

## Lufthansa to add environmental charge to fares

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The extra cost will be added to all flights departing from EU countries as well as Britain, Norway and Switzerland.

German airline giant Lufthansa said Tuesday it would add an environmental charge of up to 72 euros (\$77) to fares in Europe to cover



the cost of increasing EU climate regulations.

The extra cost will be added to all flights sold and operated by the group departing from EU countries as well as Britain, Norway and Switzerland, it said in a statement.

It will apply to flights from January next year and, depending on the route and fare, will vary from one to 72 euros.

"The airline group will not be able to bear the successively increasing additional costs resulting from regulatory requirements in the coming years on its own," said Lufthansa.

The group—whose <u>airlines</u> include Lufthansa, Eurowings, Austrian, Swiss and Brussels Airlines—said it is facing extra costs from EU regulations related to sustainable aviation fuel (SAF).

The EU legislation requires airlines to gradually increase use of the fuel on routes departing EU airports.

Carriers will need to include two percent of SAF in their fuel mix from next year, rising to six percent in 2030 and then soaring to 70 percent from 2050.

The aviation sector is among the toughest to decarbonize and SAF—a biofuel that produces lower carbon emissions than traditional jet fuel—is seen as a crucial ingredient to hitting emissions targets but is currently more expensive to produce.

In March, Airlines for Europe, which represents the continent's largest airline groups including Lufthansa, complained that production of the <u>fuel</u> in Europe is minimal and lags far behind projects launched in the United States.



Lufthansa said it also faces extra costs from changes to the EU's emissions trading system, and other regulatory measures.

The group aims to halve its net carbon emissions by 2030 compared to 2019, and to go <u>carbon neutral</u> by 2050.

After having to be bailed out by the German government during the coronavirus pandemic, Lufthansa racked up healthy profits in 2022 and 2023 as travel demand roared back.

But it was hard hit by a series of strikes at the start of this year, reporting a hefty first-quarter loss.

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