport offers a unique opportunity for various types of national and international business partners. That is why we pay great attention to establishing solid relations, preventing unfair conduct and

conflicts of interest, and striving for safety and the protection of the environment. We require personal responsibility from every employee and partner. Our responsibility is also demonstrated by our active membership of national and international professional associations and other organizations which contribute to the development of air transport, certify our activity or responsibly participate in often complicated negotiations about air transport regulation. Good cooperation with the government institutions which supervise air transport and the operation of airports is a matter of course.

Membership of associations and partner organizations



ACI Europe (Airport Council International)

Association of air carriers, airports, airline associations, and other organizations related to air transport



Airport Carbon Accreditation (ACA)

Platform for an international program promoting the reduction of greenhouse gases generated by various airport activities



Association of the Czech AeroSpace Industry (Asociace leteckých a kosmických výrobců České republiky, ALV) – CSAT

Association uniting final suppliers of airplanes and complex systems, manufacturers of aircraft power units and devices, as well as small specialized enterprises



CzechTourism

Agency focusing on promoting the Czech Republic as a tourist destination both abroad and in the Czech Republic



European Aviation Safety Agency (EASA)

Agency of the European Union with the task of ensuring safety and the protection of the environment in civil aviation in Europe



International Civil Aviation Organization (ICAO)

Inter-governmental organization affiliated to the UN, facilitating coordination of international civil aviation



Transport Union of the Czech Republic (Svaz dopravy České republiky)

Apolitical interest group of a cluster of business entities focusing on transport

We regularly attend:

World Routes Development Forum

The largest international air transport event. A platform for everyone who is a decision-maker on aviation development, i.e. airline companies, airports, tourist organizations, etc. At the forum, plans are discussed regarding the development of services in the air transport industry as well as new air connections.

www.routesonline.com

IATA Slot Conference

An international forum held twice a year for representatives of more than 200 airline companies, airport slot coordination teams, exhibitors and others who negotiate “slots” before the start of the season to draw up flight timetables for the upcoming period.

www.iata.org

ITB Berlin

The largest international trade fair focusing on tourism. Countries, cities, tour operators, hotels, and other providers of related services are represented at this trade fair.

We closely cooperate with:

Air Navigation Services of the Czech Republic

Civil Aviation Authority

Prague City Tourism

Our clients

Customer orientation is one of our company values. We carry out regular opinion polls of airport visitors' satisfaction and customize our services according to their requirements, since our clients' satisfaction is for us the only accepted degree of success. At the same time, we monitor new trends and the experiences of other airports. Improving the quality of the services we provide is a continuous process. We endeavor to match requirements and actively look for opportunities to offer added comfort to all visitors to our airport.

In 2017, we launched several interesting projects with the intention to make passengers' stay more pleasant, not only at the airport. A BE PRAGUE desk has been opened, providing unique services for guests of short-term leased apartments (airport check-in: apartment keys handed out directly at the airport), facilitating the registration required by the aliens' registration office and city districts, offering communication services (lease and sales of local data SIM cards and lease of mobile Wi-Fi modems) and various experiences, such as trips and tickets for cultural, sport and social events all over the Czech Republic.

Travelers from China have personnel speaking Chinese at their disposal. These personnel operate in the arrival lounge of Terminal 1 and are available for passengers traveling to any of the four Chinese destinations operated from Václav Havel Airport Prague. They are native speakers or Czechs studying Chinese. Their task is to help passengers throughout the check-in process, with regard to the language barrier and cultural specifics. Václav Havel Airport Prague was among the first airports to introduce the services of information assistants speaking Chinese.



We look for additional ways to make people's stay at the airport more enjoyable.

The airport library offers books and magazines freely available to anyone

REST & FUN Center

Public piano

Assistance not only during the check-in procedure

Free Wi-Fi

Mobile application for online information

Varied offer of gastronomic services

Prayer rooms

Wide range of parking possibilities directly on the airport premises

Visitor Center offering services for tourists and visitors to Prague

**Playrooms, rooms for parents and their children • Play zones for the youngest
Airport prams and baby buggies**

Try something so nice to listen to! Prague Airport proceeds with communication involving its employees

Prague, 8 June 2017

Prague Airport is following the communication concept "We are changing the airport for you," with a primary focus on the fast-growing target group of Czech passengers. This year, the subtitle of the summer campaign, prepared in cooperation with the agency Outbreak, the director Jan Látl and Masterfilm as the production company, is "Try something so nice to listen to." The protagonists in a series of video spots for the online environment, who introduce key services of the airport, are Prague Airport employees themselves. The campaign will run during the main summer season, i.e. from June to August, and the online version will be followed by one for radio.

Prague Airport proceeds with interior modernization; passengers can look forward to a new commercial zone in Terminal 1

Prague, 7 June 2017

At Václav Havel Airport Prague, Lagardere Travel Retail has opened a shop of a new concept, the first of its kind as well as the largest in the Czech Republic. In connection with building the new shop, the entrance of Terminal 1 has been partially reconstructed. After security procedures, passengers can therefore enter the kind of modern space they are used to in big European as well as world airports. A new commercial zone continues a series of positive changes in the airport interior which Prague Airport started to modernize last year.

Václav Havel Airport Prague is developing and planning 27-billion investments into its development in the coming decade

Prague, 5 April 2017

During the commemorations of its 80th anniversary, Prague Airport revealed its visions of development for the next decade. Key strategic projects were introduced, including development of terminals and adjacent areas for aircraft, increase in capacity of the runway system, but also an adaptation of the public zone in front of the terminals, and development of the extended area of the airport. Their implementation will enable the airport to serve 21 million passengers. Prague Airport plans to invest in the most important projects - the extension of Terminal 2 and construction of a new, parallel runway - with the amount to be invested approximately CZK 27bn (EUR 1bn).

Care for passengers with disabilities and people with impaired mobility and orientation

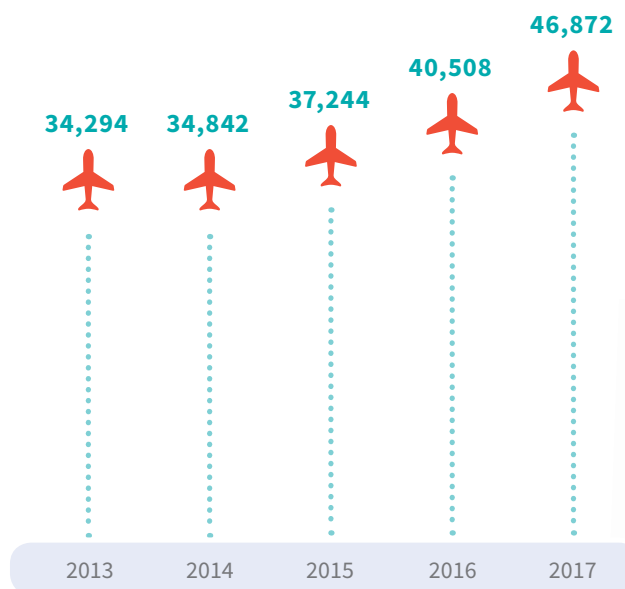
Full access to the check-in process for persons with disabilities is ensured continuously, i.e. 24 hours a day, by assistance which is provided free of charge at the request of the person with a disability. Prague Airport allows free parking for holders of the severe health disability card requiring special assistance. Based on a request from the Association of People with Disabilities, Prague Airport enables the loading and unloading of special electric wheelchairs to the aircraft in the presence of the assistant to the person with disabilities, to prevent potential damage which would result in a serious reduction of self-reliance for the wheelchair owner. The requirement of the assistant's presence during the wheelchair loading/unloading must be communicated well in advance.

We pay great attention to persons with specific needs and have made improvements in services for this important group of our clients. Last year, managers responsible for this area underwent PassePartout Training. We also consult the Czech National Disability Council to ensure the quality of our services.

- **Assistance free of charge available 24 hours a day.**
- **Contact points for persons requiring assistance are available in both terminals.**
- **Assistance for safe check-in, including accompaniment when passing through security control checkpoints and airport zones until boarding the plane and finding the seat.**
- **Free parking for people with a severe health disability card requiring special assistance.**
- **Possibility to order a special taxi for persons with specific needs.**



Number of assistance events



Detailed information is available on our web pages at
<https://www.prg.aero/cestovani-osob-s-omezenou-schopnosti-pohybu-orientace>

Airline and handling companies

The quality of the services we provide is also greatly influenced by airline and handling companies. Twice a year, Prague Airport carries out a questionnaire survey among representatives of these partners in order to compare their opinions with our assumptions and compare the quality of services with the quality in the previous year. Depending on the feedback, corresponding measures are then adopted.

”

Hello,

On Sunday, November 12, I unfortunately missed my check-in for a flight to Amsterdam. Before a new air ticket was successfully booked and paid, two and a half hours passed. I would like to highlight the professionalism, willingness, and patience of your colleague at the counter. Although it was my mistake and I was probably unfriendly at the beginning, she was forthcoming and looking for the information needed for payment of the air ticket. At the same time, I would like to thank you for the series *Life in the Air*, which is being broadcast on Czech television. A look behind the scenes helped me cope with my emotions during this critical situation and I was able to understand and see how demanding work at the airport is with my own eyes – stress, transfer of information, instructions, and the need to pay attention to details and everything necessary to reach our destination safely. Once again, many thanks to Markéta for her behavior which gave me hope that the situation could be resolved and made me wish her to have many happy passengers.

With best wishes
for good times and health, Helena D.

We appreciate feedback

We realize that any response to our services, even negative, is important feedback, which we welcome. We pay careful attention to all suggestions received and include them in a regular analysis evaluating the services provided which is used as a source when searching for opportunities to improve quality. At the same time, it is necessary to emphasize that it is not always possible to judge the rightfulness of every complaint received.

Comments can be communicated by various means: by email, by phone, or via an online form on our web pages. In addition, any suspicion of unfair conduct can be reported via our anonymous Ethical Line.

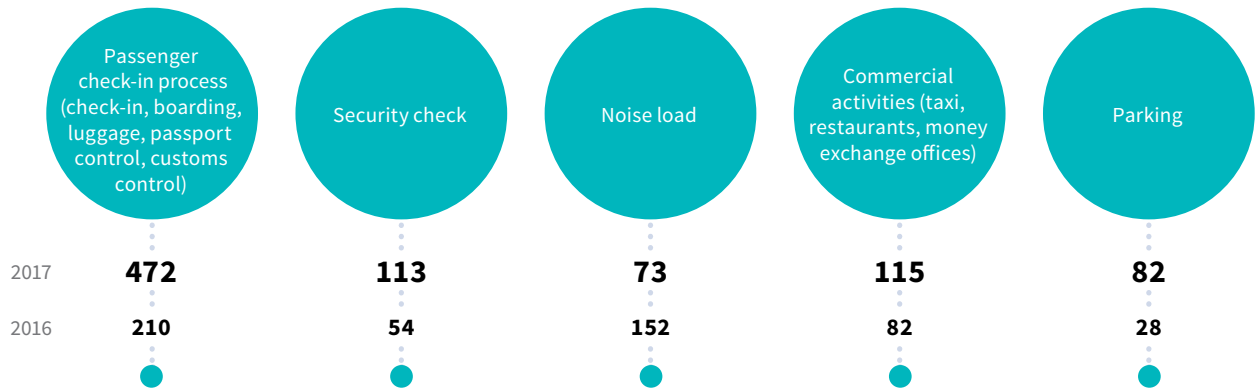
”

My wife and I were at Prague airport last week.
I just wanted to say that the information people walking around at the airport are fantastic and were very helpful.
All airports should copy this.

Kind regards.

David L.

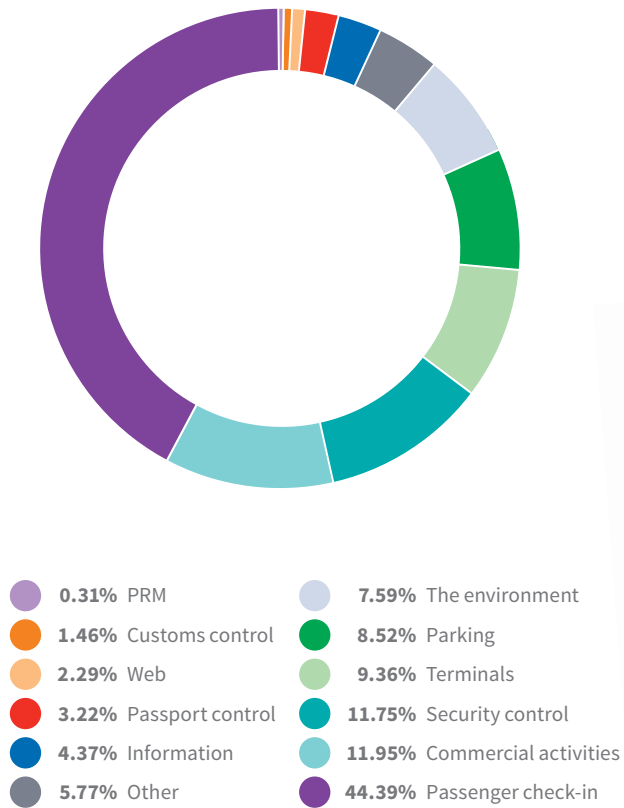
The most frequent topics of complaints • Year-on-year comparison



Complaints – 2017

In 2017, we received 1,074 suggestions, which means a considerable increase even in relation to the increased number of passengers. These are complaints sent to the central register of complaints at Prague Airport. Nevertheless, it is necessary to point out here that a substantial number of suggestions related to external partners' services which are registered by the airport are immediately sent to the respective company for handling, and the complainer is notified as to who will deal with their complaint or suggestion. Therefore, Prague Airport is a mere intermediary and it is not always in our authority to adopt appropriate remedial measures. Despite this, we try to initiate common discussions regarding frequently mentioned topics in search of a mutually satisfactory solution. The second most frequent subject of criticism was the check-in process and security control. Dissatisfaction in these situations is often related to passengers' unwillingness to accept the strict conditions of transport which are, however, vital for safety reasons. In 2018, we will open a new central security control point which will offer passengers advanced comfort. We appreciate the decrease in environmental complaints, which mostly concerned noise from air traffic. The environmental suggestions are analyzed in detail in the Environment section (p. 52), where you can also find important information regarding Prague Airport's approach to the environment and its protection.

Most frequent topics of complaints in 2017



The number of complaints received • year-on-year comparison

	2013	2014	2015	2016	2017
Number of received suggestions	521	456	503	679	1,074
Number of passengers	10,974,196	11,149,923	12,030,928	13,074,517	15,415,001
Number of complaints per 100,000 passengers	4.75	4.09	4.18	5.19	6.96



We deal with each suggestion from an airport visitor individually and try to resolve it as quickly as possible. The complaint statistics report is regularly presented to the company management, since we consider it highly important feedback.

”

I left my ring in the bag during the security check. The security personnel at B1 and B2 found it. They're really great!!!

Please thank them. you have a good team indeed.

Thank you!
Zoltan E.

”

Dear Madam or Sir,
Last week I and my Korean friends were returning a car at the airport. We would like to take this opportunity to thank you for your professional and kind approach.

Particularly, give our thanks to Mr Novotný. He accepted our car and later he helped us find our lost sunglasses, which were worth thousands. Then he refused the offered reward with thanks.

We wish you much success in your work.

Best regards,
Vlasta



1

Regular grant programs of financial support to the villages, towns, and Prague city districts affected by air traffic and non-profit or charitable organizations operating in the region.

Three basic pillars of our cooperation with neighboring communities:



2

Open communication and continuous dialog with our neighbors aiming to provide transparent information about important matters, building up mutual trust,



3

searching for opportunities for mutual cooperation and support of neighboring communities.



Supporting the neighborhood and cooperation

From the perspective of the airport's sustainable development, it is highly important to behave in such a way as to create room for good neighborliness. Prague Airport maintains a continuous dialog with its neighbors, especially with representatives of the respective municipalities and Prague city districts affected by air traffic, and also uses other methods of direct communication with the inhabitants. The present well-functioning cooperation is based on several pillars, of which the most important one is undoubtedly financial support; nevertheless, the other forms of support greatly contribute to positive relations with neighboring communities and it is in our interest to retain this "good neighbor" position.



Regular grant programs of financial support

Prague Airport is a regular donor, earmarking part of its profit to support the development of villages, towns, and Prague city districts affected by air traffic. For transparency reasons, the financial support is organized through grant programs with clearly defined rules and focus.

Since 2004, when Prague Airport voluntarily committed itself to providing financial support, investments into various projects for the benefit of the vicinity of the airport have amounted to more than CZK 480 million.





LIVING IN HARMONY Grant Program

The environmental support provided to nearby villages, towns and city districts is implemented through the LIVING IN HARMONY grant. Funds allocated to five specific areas, namely air protection, water protection, care for greenery, noise protection, and waste management, can be spent at the discretion of the beneficiary and to the priorities of the given locality. In 2017, the amount distributed under this program was CZK 24,032,095. The allocated funds were used, for example, for regular maintenance of public space and greenery, the construction of water mains and sewerage systems, the introduction and operation of a waste sorting system, the liquidation of illegal dumps of voluminous waste, the construction of playgrounds and cycling trails, and many other projects.



Investment into the environment in the vicinity of the airport has amounted to more than 310 million korunas.

GOOD NEIGHBOUR Grant Program

To support activities connected with the everyday life of local citizens, the development of culture, sports, education, healthcare, and social activities, a grant program has been drawn up from which financial support can be applied for by municipalities and city districts as well as civic associations, sports clubs and other organizations operating in the vicinity of the airport. Every year, we donate CZK 10 million. The funds are intended for various organizations and associations across the age and interest spectrum.



So far, more than 420 projects have been supported by 94 million Czech korunas.



Foreign language learning support

Prague Airport supports foreign language learning for children from primary schools located near the airport. The funds are intended for children's foreign language courses abroad and conversation lessons with a native speaker.



In 2017, this domain was supported by a donation of over 5 million korunas.

Open communication and continuous dialog with our neighbors

At least twice a year, *a common meeting is held by the company management* and representatives of nearby municipalities and city district councils to exchange information, discuss current topics, and improve mutual cooperation for the upcoming period. In the case of thorny topics, an increase in questions from a certain locality or a request from municipal representatives, we organize a *discussion between citizens* and an expert in a given topic directly in the particular village, town, or city district. Every year, *an entertaining and informational afternoon party* is prepared for nearby inhabitants, taking place on the airport premises, or we put up a roadshow information stand directly in the localities around the airport. Visitors can meet the company management, talk to environmental specialists and experts on noise monitoring, air traffic organization and other areas, or they can just come to have fun at the party. The information stands are complemented by a show of work done by the airport services, such as dog handlers, falconers, and fire officers, as well as airport and fire-fighting technical equipment. The entertaining and informative afternoon party, attended by about 2,500 inhabitants, has become a popular channel for communicating

information between the airport and families living in nearby villages, towns, and city districts, complementing the other forms of communication nicely. On a monthly basis, an electronic newsletter is sent out containing information important for the vicinity, including an overview of noise monitoring data and operating results. Both municipal representatives from nearby localities and ordinary citizens can subscribe to this newsletter. Several times a year, a printed *Together (Spolu) bulletin* is distributed directly into the mailboxes of inhabitants in the vicinity of the airport. This summarizes important facts about the last period of time as well as future plans for the airport. A special "Blue Line of the Environment" line has been established for questions related to the environment, where questions can be communicated by phone or email. A great number of questions were answered this way in 2017.



Good relations with our neighbors are important to us.

Blue Line on the Environment

**zivotni.prostredi@prg.aero
+420 220 111 188**

Method and frequency of communication

	FOCUS ON:	FREQUENCY:
Meetings of Prague Airport management and municipal representatives	municipal representatives	at least twice a year
Individual meetings with municipal representatives	municipal representatives	as required
Participation of Prague Airport in public sessions	municipal representatives, the public	as required by the municipality/city district as required by municipal representatives once a year
Discussions with citizens	the public	once a month
Entertaining and informative afternoon party	the public	3–4 times a year
Electronic newsletter	the public	once a month
Printed Spolu (Together) bulletin	the public	3–4 times a year



Open communication and continuous dialog are prerequisites for building mutual trust. We feel obliged to keep our neighbors truthfully informed about all important matters. For this purpose, we use various methods to disseminate information.

Additional help and cooperation

Environmental education for children

Since 2012, Prague Airport has organized environmental education programs with Mr. Bee for children from primary schools in the vicinity of the airport. A series of thematic lectures, conducted in an informational and entertaining style, is intended for fourth- and fifth-class pupils of primary schools and are held as part of classes in school. The aim of the program is both deepened knowledge about

protecting the environment and information about dealing with environmental issues, not only at Václav Havel Airport Prague. The environmental training consists of four separate lessons which are related to the airport's operation and the environment in its vicinity – noise, emissions, water treatment and protection, waste and recycling.



Environmental training in the 2016/2017 school year was attended by 1,488 children from 11 schools, where 256 discussions took place.





Within our compass, we are looking for more opportunities for mutual cooperation and support of neighboring communities.

Help among neighbors

Prague Airport makes efforts to be a good neighbor to its vicinity, not only by means of financial support from its grant programs, but also by small offers of help. Assistance by airport experts and, above all, a possibility to use the top-quality airport technical equipment are often a great help, oftentimes resolving a problem without needing to contact a specialized company. An example could be pruning large trees, providing transport to elderly people or children from children's homes, the possibility of using the emergency medical service or fire officers, participation in various events organized by neighboring communities, and so on.



THE QUIETEST AIR CARRIER competition

As part of motivating airline companies to take an environmentally friendly and considerate approach to the villages, towns and city districts near the airport, the competition for THE QUIETEST AIR CARRIER prize is opened up every year. The competition evaluates the noise level, observance of flight trajectories, and efficient use of seat capacity, i.e. the airplane load factor, of each company in the summer season, when the air traffic at Václav Havel Airport Prague is at its heaviest.



Permanent medical services available to the general public as well

A permanent medical service at Václav Havel Airport Prague is provided by a contractual partner, the Emergency Service of the Association of Samaritans of the Czech Republic. As part of good neighborliness in the vicinity, Prague Airport allows citizens from the area, both adult and child patients, to use the modern facility and equipment when they have acute health problems.



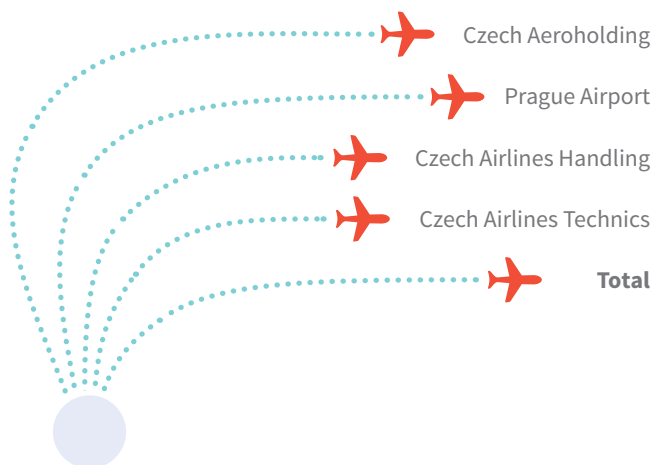
Employees

We esteem our employees highly and therefore, our aim is to build excellent working conditions and a working environment in which they can feel as comfortable as possible, both now and in the future.



Employees – the people behind our success.





Employee structure

	2015	2016	2017
Czech Aeroholding	407	350	367
Prague Airport	1,669	1,798	1,944
Czech Airlines Handling	531	563	625
Czech Airlines Technics	662	738	768
Total	3,269	3,449	3,704

Trade unions

A total of ten trade unions operate within the CAH Group. Each company in the Group has a separate collective agreement which is the result of bargaining among the company management and all the trade unions operating in a given company. The collective agreement applies to all employees of a given company. The company management and human resource management department communicate

with trade union representatives regularly, not only during collective bargaining. This includes situations dealing with various suggestions from employees or trade unionists or when changes take place in the work organization or conditions or organizational changes are discussed. Trade unions' representatives are also regularly informed about the economic results of each company.

Percentage of men and women

	2015	2016	2017
♂ 54%	54%	53%	56%
♀ 46%	46%	47%	44%
♂ 72%	72%	69%	71%
♀ 28%	28%	31%	29%
♂ 51%	51%	48%	53%
♀ 49%	49%	52%	47%
♂ 89%	89%	89%	89%
♀ 11%	11%	11%	11%
♂ 67%	67%	65%	67%
♀ 34%	34%	35%	33%



Number of years with the company

	0 to 3 years				3–9 years				10–19 years				20+ yrs.			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
CAH	24%	29%	30%	33%	38%	33%	25%	25%	17%	19%	26%	25%	21%	20%	19%	18%
PA	15%	18%	36%	31%	34%	25%	17%	19%	38%	44%	37%	35%	13%	13%	11%	15%
CSAH	7%	10%	33%	41%	36%	25%	15%	10%	38%	42%	35%	31%	19%	23%	17%	18%
CSAT	10%	21%	41%	31%	18%	12%	6%	12%	44%	41%	33%	35%	28%	26%	21%	22%
Average	14%	20%	35%	33%	32%	24%	16%	16%	34%	36%	33%	33%	20%	20%	17%	17%

Employees' age structure

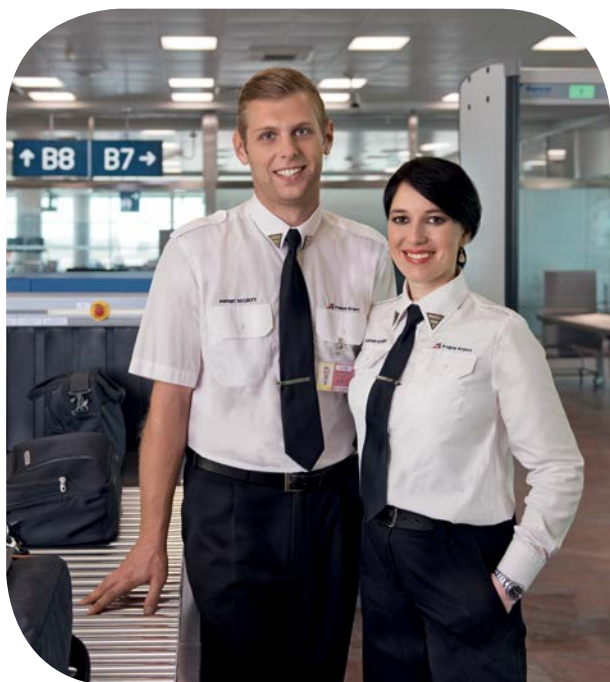
	under 30 years				30–39 years			
	2014	2015	2016	2017	2014	2015	2016	2017
CAH	11%	12%	11%	10%	37%	38%	40%	38%
PA	13%	13%	17%	17%	27%	25%	24%	21%
CSAH	10%	10%	18%	26%	40%	36%	34%	24%
CSAT	13%	16%	21%	20%	31%	29%	29%	28%
Average	12%	13%	17%	19%	34%	32%	32%	25%

	40–49 years				50–59 years				60+			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
CAH	26%	26%	28%	30%	22%	20%	16%	16%	4%	4%	5%	5%
PA	33%	34%	33%	36%	21%	21%	20%	21%	5%	6%	6%	5%
CSAH	29%	31%	28%	29%	16%	19%	15%	17%	5%	4%	4%	5%
CSAT	23%	23%	20%	21%	25%	24%	22%	23%	7%	8%	9%	8%
Average	28%	28%	27%	31%	21%	21%	18%	20%	5%	5%	6%	6%

CAH Czech Aeroholding • PA Prague Airport • CSAH Czech Airlines Handling • CSAT Czech Airlines Technics

Employment conditions - recruitment of new employees

In our company, we take care that the recruitment of new employees is carried out fairly and according to clear rules. No matter whether the job applicants are in-house candidates or from the general public, all of them stand on the same starting line. The recruitment rules are summarized in the Working Procedure for Employee Recruitment document. This document is distributed in a controlled way and is published for all employees on the Intranet of Czech Aero-holding. The recruitment officer, manager, and HR front office communicate throughout the recruitment process. On the first day, the employee undergoes initial training and then they are integrated into the working process.



New employees' induction

Initial training course • A one-day course for all new employees giving facts about the history and unique environment of the airport, basic information about the operation of individual companies, the corporate culture, company values, Code of Ethics and fire prevention, OHS, environmental protection, protection of information, and IT safety and safety awareness.

Workplace induction • Further training in the particular occupation linked to the induction plan.



In 2017, investments into training and development totaled CZK 24.2 million.

Training

Employees' training contributes to enhancing their occupational and specialized skills and is one of the prerequisites of company development. The companies of Czech Aeroholding Group pay targeted and systematic attention to training all of their employees in several areas:

- **Occupational training courses** • All the training courses that are necessary for performing the work of a given job role (e.g. Airport Traffic Rules, check-in systems, aircraft de-icing, aircraft type training, specialized security training, air transport of dangerous goods, and others).
- **Specialized training courses, workshops, and conferences** • Training courses that are not vital for the performance of work, but deepen knowledge, inform about novelties and innovations in the field (mostly related to IT, finance, legal awareness, accounting, etc.).

In 2017, a wide range of interesting training projects took place, such as *Aeroleader*, a development program for all managerial employees, offering such topics as:

- **Leader's role and competences**
- **Safety and fire prevention minimums and the environment**
- **Occupational and legal minimums 1 and 2**
- **Corporate culture and company values**

The Talent Pool development program is already in its 10th year of existence, this time prepared for 22 selected employees with good prospects. The aim of the program is to develop and retain talented employees and enable the mutual transfer of experience on a formal and informal level. The program offers development in soft skills, team cooperation and networking, hard skills, and self-reflection. The program also includes the presentation of participants'

- **Language training courses** • As one of the benefits, employees can attend group foreign language lessons under favorable terms on the airport premises.
- **Development programs** • Focusing on "soft skills," i.e. skills that facilitate cooperation and improve its quality and develop communication and presentation skills, and generally help cope with ordinary and crisis situations. Specifically, they consist of managerial training, talent and successor development, development centers, etc.
- **Teambuilding** • Informal development meetings outside the workplace.

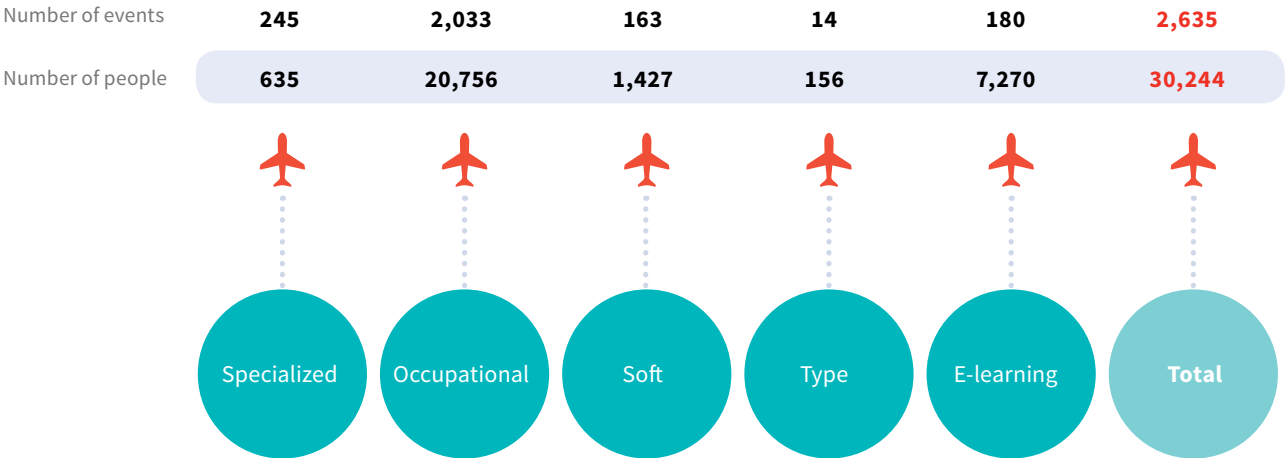
own improvement suggestions that are then presented at the final meeting with the company management.

Another interesting project implemented in 2017 is the CSAT's Succession project and Induction Program. The Succession project is aimed at the identification and targeted development of promising employees with good prospects and their preparation for assuming key roles in the company. The Induction Program ensures the gradual integration of new employees into the working process and their stabilization in the company.

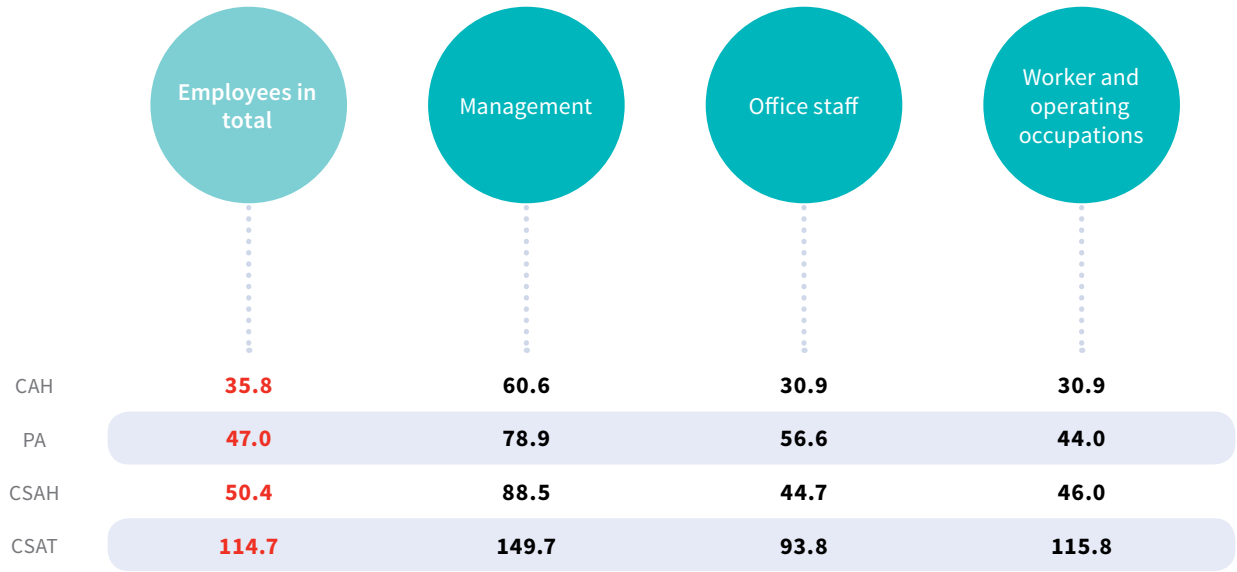
Already in the long run, the Group has been evaluating the performance of selected employees regularly, with a link to their remuneration. However, for employee evaluation to be comprehensive, a new system of evaluating competences and potential has been introduced. The aim is advanced identification of training and development needs, as well as career planning. We also give employees an opportunity to focus on their own development – to design, plan, and implement it.

All the areas are specified in the training guidelines of the respective companies and are available on the Intranet.

Educational events



Average number of hours of all types of training courses per year per employee





Employees' safety

In our field of activity, safety always comes first. Our efforts aim to ensure a healthy working environment and the safe conduct of employees at all levels of the company. Occupational safety training is among the key practices of the CAH Group.

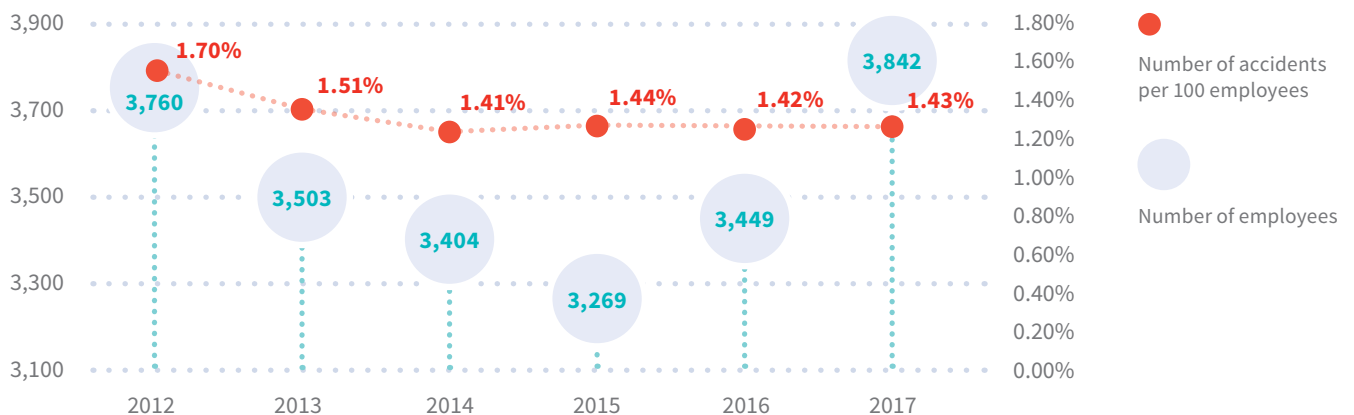
In 2017, accident prevention activities included 28 safety inspections at workplaces. Whenever serious deficiencies were found, a report about the situation that had been uncovered was drawn up, and a deadline for remedial measures was determined.



In 2017, we registered a total of 55 occupational accidents of which 36 happened to men and 19 to women.

Every occupational accident is carefully analyzed to strengthen prevention and improve the working environment.

Ratio of the number of employees and occupational accidents in 2017



Internal communication

We pay particular attention to communication within the company. We promote our corporate culture and our brand by using various channels – Intranet, printed magazine, posters, and regular meetings with the company management, for instance. We continue improving these instruments in line with new trends and technologies – we have launched a new, user-friendly Intranet and use new visuals in the corporate design.

We organize many events for our employees and their families and ask them for feedback regularly. At the same time, we try to increase our employees' participation and involvement through various competitions and charitable events within the company. Our employees have become not only the faces of our main marketing campaign “We are changing the airport for you,” but in other advertising spots they also present interesting occupations you can meet only in the airport environment.



The festive closing of the season took the form of an AERO Party or Thanks to Our Employees.



We promote a healthy life style for our employees.

To work by bicycle

We take an active part in the nationwide To Work by Bicycle competition. The company pays the registration fees for the employees; we have installed new bicycle parking places and as part of this activity we also hold a company cycling competition for the number of rides and the total distance in kilometers traveled.

For employees and employees for others

Benefits

Like every good company, we also keep our employees' satisfaction in mind. Therefore, we offer many interesting benefits, such as five weeks of vacation, subsidized meals, parking, a contribution to pension insurance, and foreign language courses. We have the CAFETERIA benefit system. *A newly introduced service of massages for employees is also worth mentioning, for which we have employed two masseurs on a full-time basis.*

Benefits in our subsidiaries may differ. Their overview is available on the Intranet.

We don't forget about employees who are parents!

During the main school holidays, we arrange a summer urban camp and we cooperate with a kindergarten in the nearby village of Kněžves, where a class is open for the children of our employees. We regularly organize events for our employees' children in the attractive environment of the international airport. • Children's Day and St Nicolas Party.



Day of Health

As part of the Day of Health, we offered our employees an opportunity to have health checks and learn more about healthy life styles. The offer included various workshops



themed around meal preparation and the right types of exercise. Great interest was shown in the event, and therefore we plan to repeat it regularly.



Volunteer Days

The company promotes corporate volunteering. Every employee is entitled to spend one working day working for one of the non-profit organizations in the vicinity which have been selected across a spectrum of interests. The Volunteer Day is supported by the company in terms of organization and financing and the event is planned to last for several days so that employees working on shifts can participate. In 2017, we used this to help the following organizations:



In an emergency, the company is ready to announce an extraordinary fund-raising campaign under the same conditions.

- **Klokánek Hostivice • Temporary home for children in acute need • www.klokanekhostivice.cz**
- **Domov sv. Rodiny (Home of the Holy Family) Residential services for adults with mental or combined disabilities • www.domovsvaterodiny.cz**
- **Záchranná stanice AVES z. s. • Rescue station helping injured and abandoned wild animals www.zachr-stanice.cz**
- **Na ovoce, z.s. • Community platform supporting wild-growing fruit trees.**



Planting old varieties of fruit trees at Unětice

Airport employees helped with the repair and technical inspection of the large fleet belonging to Klokánek Hostivice



We help people in need together

It has already become a tradition that the employees can give up some of their CAFETERIA benefits in favor of the company's long-term charitable partner, the organization People in Need (Člověk v tísni). The amount donated by an employee is matched by the company. This is how in 2015 the amount of CZK 102,000 was donated for a Czech project, "Better school for everyone." In the following year, we contributed to social integration and education programs in the Czech Republic to the tune of CZK 116,000, and in 2017 a decision was made to support a foreign program for a change, namely the prevention of malnutrition in the Democratic Republic of the Congo.

We look for additional kinds of help

Our employees show their involvement and participate in various activities organized by our company. In 2017, we organized an in-house collection of items for a charitable sale for Sue Ryder Homes and registration of employees as bone marrow donors.





The environment

We take an active approach to environmental protection. The underlying principles of our approach include permanent investments into measures leading to environmentally friendly and responsible conduct by us and our partners, prevention of pollution, and regular monitoring of environmental quality at the airport and in its surroundings. Environmental protection activities on behalf of the whole Group are centralized under one company, Prague Airport, which is in charge of environmental protection in

accordance with the approved Environmental Policy and ensures that all the legal duties related to each aspect of the environment are performed by all Group companies of the Holding. In the long run, a systemic approach to environmental protection is guaranteed by regular certification according to the international standard ISO 14001 – Environmental management system. In fact, we monitor all the components of the environment, including the use of “bio-monitoring.”



As part of our development activity planning, we take care to minimize the impact of our future plans on the environment.

We try to encourage our business partners to take this responsible approach to environmental protection as well. Specific examples include reducing carbon footprint from activities which are not under our direct control, but are related to the airport's operations. Another example is motivating air carriers to use quieter aircraft by means of noise charges and the Quietest Air Carrier competition.

We actively provide nearby villages and towns and the general public with information about environmental impacts of our activities at meetings with mayors, during events for the public, by means of our Blue Line for questions and our newsletter. We are aware of the fact that the environment has no boundaries, which is why this area is one of the priorities we support through our CSR activities.



Air protection

In terms of air protection, our observance of legal requirements is regularly backed up by our measurement of emissions from air pollution sources, inspections of the technical condition of these sources and reports of operational data to the relevant authorities. Since 2017, the air quality has been continuously monitored thanks to the station for continuous air quality measurement located at the airport near both runways. This station measures the main relevant pollutants, namely PM_{10} and $PM_{2.5}$ dust particles and NO_x , NO_2 and NO nitrogen oxides. The 2017 measurement proved that the emission limits set by the applicable legislation were being

observed. Since January 2018, online data from the emission station have been available to the public on the web pages of the Czech Hydrometeorological Institute (ČHMÚ).

With respect to emission limits becoming stricter for combustion sources, we have replaced burners with low-emission ones which will meet these stricter limits in the K_3 and K_4 boilers in the North Heating Plant. We are actively looking for more possibilities to reduce pollutants from the airport's operations, through investments into both the fleet and heating/cooling systems.

Annual concentrations of pollutants detected by the emission-measuring station

Pollutant	2017 $\mu\text{g}/\text{m}^3/\text{year}$	Emission limit $\mu\text{g}/\text{m}^3/\text{year}$
PM_{10}	29.1	40.0
$PM_{2.5}$	17.1	25.0
NO_2	17.4	40.0
NO_x	28.3	No limit
NO	5.6	No limit





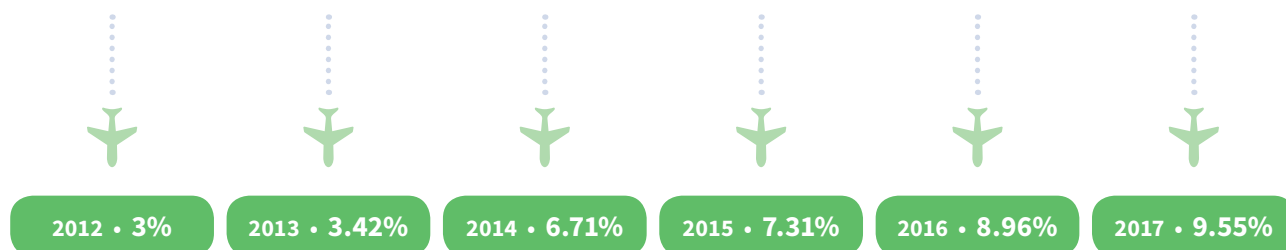
Reducing production of carbon dioxide emissions - a program of the ACI (Airport Council International)



In 2009, Prague Airport joined the international Airport Carbon Accreditation (ACA) initiative which supports airport operators and their partners in their efforts to minimize emissions of greenhouse gases originating from various activities of the airport. In 2016, the airport had already progressed to the third level of the ACA program, which is characterized by airport partners taking an active role and the inclusion of “indirect sources” of CO₂ emissions in the airport’s carbon footprint. In 2017, the airport managed to obtain the third-level certificate.

Since joining the initiative in 2012, Prague Airport reduced its carbon footprint by 9.55%, meeting the objective it had set for itself. As a result we save 5,100 tons of CO₂ each year, which is comparable to removing 1,260 cars from road traffic.

Reduction of CO₂ emissions from Prague Airport’s operations • CO₂ emissions saved in comparison to 2012



Particular measures taken include:

- installing GPS in vehicles,
- replacing lighting systems with LED ones,
- replacing absorption cooling systems,
- replacing boilers with more efficient ones with a lower capacity,
- utilizing waste heat in the sewage treatment plant.



Monitoring environmental impacts of operations

Fruit and agricultural crop monitoring

As early as in 2005, Prague Airport introduced a monitoring system focusing on the potential impact of the airport on the content of foreign substances (heavy metals and organic substances) in crops and grassland near the airport.

The monitoring is conducted by the accredited laboratory of the Institute of Food and Nutrition Analysis of the University of Chemistry and Technology in Prague. The results of the fruit, cereals and grass analyses prove the content of both heavy metals and organic substances to be comparable to the results of samples taken in other conurbations of the Czech Republic with industries and the trends in the long-term monitoring of pollutant content are not unfavorable.

Air bio-monitoring by bee colonies

Beekeeping at Václav Havel Airport Prague started in November 2011 as one of the air quality monitoring methods. Currently, six bee colonies are present on the airport premises. The main aim of beekeeping here is to monitor the extent of foreign substances in honey and pollen.

Honey from Václav Havel Airport Prague is of an excellent quality, since 2012 winning the Czech Honey certificate, annually issued by the Czech Association of Beekeepers. Moreover, Prague Airport has won a gold medal for meeting the determined criteria, such as physical, chemical, and sensoric properties and content of impurities. In addition to honey, samples of pollen collected by bees are handed over to be analyzed by the University of Chemistry and Technology in Prague to identify the content of heavy metals and organic substances (poly-aromatic hydrocarbons). Bees collect pollen within a radius of 3 to 4 kilometers from their hive and, thanks to that, the analysis of this natural material



reflects the condition of the environment in the extended surroundings of the airport. For several years already, this bio-monitoring has been an improvement in the quality of and an expansion of the existing monitoring of fruit and farming crops.





Biodiversity

With regard to air traffic safety, promoting biodiversity in the vicinity of the airport could increase the risk of planes colliding with wild animals. It is impossible to prevent collisions of planes and birds or small animals completely. However, it is obvious that effective measures can protect wildlife as well as maintaining high standards of air traffic safety.

Bird migrations pose a serious safety problem for air traffic. In spring, birds migrate from mid-February until the beginning of May and the autumn migration is from the end of August until the end of November.

At that time, the risk of plane and bird collisions is at its highest. To prevent birds from gathering in the vicinity of the airport and looking for feed and nesting there, ornithological zones with a special regime are established around airports.

In the inner zone of ornithological protection, it is forbidden to create dumps, stacks, silage pits, bodies of water, manure pits, feeding cribs, and other installations increasing the presence of birds at the airport. In the outer zone of ornithological protection, it is permissible to install farm structures, such as poultry houses, cowsheds, pheasantries, waste collection and processing centers, bodies of water, and other buildings and facilities where the excessive presence of birds may build up only with the approval of the operator of Václav Havel Airport Prague and the Civil Aviation Authority.



To prevent collisions between planes and birds, ornithological protection zones are established around airports to ensure air traffic safety.

Birds in cities, but also at airports with their contemporary modern architecture, face other risks. In addition to the usual threats, such as predators, parasites, and competition from other birds, the main threat lies in people and their activity. In particular, this applies to construction work on buildings and collisions with glazed walls. In cooperation with the Czech Ornithological Society, critical places in terms of birds colliding with glazed walls have been identified on the airport premises and those critical places have been furnished with the recommended stickers which minimize collisions.

Employees of the airport's biological security unit work directly at Václav Havel Airport Prague and in its vicinity. Using birds of prey and trained dogs, they frighten birds and small animals away, reducing the risk of them colliding with planes right after take-off or before landing.





Noise

Prague Airport as the operator of Václav Havel Airport Prague and being responsible for air traffic noise approaches this issue in compliance with the Noise Strategy of the International Civil Aviation Organization (ICAO) which is based on the concept of a balanced approach to noise control. The principle of a balanced approach consists of achieving maximum environmental benefits at a cost-efficient solution.



Air traffic noise control is set out in accordance with the applicable legislation of the Czech Republic and the European Union.

The well-balanced approach is based on four pillars:



Reducing noise at source

The key measure contributing to the reduction of noise at its source which an airport can adopt is a good policy of setting corresponding charges. For this reason, a noise charge has been introduced at Václav Havel Airport Prague in compliance with ICAO's Policies on Charges for Airports and Air Navigation Services.

The principle of the noise charge is the reduction of noise at the airport and in its vicinity, not profit. The purpose of the policy on charges is to motivate air carriers to assign quieter airplanes to flights to and from Prague. The amount of the noise charge depends on the noise parameters of the plane and the maximum take-off weight, i.e. the data that are specified in the noise certificate of each aircraft.

In addition to the standard noise charge, Václav Havel Airport Prague has introduced fees for failure to observe slot coordination and for failure to observe night traffic rules.

The revenues from noise charges are used to cover the costs of noise control, i.e. air traffic noise monitoring, noise studies, and implementation of noise insulation measures in protected buildings in the noise protection zone, including particularly the replacement of standard and French windows.

With regard to the increase in air traffic, changes in the composition of aircraft and the development of the night-time noise situation, Prague Airport has decided to change the noise charge policy markedly from the 2018 summer season. The radical change means a marked increase in noise charges for operations carried out by noisier types of planes at night and the introduction of charges for both types of movement, arrival and departure. The change in noise charges was negotiated in 2017 with air carriers as required by the legislation. The above-mentioned measures should encourage airline companies to use quieter planes at night, or to try to move them to daytime.

Development in representation of airplanes in noise categories • Movements in %

	1	2	3	4	5
2006	52.85	36.78	9.09	1.14	0.14
2007	54.72	29.35	10.18	3.64	2.11
2008	63.25	24.68	5.09	2.03	4.95
2009	73.03	21.60	3.16	1.28	0.94
2010	73.67	22.05	2.71	0.85	0.71
2011	73.29	23.87	2.58	0.07	0.19
2012	74.33	21.89	3.14	0.35	0.29
2013	75.38	21.51	2.25	0.55	0.31
2014	72.49	24.94	2.17	0.12	0.28
2015	63.95	33.37	2.42	0.08	0.18
2016	67.19	31.12	1.51	0.03	0.14
2017	65.54	32.83	1.47	0.09	0.07



To meet the air traffic noise limit in protected interiors, since 1998, standard and French windows have been replaced with soundproof ones with prescribed air soundproofness



City and landscape planning

The main purpose of city and landscape planning is to set rules to prevent an increase in the number of inhabitants affected by excess noise. In a well-balanced way, city and landscape planning should also take into consideration the development of residential areas, but also the development of the airport, including the delimitation of affected areas for long-term air traffic and areas for transport infrastructure. Prague Airport cooperates with the relevant authorities and provides them with information about its development plans.

Noise protection zone

In compliance with the national legislation on public health protection, a noise protection zone (NPZ) has been defined around the airport in Prague-Ruzyně. It is a clearly delimited area (see the picture) where long-term exceeding of hygienic limits of air traffic noise is expected in the outdoor protected zone and in the outdoor protected zone around buildings. Limits for daytime $LA_{eqD} = 60 \text{ dB}$ and night-time $LA_{eqN} = 50 \text{ dB}$. It is not allowed to exceed the above-mentioned limits outside the NPZ. The hygienic limits are related to a typical air-traffic day. The airport operator is obliged to ensure in the NPZ that the noise limits are observed at least inside the buildings.

Noise insulation measures

To meet the air traffic noise limit in protected interiors, since 1998, standard and French windows have been replaced with soundproof ones with prescribed air soundproofness. The total costs ran to more than 600 million Czech korunas. Windows were replaced in residential rooms in a block of flats and family houses, buildings for school and pre-school education, buildings for healthcare and social purposes, and buildings with a similar function in the villages, towns, and city districts inside the NPZ.

Noise-prevention operational measures

The operational measures have a substantial impact on operations at the airport. By definition, attention must be paid not only to the advantages gained in terms of noise, but also to traffic safety and the capacity of the airport and its airspace. The main aim is that air traffic should affect as few inhabitants as possible and trouble-free development should be reasonably possible in residential areas near the airport.

The operational measures at Václav Havel Airport Prague include:

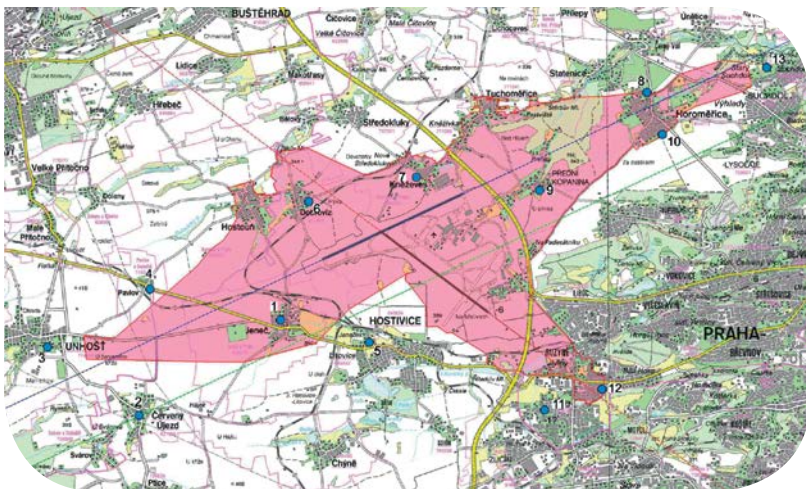
- **Distribution of traffic in the runway system.**
Runway RWY 06/24 is preferably used so that planes do not fly over the densely populated areas of the capital of Prague.
- **Noise-protection procedures for inbound flights where the landing gradient on the final approach must not be less than 3 degrees (5.2%) and the airplane must settle on this before descending below a prescribed altitude.**
- **Anti-noise procedures for outbound flights when the airplane cannot divert from the axis of RWY or SID until it reaches the required distance from the airport.**
- **Rules for the reduction of reverse thrust.**
- **Rules for motor testing.**
- **Rules for using an uninterruptible power supply.**

Due to weather and technical conditions, situations sometimes occur when, for flight safety reasons, it is not possible to observe the noise-protection operational measures. The international regulations clearly define the conditions under which the noise-protection procedures should not prevail.

Prague Airport checks the observance of anti-noise procedures for inbound and outbound flights by means of a modern ANOMS 9system which monitors noise and flight trajectories continuously. Among other reasons, the noise monitoring exists to provide data for handling complaints and answering questions related to air traffic noise.

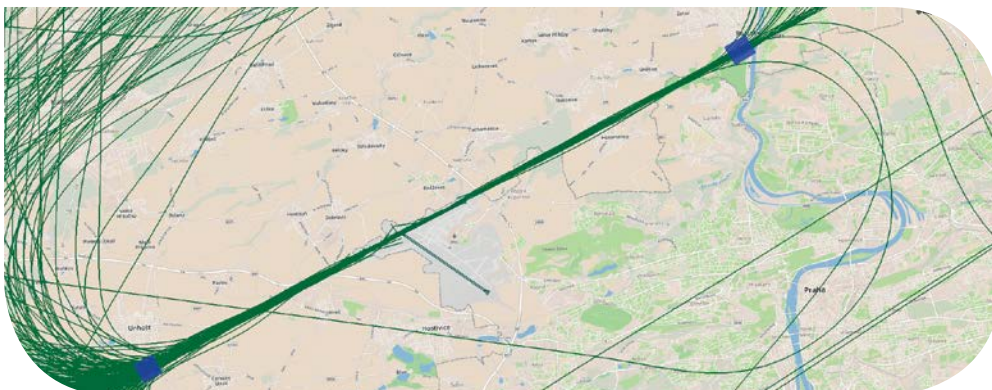
Noise from air traffic • Technical measures

Declared NPZs and the locations of stationary monitoring stations



1. Jeneč
2. Červený Újezd
3. Unhošť
4. Pavlov
5. Hostivice
6. Dobrovíz
7. Kněžves
8. Horoměřice
– center of the town
9. Přední Kopanina
10. Horoměřice – SE periphery
11. Řepy
12. Bílá Hora
13. Suchdol

Checking the paths for outbound flights of jet planes from RWY 06/24



Operational restrictions

Operational restrictions are those noise reduction measures that restrict the access of some aircraft to the airport or reduce its operating capacity, or partial restrictions of operations that relate, for example, to a specific time of day or to some runways only.

The operational restrictions at Václav Havel Airport Prague include:

- **Restricted access to the airport for aircraft without the corresponding certification according to ICAO, Annex 16/I, applicable to daytime and night-time.**
- **Restricted operations at night: access only for the types and versions of aircraft on the Bonus List that meet the criteria for the airport's noise category 1 or 2.**

A specific description of the above-mentioned operational restrictions is published in AIP CR. Before publishing in AIP, potential amendments are subject to approval by the Czech MoT.

Accredited noise measurement

Prague Airport monitors air traffic noise continuously, at 13 locations near the airport (see the picture above). The continuous measurement is complemented by mobile measurement every year. Monitoring is provided by an independent testing laboratory with accreditation for air traffic noise measurement.

Measurement by our own instruments enables us to respond to complaints and events, such as a change of traffic on the secondary RWY 12/30, immediately and take measurements in places not covered by the permanent monitors.

Measurement of noise by our own instruments

Prague Airport measures noise from air traffic in protected interiors of buildings in the noise protection zone. Measurement and data processing are carried out according to a methodology developed in cooperation with the National Reference Laboratory of Municipal Noise, which is part of the Ostrava National Health Institute.

Noise is measured with a two-channel analyzer, which is convenient for simultaneous measurement both inside and outside a building. When compared to the previous requirements of the standards and guidelines, this methodology reduces measurement duration considerably, while maintaining the accuracy of the results.

Prague Airport pays increased attention to the noise situation at night-time and takes concrete steps to reduce the noise burden. The first step, which was put into practice on March 25, 2018, was a change in the rates and method of calculation of the noise charge, which increases the payment for night flights and so motivates air carriers to use quieter planes, especially at night.





Water protection

Water consumption

Prague Airport operates a water main for public needs, supplying the companies operating on the airport premises as well. A specially adapted point of water supply is dedicated to drinking water for planes.

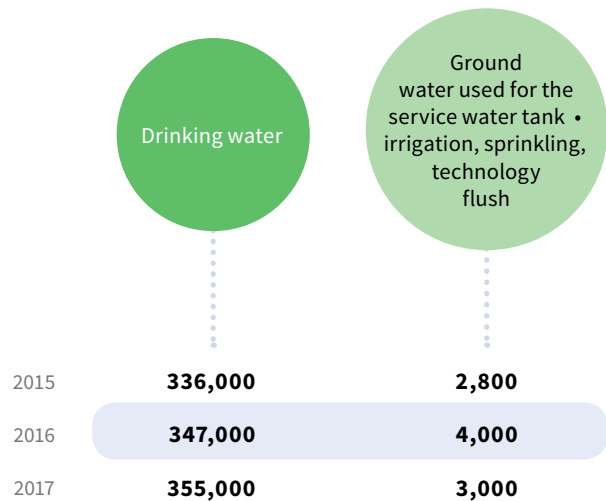
The source of drinking water for the airport is the Prague ring water main which fills the water tanks of the North and South waterworks. The airport is also supplied with drinking water from the Prague 6 water main, which fills water tanks via the pumping station at Liboc. We have two wells as our own source of drinking water which is treated by reverse osmosis and activated carbon filtration technology. In the North plant, the ground water drawn into the service water tank from a well is used primarily for irrigation, sprinkling, and flushing the sewerage piping.

Surface water protection

The key to protecting the quality of surface water is functional sewage treatment plants with adequate capacity. Prague Airport operates two treatment plants – a contaminated rainwater treatment plant (CRTP) plus a sewage treatment plant (STP) North + South. Sewerage water is treated in mechanical and biological treatment plants by nitrification and de-nitrification and chemical coagulation of phosphorus and drawn via a micro sieve filter to a reservoir.

In wintertime, contaminated precipitation water is precipitation containing substances from the chemical treatment of operational aprons and aircraft de-icing, which must be captured in the waste water treatment plants’ retention tanks and biologically treated before being discharged into streams.

Water consumption in m³



De-icing liquids

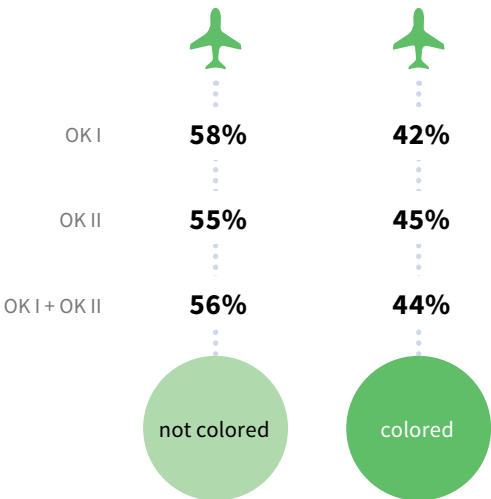
Accumulation tanks are installed next to de-icing hardstands on the apron to collect concentrated de-icing liquids (DLs) from airport de-icing hardstands. The DLs collected in the accumulation tank are drawn via a separate force drain for the DL retention tank to STP + CRTP North for balanced, year-round use after treatment in the biological lines of the existing STP. In winter 2016/2017, the application of colored de-icing liquids was permitted, followed by an all-season pilot application of colored DLs in winter 2017/2018.



The treatment plants are upgraded and extended to have the appropriate capacity and meet the required limits for the discharge of wastewater into surface water.



Representation of dyed and undyed de-icing fluids in the winter season of 2016/2017



Protection against torrential rain

The development of the airport and extension of its infrastructure require repeated checks of the drainage system and the related regulation of the Unětice stream from the North plant and the Kopaniny stream from the South plant. During airport construction in the past, polders were built – dry retention tanks for collecting torrential rainwater, reducing peak flows, and protecting the villages and towns downstream against negative impacts of runoff water. The South plant uses the Kopaniny polder which holds 68,250 m³ and the North plant the Tuchoměřice polder of ca. 50,000 m³. Downstream of the North STP + CRTP, small dams have been built to slow down extreme flow of torrential rain. This damming was a measure taken following the implementation of the alarm system, i.e. as a measure dealing with the issue of torrential rain.

Ground water protection



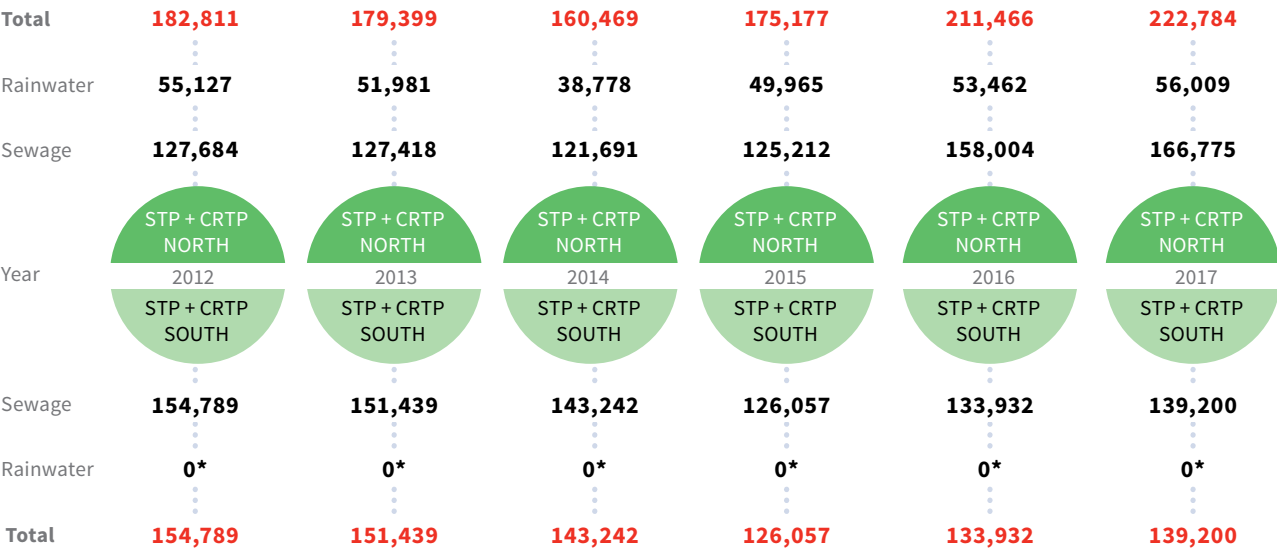
The regular monitoring of ground water quality, carried out at the airport and in its vicinity since 1995, uses a network of around 50 hydrogeological boreholes. The monitoring of the boreholes covers the content of petroleum substances and the ground water level and, in selected boreholes, the content of chlorohydrocarbons too.

The protective hydrogeological system located inside the Central Aircraft Fuel Warehouse and in its vicinity was substantially upgraded in 2013, and currently monitors ground water via eight hydrogeological boreholes on a continuous, automatic basis. The system is capable of detecting the potential leakage of petroleum substances into the ground water immediately, which enables early remedial action.

For the long term, Prague Airport makes efforts to prevent negative impacts of its operations on surface and ground water.

Great attention is paid to wastewater pre-treatment and treatment, storage facilities for chemicals and aircraft fuel, management of harmful substances, and protection of streams from torrential rains.

Volume of water treated 2012–2017 (in m³) including all wastewater draining into the sewerage system



CRTP contaminated rainwater treatment plant • STP sewage treatment plant

* not biologically treated because of minimum concentration of contaminants.

² The streams do not include any body of water which would be counted as a natural monument or a nature reserve.
The nearest natural monument with a body of water is Hostivice Ponds, which is not part of the catchment area of the airport.



Waste management

In the waste management system, we make long-term efforts to observe the correct hierarchy of waste management, with the priority to prevent the production of waste.

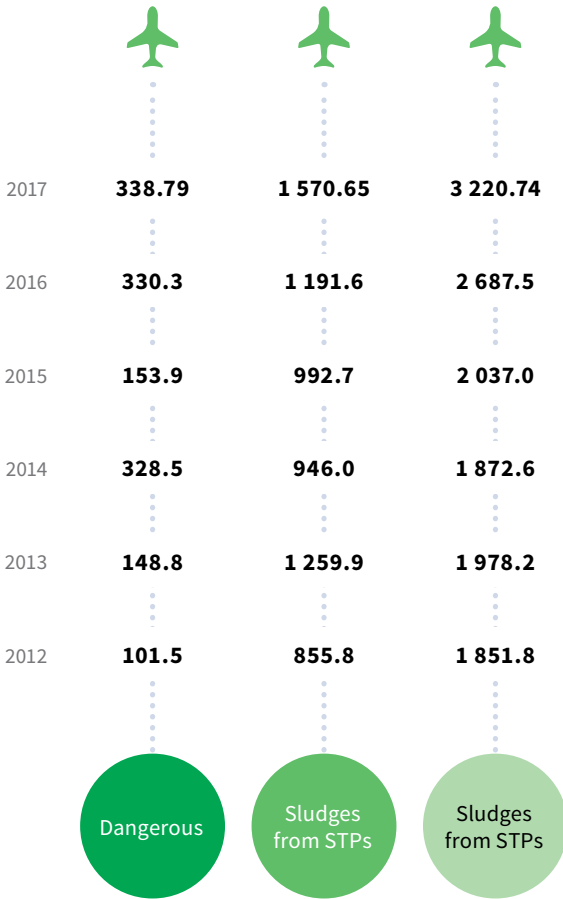
Attention is also paid to sorting the waste at its point of production. In terms of waste management, we appeal to our business partners to re-use waste as much as possible. By separate collection of recyclable waste (e.g. metal, paper, plastics, glass, beverage cartons, aluminum tins), we create the conditions for the subsequent maximum utilization of secondary materials, and in the case of kitchen waste from catering facilities, for its subsequent use in a biogas station.

Biologically degradable waste from greenery care is made into compost. Participation in the joint system of collecting used products enables the recycling of non-ferrous metals, iron and plastics from electric appliances coming out of operation or the recycling of cooling systems, and this can contribute to protecting the Earth's ozone layer.

Prague Airport provides waste management services not only for the other companies of the Group, but also for other companies operating at the airport.

A separate type of waste at Václav Havel Airport Prague is waste from aircraft that originates from airline and handling companies. Unreleased deliveries of meat, milk, meat and dairy products and unreleased deliveries of plant origin are destroyed by burning. Seized gels and liquids are disposed of as municipal waste, or if they are dangerous, then with the other dangerous waste materials.

Share of production of particular types of waste • ton/year



In cooperation with Ecobat, we succeeded in improving the efficiency of collecting batteries by increasing the number of collection points. The collection containers available at Václav Havel Airport Prague are ECOCHEESE and Maxitube containers.



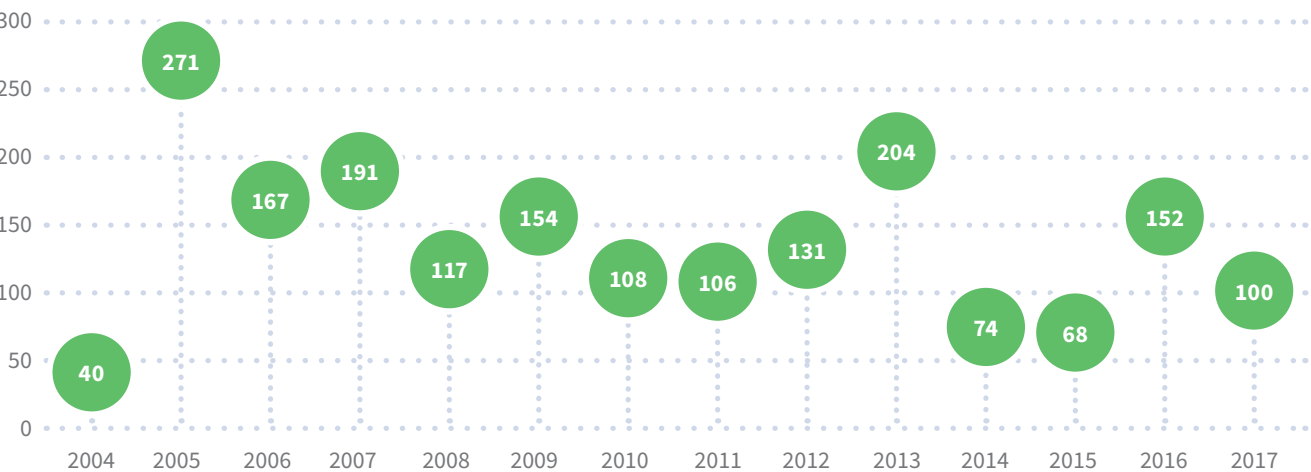
Dealing with environmental suggestions

When any environmental suggestion is communicated by email, post or phone, the company registers it, categorizes it by content, and hands it over to the relevant expert in the specialized environmental department to attend to it. The suggestions are analyzed and evaluated at regular intervals.

In 2017, we received 100 suggestions related to the environment. People were mostly interested in topics connected with air traffic noise, construction of the parallel runway, and noise-prevention measures.



Development in the number of suggestions 2004–2017



Support for the non-profit sector

The company's philanthropy is primarily focused on the vicinity of the airport and local communities. Nevertheless, we feel it is necessary to use our potential for charitable projects outside this region as well. In the non-profit sector, we see our contribution as lying in mutual partnerships rather than in mere passive financial assistance. We place great emphasis on the active involvement of our employees in the decision-making process as our appreciation of their contribution to the successful operation of the company, which is a prerequisite for similar activities.



We feel we need to help those who have not had so much good luck in their lives.

We are a partner to the organization People in Need (Člověk v tísni)

In the non-profit sector, we have opted for long-term co-operation with the organization People in Need, helping those in need both in our country and abroad, which we consider a guarantee of well-invested support and transparency. The permanent partnership consists of several aspects of cooperation. Every year, we organize an employee fund-raising campaign for one of their development projects in Czechia and abroad, and the money collected from employees is then matched by the company. We provide a space inside the airport for a collection box for charity purposes and to promote the non-profit organization.



To many African children, the possibility to go to school is a dream as well as a chance of a better future.



It is also thanks to the support by Prague Airport that Tumpticha in Ethiopia has a new school which was built by the organization People in Need.

ON WINGS OF HELP Grant Program

In addition to our regular financial support around the vicinity of the airport, the Czech Aeroholding Group supports various charitable activities. With this very intention, the ON WINGS OF HELP grant program is opened up every year, with a focus on helping people with disabilities. The final selection of projects to be supported is up to the employees of the Group themselves. In 2007, CZK 300,000 was distributed under this program.



The AVES Rescue Station for Injured Animals at Brandýsek was helped by volunteers from the airport who painted the wooden sections of pens and laths for new structures, cut wood, and carried out other small tasks.

Employee volunteering

Helping is not only about money. Oftentimes, the value of time is invaluable. Our employees can dedicate one working day a year to help a non-profit organization.



We also set out to give a helping hand in Klokánek Hostivice which provides assistance to children in an emergency.

Public fund-raising campaigns and collection boxes

The airport's premises are undoubtedly an attractive environment for holding a public collection and therefore we also use this method to help selected charitable organizations. The money collected in four boxes is divided among eight organizations which have been carefully selected to represent a wide spectrum of people in need. At the beginning of the year, we join the Epiphany Collection, which is the biggest public charitable collection in our country. The money collected during this event, which is organized by Czech Charity, is intended to help people who are sick, and who have disabilities, the retired, parents with children in need, and other groups of people who need assistance.



Collection box for Taťána Kuchařová's Foundation
• Beauty of Help

- **Česká společnost AIDS pomoc, o.s.**
(Czech Society of AIDS Help)
- **Centrum Paraple, o.p.s.**
(Rehabilitation & counseling center)
- **Nadace Naše dítě** (Our Child Foundation)
- **Dětský domov Kladno** (Children's Home in Kladno)
- **Klub přátel dětí dětských domovů, o.s.**
(Club of Friends to Children in Children's Homes)
- **FOD • Klokánek v Hostivici**
(Klokánek Endangered Children's Fund
• Center at Hostivice)
- **Člověk v tísni, o.p.s.** (People in Need)
- **Nadace Taťány Kuchařové • Krása pomoci**
(Taťána Kuchařová Foundation • Beauty of Help)



As is traditional, Prague Airport contributes to the Epiphany Collection. Children from the nearby Primary School of the Knights of Malta in Kladno were disguised as Balthazar, Caspar and Melchior.

About the Report

This report has been prepared in accordance with the GRI Standards: Core option. A summary of the reported indicators is presented in the table below. The Report is issued once a year and is a follow-up to the 2016 Profile and CSR Report. The data have not been reviewed by an external auditor.

Please contact us regarding any questions about the Report's contents or any other topics related to responsible business conduct.

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