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## **Opposing motion from the Dachverband der Kritischen Aktionärinnen und Aktionäre for the Annual General Meeting of Deutsche Lufthansa AG on 5 May 2020**

### **Concerning agenda item 3: Discharge of liability of Executive Board members for the 2019 financial year**

The Dachverband der Kritischen Aktionärinnen und Aktionäre tables the motion to deny the discharge of members of the Executive Board from liability.

#### **Grounds:**

The Executive Board of Deutsche Lufthansa AG is not doing enough to assume its responsibility for implementing more effective measures to protect the climate. The measures to date constitute an insufficiently appropriate contribution towards achievement of the objectives of the Paris Agreement on climate change and the UN Sustainability Agenda 2030, to which Deutsche Lufthansa AG is committed.

If all companies had the same carbon footprint as Lufthansa, the climate would heat up by 3.6 degrees Celsius by 2050. If Lufthansa were to implement its own climate action goals, the warming would still amount to 2.8 degrees Celsius. This is shown by a report from the consultancy Right in 2019: <https://www.right-basedonscience.de/>

The Company must therefore urgently improve its own climate action goals and activities in order to meet the demands of the Paris Agreement. This requires measures to ensure that the target of 1.5 degrees is met effectively and that the risks and consequences of climate change are kept to an acceptable minimum.

#### **Fuel consumption and fleet renewal – virtually no change**

Lufthansa's fuel consumption remained more or less unchanged between 2017 and 2018. Contributions to protecting the climate that are achieved by means of efficiency improvements must also be reflected in the Company's total fuel consumption if they are to have a genuinely positive impact. With regard to the hopes being pinned on the Boeing 777-9, it appears that those expectations will also not be fulfilled: the Boeing 777-9 will only be delivered in 2021 if everything goes smoothly until then – which has not been the case so far. Furthermore, the first aircraft is not going to Lufthansa, but to Emirates.

While Lufthansa and Raffinerie Heide signed a letter of intent in 2019 on the future production and purchase of synthetic kerosene, which is intended to be made using wind power, there is still no indication of when the research project KEROSyN100 will be completed and when actual production of synthetic kerosene will begin. It is therefore still a long way off.

## Costs of carbon offsets

If Lufthansa does not manage to keep its carbon emissions stable from 2021 – which does not seem likely – then, in keeping with the ICAO Carbon Offsetting and Reduction Scheme for International Aviation, it will have to offset increased carbon emissions due to growth in international air traffic by purchasing emissions certificates from 2021 onwards.

According to Lufthansa, this will be carried out by myclimate, a carbon offset provider. In particular, Lufthansa claims that the carbon emissions produced since 2019 through business flights by employees are offset via myclimate. However, myclimate suffers from a lack of transparency, which is one of the most important criteria for carbon offset projects. For one thing, it is rare for such projects to save more CO<sub>2</sub> than could be achieved by activities within the Company. In addition, such projects often have an adverse impact on the local population or the natural environment.

In addition to the methodological problems inherent in carbon offset projects, it should be emphasised that Lufthansa “buys” carbon growth neutrality by investing in such projects. For sustainable climate protection, Lufthansa must invest much more in bringing sustainable fuels to market, rather than just paying a ransom of this kind – it cannot wait for the state to take the initiative, but must rather act itself and speed up its existing processes. But since sustainable fuels cannot be the only solution for air traffic, Lufthansa has to support research and development and promote new approaches to finding a solution.

Furthermore, carbon offsets do not solve the fundamental problem of the airline industry: more passengers mean more carbon emissions and non-carbon effects. These eat up any emission reductions achieved through cleaner fuels or more efficient aircraft. If it takes its own climate goals seriously, Lufthansa therefore also has to think about whether it can continue to bank on overall growth or should increasingly concentrate on (long-haul) flights, which cannot be shifted and operate them as efficiently as possible. One sign of this would be to start negotiations with the German rail operator to use the rail and flight network in Germany as an integrated system.

A small token would be to end the Miles & More programme, which creates incentives to take ever more flights.

Lufthansa’s own sustainability report states unambiguously: Lufthansa can only be successful in the long term if the interests of its customers, employees and shareholders are balanced against its social responsibility for the environment. Without this balance, its success would not be sustainable. And in view of the Company’s current policy, it must be said that this balance has not yet been found.